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

DEVELOPMENT OF ARTIFICIAL INTELLIGENCE TECHNOLOGY IN INDUSTRIAL SCENARIOS

Development Background of Artificial Intelligence Technology

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

- ***AI 1.0 phase.*** Characterized by core technologies such as Convolutional Neural Networks (CNN) and Recurrent Neural Networks (RNN), this phase relied on manually labeled data for model training.
- ***AI 2.0 phase.*** Driven by innovations in the transformer architecture, AI entered the disembodied intelligence phase.
- ***AI 3.0 phase.*** Defined by breakthroughs in multi-modal perception, environmental interaction, and physical action control technology, AI has advanced into the embodied intelligence phase.

Industrial Scenarios as An Optimal Domain for AI Application

Given these technological developments, industrial scenarios present unique opportunities for AI implementation. Industrial scenarios provide a more structured environment compared to open-world applications for value realization and continuous improvement of AI due to the availability of extensive high-quality data, relatively defined operational parameters, and quantifiable objectives for cost reduction and efficiency enhancement.

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

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

Expansion opportunities in overseas markets

Artificial intelligence technology demonstrates abundant opportunities across the overseas industrial market. Against the backdrop of accelerating global supply chain diversification, multiple regional manufacturing clusters are emerging, with countries worldwide continuously increasing their investments in the manufacturing sector. Meanwhile, to rapidly respond to the local market's demand for small-batch, high-variety orders, overseas factories are placing higher requirements on production flexibility and efficiency. Therefore, labor supply and cost pressures have become increasingly prominent. The deployment of industrial AI solutions enables enterprises to achieve efficient and flexible production, coupled with intelligent scheduling, thereby reducing reliance on costly labor and enhancing the intelligence of production processes to maintain a competitive edge globally. Consequently, overseas markets are rapidly becoming a new frontier for the deep integration of AI and manufacturing.

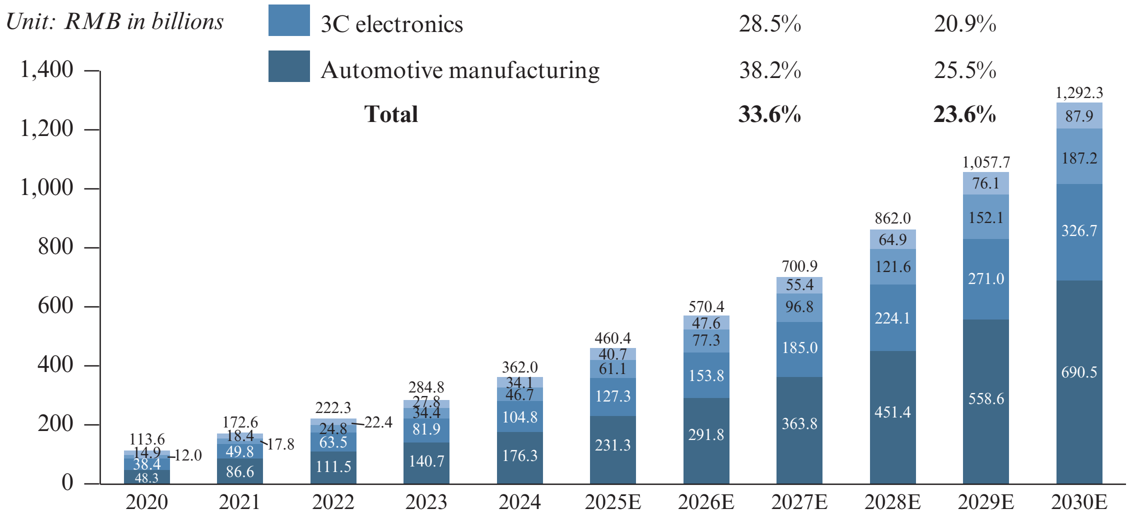
Analysis of Global and China's Industrial AI-enabled Intelligent Agents Industry

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

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

Market Size of Global Industrial AI-enabled Intelligent Agents[1] Industry, in Terms of Revenue, by Application Scenarios, 2020–2030E

	CAGR	
	2020–2024	2024–2030E
Packaging	23.0%	17.1%
Semiconductors	40.5%	26.0%
3C electronics	28.5%	20.9%
Automotive manufacturing	38.2%	25.5%
Total	**33.6%**	**23.6%**



Note:

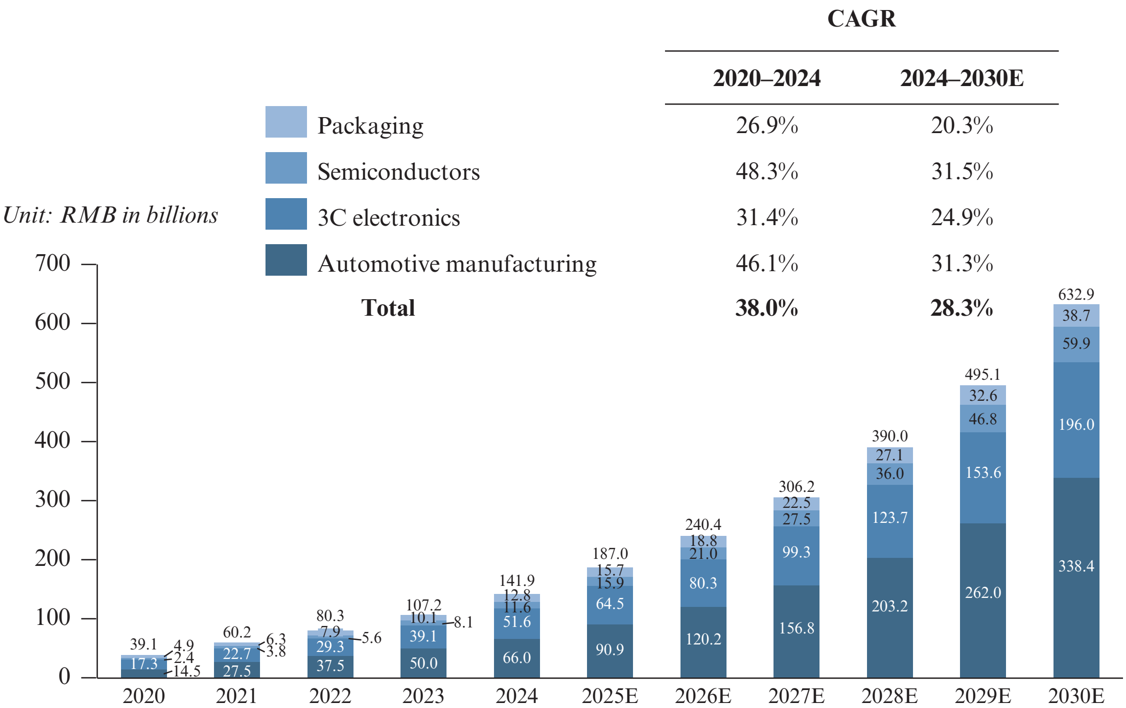
1. *It mainly includes AI-enabled industrial robots, AI-enabled intelligent production equipment, among others.*

Source: The International Organization of Motor Vehicle Manufacturers (OICA), interviews with industry experts, industry publications, China Insights Consultancy

INDUSTRY OVERVIEW

China currently stands as the world's largest manufacturing nation, with industrial intelligence undergoing accelerated development. The market size of China's industrial AI-enabled intelligent agents industry expanded from RMB39.1 billion in 2020 to RMB141.9 billion in 2024, reflecting a CAGR of 38.0% over this period. The market size of China's industrial AI-enabled intelligent agents industry is projected to reach RMB632.9 billion by 2030, representing a CAGR of 28.3% between 2024 and 2030.

Market Size of China's Industrial AI-enabled Intelligent Agents[1] Industry, in Terms of Revenue, by Application Scenarios, 2020–2030E



Note:

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

Source: China Passenger Car Association (CPCA), interviews with industry experts, industry publications, China Insights Consultancy

The China's industrial AI-enabled intelligent agents industry is marked by a diverse range of equipment types and a highly fragmented market. Most enterprises in the industry primarily focus on the integration of automation equipment, employing AI technologies predominantly from the AI 1.0 phase. They lack systematic integration of advanced AI 2.0+ paradigms, such as deep learning and AI models. In 2024, the Company's market share within China's industrial AI-enabled intelligent agent industry was 0.3%. Despite this relatively low share, the Company possesses substantial AI 2.0 technologies, forming distinct competitive advantages. As the industry's technological trajectory shifts toward advanced industrial AI, the Company is well-positioned to achieve sustained market share growth through its technological leadership.

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

The trajectory of industrial development has fundamentally evolved through three primary phases: mechanization, automation, and intelligentization. Presently, the industrial sector is transitioning from automation towards intelligentization, a progression marked by five principal emerging trends.

- ***Increasingly personalized and diversified market demands.*** User requirements are shifting from large-volume, standardized production towards small-batch, high variety, or even bespoke manufacturing. Thus, there is a critical need for novel production systems that can exhibit human-like adaptability and machine-like efficiency and stability, executing new tasks through software updates and AI model switching without altering the physical production line layout.
- ***Urgent need to optimize human-machine interaction and mitigate labor costs.*** Major global economies are grappling with aging populations and resulting labor shortages. The high-intensity nature of factory work further exacerbates the difficulty in securing labor, leading to a significant rise in workforce costs. In complex industrial scenarios, unstructured environments, tasks with limited data, and unexpected operational anomalies persist, often necessitating human experiential judgment. Therefore, there is a critical demand for intelligent systems capable of performing physical tasks requiring cognitive judgment, such as intricate picking or preliminary equipment fault diagnosis, thereby freeing human capital for higher-value creative roles.
- ***New productivity paradigm needed for the "efficiency-flexibility" paradox.*** The industrial sector has long encountered a "productivity paradox" wherein traditional automated machinery exhibits high efficiency but extreme rigidity, excelling at repetitive tasks in fixed positions with consistent actions. Conversely, human workers demonstrate remarkable flexibility but comparatively lower efficiency and inconsistency. The industry urgently requires a novel productivity paradigm that integrates the strengths of both, possessing machine-level stability, precision, and 24/7 operational capability, while embodying human-level perception, comprehension, learning, and subtle manipulation.
- ***Bridging the gap between data insights and action responses.*** Presently, many data analysis tasks remain human-driven, leading to delays and inaccuracies between decision and execution. This necessitates intelligent entities capable of directly interpreting data commands and executing them precisely within the physical realm, thereby completing the value loop for data.
- ***National strategic drivers and global competitive pressures.*** Nations worldwide have elevated intelligent manufacturing to the status of a national strategy. Through policy guidance, financial support, and standards development, governments create robust external infrastructure to facilitate digital transformation and intelligent upgrades of enterprises. The Chinese government has implemented a series of top-level policies designed to systematically advance the digital and intelligent transformation in the manufacturing sector. Notably, the 14th Five-Year Plan for Intelligent Manufacturing Development (《"十四五"智能製造發展規劃》) unequivocally positions intelligent manufacturing as a cornerstone strategy for strengthening the nation's industrial prowess. The policy emphasizes the entire manufacturing process and calls for breakthroughs in fundamental technologies such as design simulation, as well as common technologies such as intelligent perception. It also encourages the practical applications of artificial intelligence within industrial contexts. Furthermore, the policy provides various provisions for qualifying enterprises undertaking intelligent transformation, including enhanced R&D expense deductions, specialized loans, and industrial investment funds. Concurrently, the policy stipulates ambitious targets: by 2025, at least 70% of large-scale manufacturing enterprises are expected to achieve digital and networked transformation, alongside the establishment of over 500 intelligent manufacturing demonstration factories and more than 150 high-level system solution

providers. This imperative effectively transforms intelligent transformation into a mandatory option for enterprises, driving the industry toward a system-wide upgrade. Additionally, the Implementation Guidelines for the Digital Transformation of the Manufacturing Industry (《製造業數字化轉型實施指南》) advocate for enterprises to prioritize the intelligent transformation of production processes, cultivate pivotal technologies such as "AI + defect detection" and machine learning, initiate equipment renewal programs, and investigate sustainable frameworks for promoting digital transformation among small and medium-sized enterprises. Both policy directives and industry demand call for a new form of intelligence that can be embedded within actual production processes and possess autonomous execution capabilities, thereby supporting the evolution towards genuine intelligent autonomy.

ANALYSIS OF EMBODIED INTELLIGENT INDUSTRIAL ROBOTICS INDUSTRY

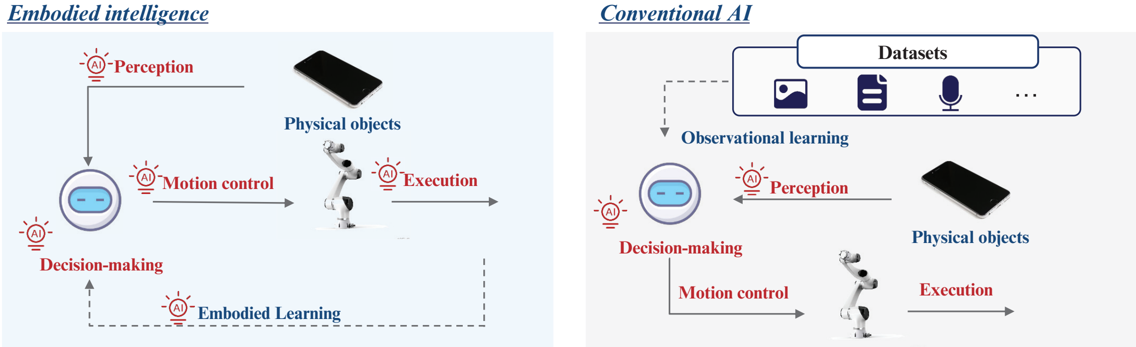
Analysis of Embodied Intelligence Technology

Definition of embodied intelligence

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

Embodied intelligence and conventional artificial intelligence exhibit fundamental distinctions in their implementation pathways and performance capabilities. Conventional artificial intelligence relies entirely on large-scale, high-quality, specific datasets for offline training, lacking direct and continuous interaction with the physical world. Consequently, conventional AI systems exhibit weak environmental adaptability. In contrast, embodied intelligence learns through embodied interaction, leveraging physical entities to engage in real-time interaction with the physical world. Its core functionalities are entirely AI-driven, granting it profound environmental comprehension and autonomous motion control. Moreover, through a closed-loop mechanism of 'perception-decision-execution-learning,' it achieves proactive adaptation to unstructured environments, without reliance on pre-programming or extensive annotated data.

Comparison between Embodied Intelligence and Conventional AI

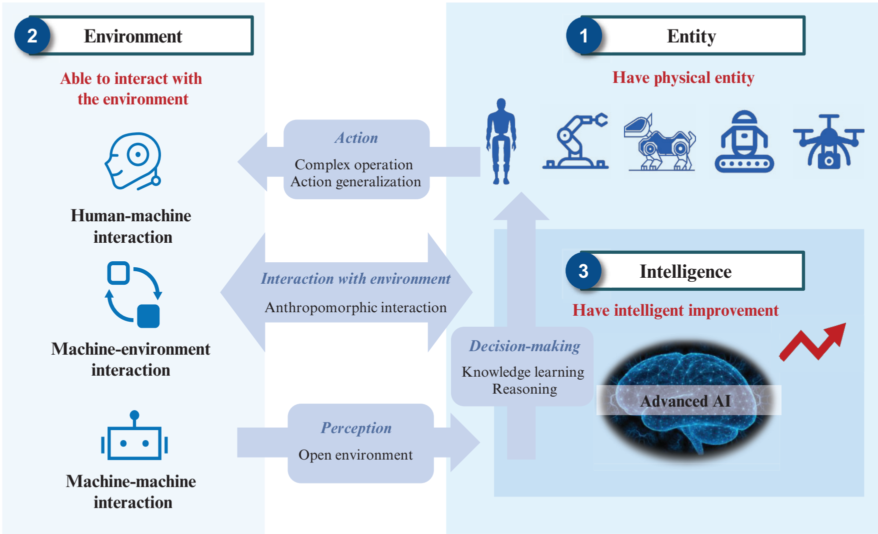


Source: China Insights Consultancy

Core elements and characteristics of embodied intelligence

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

Core Elements and Characteristics of Embodied Intelligence



Source: China Insights Consultancy

Analysis of development stages of embodied intelligence technology

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

Development Stages of Embodied Intelligence

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

Source: Shanghai Artificial Intelligence Industry Association, China Insights Consultancy

Definition and Core Capabilities of Embodied Intelligent Robotics

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

Value Proposition of Embodied Intelligent Robotics within Industrial Scenarios

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

- ***Dynamic adaptability to production demands.*** Embodied intelligent robots perceive the production environment in real-time, analyze task requirements, and autonomously adjust operational parameters. This not only significantly reduces downtime and enhances production line utilization but also markedly improves overall operational efficiency, creating greater flexibility for small-batch, high variety production.
- ***Rapid learning and replication of human expertise.*** Embodied intelligent robots accurately capture the practical experience of skilled workers, continuously refining their performance and transforming individual expertise into scalable, standardized behavioral models.
- ***Ability to overcome traditional manufacturing constraints.*** Embodied intelligent robots transcend the constraints of automation, which struggles with adapting to unstructured environments, incurs high modification costs, and lacks flexibility.

Industrial Applications of Embodied Intelligent Robotics

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

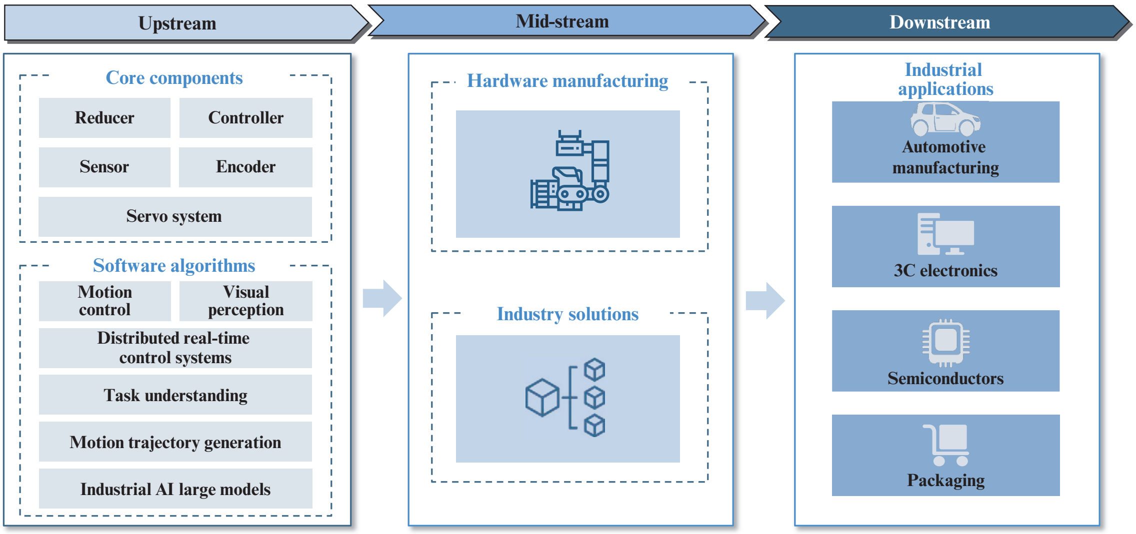
Application Scenario	Traditional Work Mode	Embodied Intelligent Industrial Robotics
Quality Inspection Detection of product appearance and functional defects.	• Extensive involvement of robots and optical engineers for manual teaching of positions, trajectories, and refining optical configurations.	•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

Source: China Insights Consultancy

Value Chain of Embodied Intelligent Industrial Robotics Industry

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

Value Chain of Embodied Intelligent Industrial Robotics Industry



Source: China Insights Consultancy

The Company operates within the upstream and midstream segments of the embodied intelligent industrial robotics value chain. Through comprehensive upstream-to-midstream value chain integration, the Company achieves profound synergy and systemic optimization from core technologies to scenario deployments, significantly boosting product performance and building a holistic competitive advantage in the embodied intelligent industrial robotics industry.

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

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

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

- ***Progressively broadening application scope within industrial scenarios.*** Embodied intelligent industrial robotics are transcending the limitations of traditional single-task operations through technological innovation, enabling flexible transitions between multiple scenarios and tasks. In the manufacturing sector, the integration of vision and force control facilitates seamless transitions between processes such as quality inspection, assembly, and grinding, thereby substantially enhancing production line flexibility.
- ***Embodied intelligence large models becoming mainstream.*** The embodied intelligent industrial robotics sector is rapidly advancing towards a new phase centered on end-to-end industrial large models. End-to-end industrial large models, such as VLA models, enable robots to transition from sequential, multi-model decision-making to a comprehensive, single-model decision-making process by integrating the processing of multimodal data. This shift significantly enhances response speed and decision accuracy in complex operational conditions.
- ***Digitization of production experience.*** The practical expertise acquired by human workers during processes like quality inspection and assembly, encompassing subjective judgments on workpiece precision deviations and the sequential logic for complex assembly actions,

is systematically recorded by embodied intelligence technologies through human-machine interaction training systems and multimodal perception systems. This data is then transformed into structured training datasets that embodied intelligent industrial robotics can efficiently learn from.

COMPETITIVE LANDSCAPE OF CHINA'S EMBODIED INTELLIGENT INDUSTRIAL ROBOTICS INDUSTRY

Competitive Landscape in China's Embodied Intelligent Industrial Robotics Industry

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

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

Ranking	Company name	Revenue of embodied intelligent industrial robotics[1] in China	Market share[2]
		(RMB million)	*(%)*
1	**The Company**	**271.8**	**31.0%**
2	Company A	~190	~21.7%
3	Company B	~60	~6.9%
4	Company C	~35	~4.0%
5	Company D	~30	~3.4%
	Subtotal	~586.8	~67.0%

Notes:

1. *Refers to revenue from robots applied in industrial scenarios that possess autonomous multi-task operation and flexible switching capabilities.*
2. *Refers to the proportion of each company's revenue from embodied intelligent industrial robotics in China relative to the overall market size of China's embodied intelligent industrial robotics industry.*

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

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

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

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

Source: Interviews with industry experts, public filings of listed companies, China Insights Consultancy

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

- ***Ability to research and integrate universal technologies.*** Embodied intelligent industrial robotics are complex systems that highly integrate software and hardware and need to adapt to diverse scenarios, demanding that enterprises possess strong capabilities in researching and integrating universal technologies. Enterprises with this capability can significantly reduce R&D costs and timelines when expanding to new application scenarios, rapidly responding to the diverse scenario demands of the industrial field.
- ***Data ecosystem barrier.*** Enhancing the intelligence of embodied intelligent industrial robotics necessitates extensive datasets that accurately reflect real-world industrial scenarios. However, the inherent complexity and diversity of industrial environments

pose significant challenges to data acquisition. Furthermore, establishing robust systems for data cleaning, annotation, storage, and reuse requires sustained long-term investment, making the development of a comprehensive data ecosystem difficult to achieve rapidly.

- ***Cross-scenario adaptability.*** The capacity for cross-scenario expansion refers to the ability to extend capabilities from a singular context to multiple industries and tasks. Achieving this requires the robots themselves to exhibit scalability in perceptual accuracy, decision-making efficiency, and execution stability. Furthermore, a profound understanding of the production logic and process characteristics specific to diverse industrial scenarios is essential to transition from single-application deployment to broad multi-scenario coverage.
- ***Accumulation of extensive industry implementation experience and commercialization capabilities.*** Enterprises must leverage profound cross-industry production know-how, guided by authentic industry demands, and integrate rich experience accumulated through large-scale project implementations. This allows for the systematic balancing of technological performance, cost control, and scenario adaptability, thereby constructing a scalable and replicable commercial loop.

SOURCE OF INFORMATION

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

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

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