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OVERVIEW

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

- Market leader with strong growth momentum:** We are the largest provider of EIIR products in China in 2024 by revenue with a market share of approximately 31.0%. The embodied intelligent industrial robotics industry accounted for 0.6% of the industrial AI-enabled intelligent agents industry in China in 2024, and by 2030, the fast growing embodied intelligent industrial robotics industry is expected to account for 4.7% of the industrial AI-enabled intelligent agents industry in China, according to CIC. Our flagship product line — the EIIR — is our core growth engine; its revenue grew from RMB114.1 million in 2023, with year-over-year increases of 138.2% in 2024 and 66.7% in 2025, to RMB453.3 million in 2025. As a result, EIIR products have become our primary revenue driver, with their contribution to total revenue growing from 26.3% in 2023 to 57.0% in 2025. During the Track Record Period, the gross profit margin of this business line increased from 47.9% in 2023 to 53.5% in 2025, fully demonstrating our strong growth potential and profitability.
- Financial Performance and Profitability:** We achieved significant growth during the Track Record Period, with revenue increasing from RMB434.0 million in 2023 to RMB795.5 million in 2025. After recording a net loss of RMB113.8 million in 2023 due to strategic front-loaded investments, we achieved a financial turnaround with net profits of RMB15.7 million and RMB5.1 million in 2024 and 2025, respectively. Our 2023 loss-making position was primarily driven by high-intensity R&D investment of RMB178.3 million (representing 41.1% of revenue), dedicated to developing our core full-stack software and hardware systems.
- Pioneer in multi-scenario and multi-industry commercialization:** We are one of the first leading companies in the world to achieve large-scale commercial deployment of embodied intelligence in multiple complex industrial scenarios. Currently, we have achieved commercialization at scale in real-world industrial settings, including in industries with extremely high requirements for precision, stability, and reliability, such as 3C electronics, automotive manufacturing, new energy, fast-moving consumer goods (FMCG), and semiconductors.

The chart below demonstrates the highlights of our business:



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Notes:

1. In terms of revenue in 2024.
2. According to IDC.
3. According to CIC.
4. As of December 31, 2025.
5. As of the Latest Practicable Date.
6. Jointly certified by the Ministry of Industry and Information Technology and Ministry of Science and Technology as having reached an “International Leading level”.
7. Since 2024.

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

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

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

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

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

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

- **EIIR Products:** We provide standardized, AI-driven robots that can be integrated into production lines to perform tasks and learn new ones without manual programming, enabling flexible production. Fully driven by AI models, our EIIR products are capable of end-to-end autonomous operation, seamlessly adapting to various industrial scenarios through intelligent perception, path planning, real-time trajectory generation, and adaptive process execution.

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- **AI-Enabled Intelligent Products:** We provide customized industrial equipment embedded with AI capabilities. Unlike our flagship EIIR products, the AI in these products focuses primarily on visual perception, data analysis, and process optimization, and does not involve complex, AI-driven robot motion control. By using our self-developed core technology modules and a standardized, AI-based delivery model as the cornerstone of these solutions, we can provide the broader automation market with high-performance, rapidly-delivered customized solutions. During the Track Record Period, we delivered nearly 700 AI-enabled projects to help clients upgrade their factory production lines.
- **Modular Products:** We offer our core technologies as standardized, universal hardware and software components for individual sale, such as intelligent perception hardware modules, industrial software and cloud platforms, core algorithm models, industrial robots and magnetic transportation system. This allows us to penetrate the market with greater flexibility, empower system integrators, equipment manufacturers, and large end-customers with their own R&D capabilities, and build an industrial ecosystem around our core technology.

Through the continuous and growing deployment of our products on to production lines, we have built a self-reinforcing data flywheel. Every robot deployment and human interaction is transformed into a formidable data advantage, creating a barrier that is difficult for competitors to replicate. Every instance of human guidance and correction accumulates valuable training data. We have amassed the industry’s largest unstructured, finely-annotated database sourced from real industrial scenarios, with a data volume exceeding 23TB and containing over 1.6 billion annotated data records as of the Latest Practicable Date. Most companies in the embodied intelligent industrial robotics industry had less than 5TB of unstructured, finely-annotated data sourced from real industrial scenarios, in 2024, according to CIC. This data, sourced from the real world and aligned with actual process standards, is an invaluable asset that cannot be replicated by pure simulation, forming our core data moat.

To maximize this data advantage, we insist on full-stack, in-house development of our core technologies. As of December 31, 2025, we have a top-tier R&D team of more than 270 industry experts and engineers, which represented over 55% of our total employees. Our innovations are protected by a comprehensive IP portfolio of over 800 proprietary intellectual properties, including more than 210 invention patents and 310 software copyrights as of the Latest Practicable Date. Through our acquisition of Agilebot, we have further complemented our core capabilities in robot hardware and underlying motion control, achieving a true synergistic fusion and optimization of software and hardware that allows us to maximize the advantages of our data and algorithms. In 2024, our R&D project, “Development and Application of High-Speed, Self-Planning, Integrated Intelligent System for Defect Detection and Repair” has been jointly certified by the Ministry of Industry and Information Technology (MIIT) and the Ministry of Science and Technology (MOST) as having reached an “International Leading level (國際領先水平)”.

Our strong technological capabilities are widely recognized by the market, enabling us to effectively empower a variety of industrial sectors. Starting with the demanding 3C electronics and automotive manufacturing fields, we have successfully solved multiple mission-critical “bottleneck” process challenges. We have expanded our applications to other high-growth emerging sectors, including new energy, FMCG, and semiconductors.

Starting in 2025, we officially launched our overseas expansion strategy to enter European and American markets. We have served over 25 Fortune 500 companies and global industry leaders, having secured multiple direct overseas orders through their global subsidiary factories. As of the Latest Practicable Date, our overseas backlog consisted of 11 orders with a total contract value of RMB26.6 million. Our business now spans Europe and the United States, and we are actively developing our presence in new overseas markets such as Japan, Singapore, and Malaysia.

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COMPETITIVE ADVANTAGES

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

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

Our technological capabilities are demonstrated by our strong financial performance. During the Track Record Period, through the continuous advancement of our technology and product improvement, we achieved continuous high-speed revenue growth. Total revenue grew from RMB434.0 million in 2023 to RMB795.5 million in 2025, with a compound annual growth rate (CAGR) of 35.4%. More importantly, this growth reflects our successful strategic shift towards high-value EIIR products. The revenue contribution of our EIIR products rapidly climbed from 26.3% in 2023 to 45.3% in 2024, and further became our primary driver in 2025, contributing 57.0% of total revenue. The revenue of our EIIR products soared from RMB114.1 million in 2023 to RMB453.3 million in 2025 at a CAGR of 99.3%. This revenue shift demonstrates our successful transition to a mature business model: one driven by standardized, scalable, and high-margin core products.

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

Our leading position and innovative strength have also gained wide recognition from national and international institutions. With years of dedicated cultivation in the embodied intelligent industrial robotics field, advanced product technology, and an established market reputation, we have won numerous honors. At the national level, we have been recognized as a national-level “Specialized, Refined, Unique, and Innovative” “Little Giant” Enterprise and have received the title of National Intelligent Inspection Equipment Innovation Product. We have won several top awards in recognition of our technology innovation, including the grand prize at the 2nd National Artificial Intelligence Application Scenario Innovation Challenge and the first prize of the China Society of Image and Graphics Science and Technology Progress Award. Our R&D projects, “Development and Application of High-Speed, Self-Planning, Integrated Intelligent System for Defect Detection and Repair” and “R&D and Application of Photoelectric Tomography Technology and System Based on AI Vision,” were recognized by the MIIT as reaching “international leading level (國際領先水平)” and “international advanced level (國際先進水平),” respectively, and have been approved for registration in the National Science and Technology Achievements Database. In terms of commercial value, we were selected for Forbes China’s Top 50 AI Technology Enterprises and ranked first nationwide in IDC’s “China AI Vision Industrial Robot Application Market Share, 2024” report. These honors affirm our past achievements and reflect our future potential, demonstrating our capabilities in technological innovation, business value, and market presence.

A versatile technology system that opens broad growth horizons

To enable rapid learning and deployment for robots in any setting, our entire technology system is built upon two powerful principles: “Fast & Slow Thinking” combined with “Human-in-the-Loop,” which fundamentally solves the critical “cold start” problem. Such core principles are the blueprint for our versatile technology system, deployed on a standardized “Cloud-Edge-Device” architecture that empowers our robots to perceive, learn, decide, and execute.

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This approach allows our robots to create value within days of installation and enables us to achieve rapid and cost effective implementation across a wide range of industries and application scenarios, creating a robust and lasting competitive advantage.

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

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

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

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

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

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

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

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time-synchronized planning and control algorithm based on a third-order joint dynamics model, enabling the robot arm to maintain a stable and precise posture even while executing complex trajectories at high speed.

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

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

In the era of AI, data is the core fuel that drives all intelligence and the most critical strategic asset for building long-term competitive advantages. Through years of commercial deployment in various industrial sites, we have amassed the industry’s largest precisely annotated database generated from real industrial scenarios. The data volume of this database has exceeded 23TB, containing over 1.6 billion precisely annotated data records as of the Latest Practicable Date. The true depth of our data barrier lies not only in its scale but also in its rich contextual information and task-specific annotations. All of our data originates from the complex and ever-changing frontline of real-world production. Every data record is precisely aligned with actual process engineering standards. This data captures the subtle variations and unexpected events that automation cannot handle, making it an invaluable asset that cannot be replicated by pure simulation and creating a core competitive advantage that is difficult for competitors to replicate.

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

The power of the data flywheel lies in its ability to directly translate our technological advantages into significant commercial advantages. When facing new customers or scenarios, we can leverage the massive, finely-annotated data and models accumulated from previous projects to generate highly effective pre-trained models. This drastically reduces the training time and cost of AI models for new projects and shortens the deployment cycle from months in traditional models to weeks. This data-driven deployment efficiency is key to our rapid commercialization. Benefiting from this data advantage and the versatility of our technology, our EIIR products maintain industry-leading profitability. During the Track Record Period, the gross profit margins of our EIIR products were 47.9%, 55.1%, and 53.5%, respectively, consistently higher than the industry average. At the same time, the rapid commercialization of our products provides us with valuable opportunities to collect more high-quality real industrial data, further consolidating and deepening our data barrier. This creates a powerful feedback loop: more data leads to better models, better models enable faster commercialization, and rapid commercialization generates more high-quality data—collectively driving our data flywheel and widening our competitive lead.

Efficient Go-to-Market Strategy and Diversified Customer Base

We have developed a successful go-to-market strategy that is efficient, scalable, and cost-effective. Our approach is to first win over top-tier companies in each industry. Their success serves as a powerful case study, attracting other customers. At the same time, our versatile technology is the engine that allows us to expand into new areas. Furthermore, we are developing an efficient overseas expansion model and global partner network to rapidly capitalize on the trend of

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localized global manufacturing. This comprehensive strategy has earned the trust of leading global companies and has helped us grow into new markets, industries, and applications, building a solid foundation for our future.

The technical strength and business value of our products have been widely and fully recognized by leading global industrial enterprises. We have successfully served over 25 Fortune 500 companies and global industry leaders, solving multiple mission-critical, industry-wide process challenges for them. For example, our EIIR products deployed at a leading automotive manufacturer enable on-demand material switching in seconds for flexible manufacturing. They also pioneered the integration of intelligent perception with guided repair-welding, creating the industry’s first closed-loop quality control system of its kind. In our collaboration with a leading global premium automotive manufacturer, our integrated inspection and repair solution successfully solved the industry-wide challenge of inspecting and grinding giga-casted vehicle bodies, significantly improving their production efficiency and product yield. The EIIR products we provided to a global leader in precision optical manufacturing has enabled high-precision quality inspection for a wide variety of highly transparent lens materials. As of December 31, 2025, we have expanded our business to over 200 clients across various industries, forming a robust and diversified customer base.

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

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

Management and R&D team, building a strong talent moat

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

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

We fully recognized that forward-thinking and highly complex product development requires a top-tier team. To this end, we have creatively implemented an R&D management model we call the “Architect Accountability System.” This model breaks down traditional hierarchies, granting the lead architect of each R&D project full decision-making authority over product definition, technology roadmap selection, system design, and even employee performance reviews. This not only

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fosters a sense of ownership and innovative drive among our core employees but also helping them develop versatile skill sets, forging a stable and highly efficient core technical team. Furthermore, we provide substantial equity incentives for key R&D personnel through employee stock ownership platforms and stock option plans. This approach closely aligns personal growth with our long-term development, effectively attracting and retaining top talent.

As of December 31, 2025, we have a top R&D and technical team of more than 270 industry experts and engineers, which represented over 55% of our total employees. Our R&D team members cover multiple interdisciplinary fields, from software algorithms and optical engineering to mechanical control, forming a powerful technical force with a comprehensive structure and complementary expertise. It is this team — led by experienced leaders, motivated by unique mechanisms, and composed of top-tier talent — that constitutes our most important talent advantage, providing a relentless driver for our continuous innovation and future growth.

GROWTH STRATEGIES

Deepen R&D initiatives to build a comprehensive technology moat

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

The core of our R&D is to build the next-generation intelligence engine for our robots, starting with an end-to-end, specialized industrial Vision-Language-Action (VLA) models. Compared to our current specialized models, which often require separate development for distinct tasks and scenarios, our proprietary industrial VLA models under development are designed to generalize and more efficiently adapted for new tasks and scenarios. Compared to current specialized industrial models that can often only process single mode of data, the VLA models we are developing will have the ability to process and align multimodal data — including text, images, videos, robot trajectories, and various industrial time-series data — by translating them all into a common “language” or framework that is tailored for industrial applications. This allows the model to gain a more comprehensive understanding of complex factory environments. We believe this is the path that best leverages our unique advantages and creates maximum customer value. Leveraging our accumulated high-value industrial data, mature experience in training specialized models, and a human-machine interaction system that rapidly learns from human expertise, we are confident that we will lead the deep application of these models. This will not only enable robots to perform complex inspection tasks with greater precision but also allow them to understand production commands via natural language and images, achieving automated task programming and real-time trajectory generation.

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

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

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

Expand our product portfolio and application boundaries across multiple dimensions

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

To accelerate this organic growth, we will also selectively engage in open ecosystem collaborations. Rather than starting from scratch in every new field, we will combine our leading core technology with the specialized domain knowledge of industry-leading partners. Through joint development and structured co-development framework with industry experts, we can overcome industry barriers more quickly and rapidly translate our technology into solutions that are tailored to specific scenarios. Our strategic investment in Joywin exemplifies our commitment to multidimensional growth through technological and market synergy. Joywin specializes in traditional industrial robotic solutions for the food and beverage sectors, with core expertise in production-line applications such as loading, unloading, and depalletizing systems. The synergy is driven by two key factors: (i) we integrate our proprietary EIIR technology to “intellectualize” Joywin’s traditional automation hardware, transforming standard mechanical systems into intelligent, adaptive solutions. Joywin provides critical process-level expertise (industrial “know-how”) essential for fine-tuning and debugging our EIIR products within complex food and beverage production environments; and (ii) we leverage Joywin’s established customer base and brand presence so as to accelerate the deployment of our EIIR products into high-barrier verticals, diversifying our revenue streams and driving long-term profitability.

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

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

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

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According to CIC, substantial and growing demand exists for industrial AI solutions in key overseas markets such as the United States, Europe, and Japan — where manufacturing value-added outputs reached US\$2.9 trillion, US\$2.7 trillion, and US\$0.9 trillion in 2024 (2023 for Japan), respectively, representing significant target markets. The persistent structural labor shortages and rising labor costs in these markets are driving manufacturing enterprises to seek AI-enabled solutions to maintain competitiveness.

Our competitive positioning in these markets is strengthened by our technological differentiation from traditional automation equipment manufacturers. While these established players primarily offer production line-level automation solutions centered on programmable logic controller systems and deterministic motion, our EIIR products deliver a complete, AI-based robot system where key capabilities — from motion control to task execution — are driven by autonomous models that enable superior performance and unique cross-scenario deployment. This “whole robot” AI approach allows for the execution of complex tasks without manual programming or teaching, effectively addressing the labor-intensive requirements of traditional systems. Furthermore, we utilize a dual-system intelligence architecture of “fast and slow thinking” coupled with a cloud-based human-in-the-loop collaboration mechanism, which allows for real-time expert correction and solves the industrial “cold start” problems that competitors’ offerings typically fail to address. By shifting the technical burden from on-site engineering to architectural intelligence, we drastically shorten deployment cycles — from months to as few as several days — while reducing the need for expensive on-site programmers — a key pain point in high-wage markets. This technological advantage, combined with our flexible deployment model, allows us to achieve sustainable margin profiles despite additional tariffs in certain markets like the U.S., while maintaining competitive positioning in tariff-free markets such as Europe and Japan.

To achieve this, our core strategy is to build a global operational model that leverages China as a solid backbone while closely integrating local resources. This model is based on China’s mature supply chain network and our core algorithms, while working closely with local partners overseas. We will establish localized R&D, data storage, and processing capabilities, as well as supplementary facilities adapted to local capacity characteristics to better respond to overseas market demands. To implement this strategy, we will establish comprehensive regional centers in key markets such as Europe, the United States, Japan, and Southeast Asia. These centers will serve as hubs for our global clients, providing full lifecycle support from pre-sales consulting and deployment to local model iteration, ensuring we continuously strengthen our brand position and core competitiveness in the global market.

Our overseas expansion is expected to significantly evolve our revenue and cost structures. We anticipate that overseas markets will contribute a growing proportion of our total revenue, with our products positioned at a premium price point to address the high manual labor costs in these regions. While our core R&D and hardware sourcing will continue to benefit from China’s mature supply chain and cost-efficient engineering talent, we will increase expenditure in localized R&D and operational hubs, resulting in higher operating costs, including increased selling expenses, general and administrative expenses, in the near term as we establish regional centers in the U.S., Europe, and Japan to handle local data processing and model fine-tuning.

In terms of compliance, we consistently adhere to the principle of localized governance and have systematically engaged qualified local legal counsel and professional service providers in each target market to obtain professional advice on data compliance, trade regulations, labor laws, product certifications, and other relevant regulatory requirements. For instance, in key markets such as Japan, Malaysia, Singapore, and the United States, we have appointed local compliance partners to oversee company registration, legal structuring, tax and financial reporting, annual compliance maintenance, and intellectual property protection, ensuring that all overseas operations fully comply with applicable local laws and regulations throughout their lifecycle.

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

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

Our acquisition of Jiangsu SVFactory in 2022 successfully demonstrated this strategic approach. Jiangsu SVFactory’s principal business activities in cloud platform development and AI algorithms significantly enhanced our R&D capabilities, enabling us to establish the “Fast & Slow Thinking” and “Human-in-the-Loop” R&D philosophy and build an integrated Cloud-Edge-Device architecture. This integration allowed us to fully master the four core software capabilities required for embodied intelligent industrial robots: perception, cognition, learning, and execution. Furthermore, Jiangsu SVFactory’s platform product development capabilities have provided us with self-use cloud platform R&D resources while contributing new revenue streams from industrial software modules and core algorithm models, allowing us to serve a broader customer base and accumulate valuable industrial data.

Our acquisition of Agilebot this year represents another successful implementation of this strategic thinking. This investment, along with future R&D, not only complements our core capabilities in robot hardware and underlying motion control but also achieves a synergistic fusion and optimization of software and hardware, enabling us to maximize the advantages of our data and algorithms. This enhancement will elevate the performance and competitiveness of our entire EIIR product portfolio while reducing our dependency on external hardware suppliers. The investment is fully aligned with our strategy of integrating upstream and downstream resources. By strengthening our capabilities in robot hardware and motion control — key upstream components — we expect to achieve greater control over our technology stack and product roadmap. We expect this acquisition to contribute to both our technological advancement and long-term financial performance. In the future, we will continue to make strategic investments and acquisitions in areas such as robot hardware and systems integrators.

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

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

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

We will continue to bring in top-tier talent through diverse channels such as expert referrals, university-enterprise collaborations, and campus recruitment. We will provide our employees with market-competitive compensation packages, comprehensive equity incentive mechanisms, and continuous training and learning opportunities to promote their career development. We will continue to deepen our unique talent management models, such as the “Architect Accountability

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System,” to fully stimulate the innovative drive and sense of ownership among our core talent, ensuring we can attract, retain, and develop a world-class team capable of driving our future business growth.

OUR CORE TECHNOLOGY

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

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

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

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

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

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

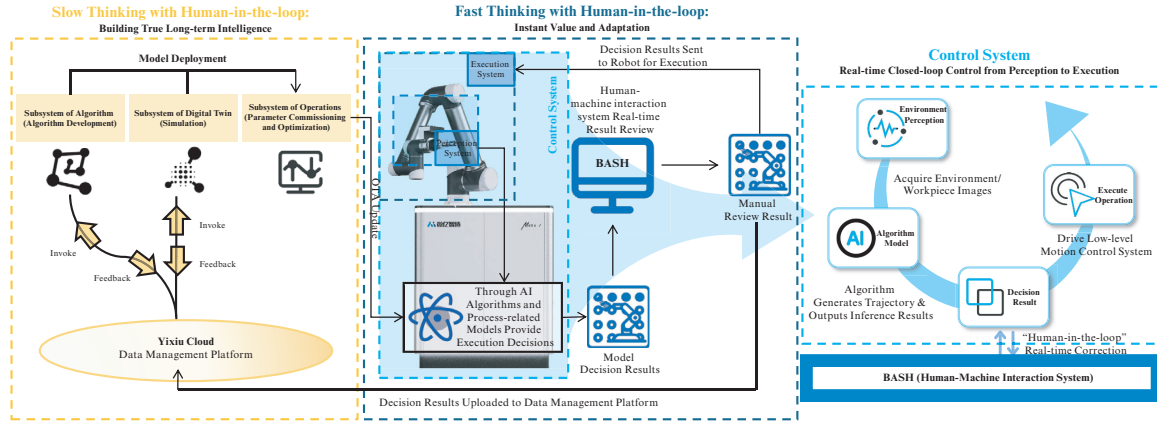
Slow Thinking & Human in the Loop: Building True Long-Term Intelligence

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

The device side provides the robot with ultra-high-precision environmental and self-perception capabilities, which is critical for enabling intelligent decision-making and execution. Our perception technology is designed as “plug-and-play” capability modules. Whether it’s conventional 2D vision, 3D sensing, or more advanced OCT, they can all be flexibly combined and configured according to task requirements. For external information perception, we have self-developed a high-precision 6DoF pose estimation technology based on 2D vision. Using only standard, cost-effective 2D camera

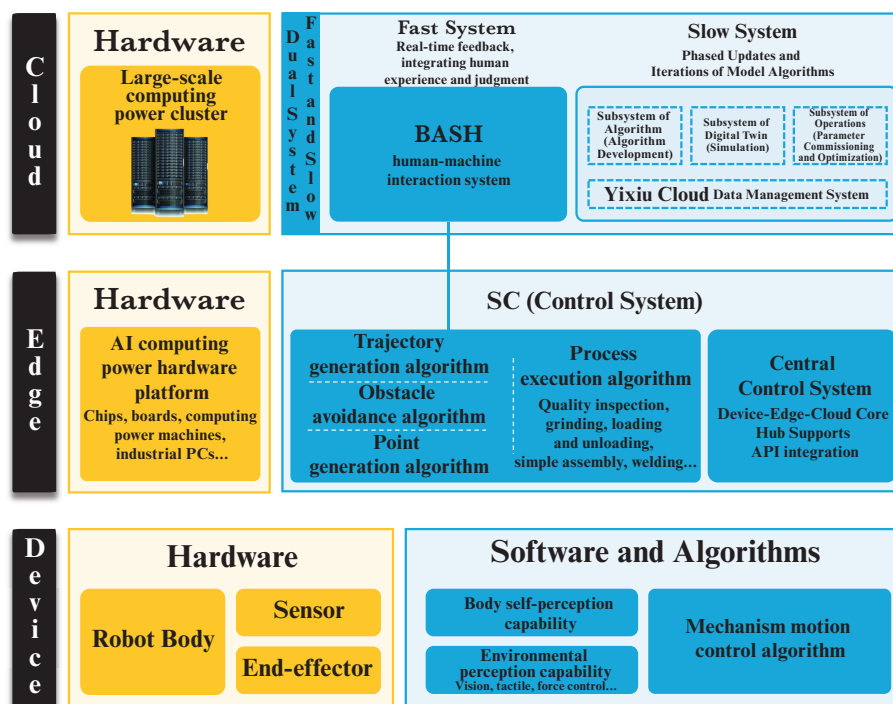
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images, it can quickly and accurately perceive the 3D position and orientation of target workpieces in space, providing the precise understanding of complex environments that is foundational for autonomous operations. For special materials like optical lenses and translucent multi-layer thin films, we have pioneered the deep industrial application of OCT. Detecting internal defects in such transparent or multi-layered materials is a significant challenge where traditional vision systems fail. While OCT has been proven in the medical field, its industrial adoption has been limited by technical bottlenecks in imaging speed, depth, and stability.

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

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

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



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OUR BUSINESS MODEL AND PRODUCTS

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

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

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

	For the year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(RMB in thousands, except for percentages)</i>					
EIIR Products	114,137	26.3	271,833	45.3	453,256	57.0
AI-Enabled Intelligent Products	203,357	46.9	204,954	34.1	208,947	26.3
Modular Products	96,457	22.2	112,333	18.7	127,039	16.0
Others ⁽¹⁾	20,075	4.6	11,126	1.9	6,262	0.7
Total	434,026	100.0	600,246	100.0	795,504	100.0

Note:

- (1) Primarily represents the revenue derived from (i) computing power services, and (ii) residual sales from e-commerce business. Computing power services mainly represent provision of high-performance GPU/CPU computing resources for customer's AI model training and data simulations. The e-commerce business refers to the sale of electronic appliances (e.g., ergonomic chairs) via Amazon. This business was a non-core operation of Jiangsu SVFactory, which was acquired by us. To focus resources on our core embodied AI business, we commenced a strategic scale-down in January 2023.

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The following table sets forth a breakdown of the average selling price and sales volume by business line for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Average Selling Price <i>(RMB in thousands)</i>	Sales Volume <i>(Units)</i>	Average Selling Price <i>(RMB in thousands)</i>	Sales Volume <i>(Units)</i>	Average Selling Price <i>(RMB in thousands)</i>	Sales Volume <i>(Units)</i>
EIIR Products	541	211	604	450	728	623
AI-Enabled Intelligent Products	622	327	826	248	1,771	118
Modular Products	466	207	2,553	44	525	242
Other	283	71	278	40	174	36

During the Track Record Period, the sales volume of our EIIR products continued to increase, while the sales volume of our AI-enabled intelligent products experienced a planned decline. This evolution is a direct result of our proactive strategic pivot toward embodied intelligent industrial robots as our core growth driver.

The average selling price of AI-enabled intelligent products increased significantly from RMB826,000 in 2024 to RMB1,771,000 in 2025. This was also driven by our strategic shift to EIIR products, in which we deliberately scaled back the sales of lower-priced AI-enabled products, and focus on delivering high value AI-enabled intelligent products to key accounts.

The average selling price of our modular products increased significantly from RMB466,000 in 2023 to RMB2,553,000 in 2024. This was primarily driven by a strategic shift in product composition: in 2023, sales were dominated by low-unit-price core algorithm models. In 2024, we intentionally reduced the sales of these models to prioritize industrial software and cloud platforms, which command substantially higher unit prices. The average selling price of our modular products decreased to RMB525,000 in 2025, primarily driven by the consolidation of Agilebot’s product portfolio following its acquisition. Following the acquisition, the sale of standardized robotic arms was incorporated into our modular product line. Compared to our industrial software & cloud platforms, these hardware modules are characterized by higher sales volumes but lower unit prices.

Our Products and Solutions: Commercial Applications of Core Technologies

EIIR Products

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

The core advantages of our EIIR products are designed to create a new paradigm for industrial production, operations, and long-term ownership, generating continuous value for customers throughout the asset’s entire lifecycle. This value begins with our rapid deployment capability, which

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shortens project implementation cycles from months to several days. A key advantage lies in its intelligent flexibility during the operations phase. With minimal human intervention, it can achieve rapid new product introductions, product changeovers, and process switching, and supports the free combination of processes. This flexibility is not just in hardware but stems from its software-defined core. Thanks to our adaptive technology framework, when facing a new task, the system typically only needs to train a new process model without re-architecting the underlying software, greatly enhancing its responsiveness and agility.

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

- **AI-Driven Integrated Perception and Motion:** Our EIIR products can autonomously plan optimal path, generate trajectories, and postures in real-time based on the perceptual information they acquire about an object’s shape and state. This integrated capability of “perceive first, then plan, then act,” combined with our flexible platform framework, allows the equipment to switch between different products in a matter of seconds by simply calling a preset process package, providing ultimate flexibility for our customers’ high-mix production needs.
- **High-Precision, High-Speed Motion Control:** Automation equipment is designed based on the repeat accuracy of effective operating points, leading to a “move-stop-work” model where significant time is wasted in starting and stopping. Our technology breaks through this bottleneck. Through our self-developed multi-axis robot motion control algorithms with millisecond-level performance, we have elevated precision control from discrete operating points to the entire trajectory. Combined with sub-millisecond hardware synchronization with external devices like cameras, we enable precise operations during continuous high-speed motion. This technology, a core capability applied in our “Development and Application of an Integrated Intelligent System for High-Speed, Self-Planning Defect Inspection and Repair,” has been certified by the MIIT” as reaching an “International Leading” level. A typical example is our “Fly-Scan” application, where the robotic arm can perform continuous, smear-free imaging at speeds up to 1,000 mm/s, completing the acquisition of 170 high-quality images in 50 seconds — an efficiency improvement of over 50% compared to traditional methods.
- **Leading Process Model Library and Generation Method:** Our EIIR products possess powerful process capabilities. The core of this lies not just in the number of process models we have created so far, but in our unique, “Human-in-the-Loop-driven” mechanism for model generation and evolution. Our proprietary human machine interaction training model allows process engineers, through simple and intuitive operations, to continuously “teach” the robot their rich process knowledge and judgment experience via data and model training. It is through this dynamic learning and evolution mechanism that we have built a powerful model library. This library currently covers a rich array of applications, from identifying micron-level scratches and surface blemishes in consumer electronics, to high-precision analysis of weld seams and adhesive paths in automotive manufacturing, and complex surface profilometry and flatness inspection in precision machining.
- **Comprehensive Quality and Process Data Management:** Our products are embedded with our self-developed DQI (Dynamic Quality Intelligence) system, which performs real-time quantitative analysis of process and quality data and outputs comprehensive production management reports. The system can not only flexibly adjust process standards and

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inspection parameters according to customer needs but also enable process optimization and quality feedback. It deeply participates in the customer’s entire manufacturing process, creating a value loop from “problem detection” to “production optimization.”



Intelligent Inspection Robot



Intelligent Assembly Robot



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



Intelligent Inspection
and Re-welding Robot



Intelligent Loading/
Unloading and Depalletizing Robot



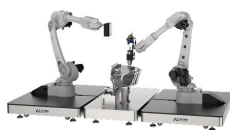
Intelligent Inspection
and Assembly Robot



Intelligent Inspection
and Welding Robot



Intelligent Loading/
Unloading and Inspection Robot



Intelligent Inspection
and Grinding Robot



Intelligent Flexible Production Line



Intelligent Inspection
and Repair Robot

The table below summarizes the key features, application scenarios, and core technologies for each major EIIR product type:

Product	Application Scenarios	Core Technologies and features
Intelligent Inspection Robot	Product quality inspection, including surface defect detection, dimensional accuracy check, and assembly completeness verification.	Instead of requiring engineers to manually program every inspection point, the robot uses its vision system to “see” the product, automatically identify what and where to inspect, and move itself to perform a comprehensive check, learning from human experience to recognize defects.
Intelligent Assembly Robot	Precision assembly of components in industries like machinery, electronics, and automotive.	Using vision and touch sensors, the robot identifies and picks up parts, then with great dexterity, coordinates single or multiple arms to assemble components with high precision (within 1mm), managing the entire process without human intervention.
Material Handling Robot	Transporting materials between warehouses and production lines.	The robot autonomously navigates the factory floor, picks up items, and moves them to designated locations. It intelligently plans its route to avoid obstacles and can perform tasks while in motion if required by the scenario.
Intelligent Loading/Unloading Robot	Automated handling of raw materials, semi-finished, and finished goods.	The robot visually identifies items, calculates the best way and force to grip them, and plans a collision-free path to precisely place them (within 1mm accuracy), quickly adapting to new material types without manual reprogramming.

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Product	Application Scenarios	Core Technologies and features
Intelligent Grinding/ Deburring Robot	Grinding and deburring of workpieces made of metal, plastic, or composite materials.	The robot detects imperfections like burrs, automatically generates the optimal grinding path and tool parameters, and performs the task. It adapts its movements and technique in real-time based on feedback until the finish meets the standard.
Intelligent Repair Robot	Surface repair and component wear restoration	The robot identifies damaged areas, automatically plans the repair tool path and process, and executes the repair. It continuously monitors the repair progress and adjusts its actions in real-time until the result is confirmed as satisfactory.

Case Studies:

Flexible Loading/Unloading of PCBA (Printed Circuit Board Assembly)

- **Industry Pain Point:** The production of PCBA is defined by high-mix, low-volume batches, creating significant production challenges. Manual loading and unloading is slow, prone to human error, and cannot keep pace with demand, acting as a major bottleneck. Automation solutions, like dedicated pick-and-place machines, are rigid and inefficient for this environment. They lack the flexibility to handle diverse board types, requiring costly and time-consuming reprogramming and mechanical adjustments by specialized engineers for each new product batch, leading to excessive downtime and defeating the purpose of automation in a dynamic production setting.
- **Solution:** Our intelligent loading/unloading solution directly addresses the need for flexibility and efficiency.
 - **High-Precision Perception:** Unlike rigid legacy systems, our solution features AI-driven integrated perception and motion. Using sub-millimeter, 6 DoF perception, the robot identifies the exact type, position, and orientation of any PCBA in real-time.
 - **Intelligent Dynamic Planning:** To solve manual bottlenecks, the system employs a seamless “perceive, plan, act” workflow. It autonomously plans optimal motion paths and grasping parameters (e.g., grip force and angle) based on live data, ensuring rapid yet gentle handling.
 - **Rapid Changeover via Process Models:** Addressing reprogramming costs, our system leverages a proprietary process model library containing operational knowledge for hundreds of board types. This enables near-instantaneous changeovers by simply calling a new process package, eliminating the need for on-site teaching.
 - **Closed-Loop Quality Control:** The entire operation is underpinned by our Data Quality and Intelligence (DQI) system, which monitors throughput and cycle times to optimize production flow continuously.

Inspection and Grinding of Die-Casted Part Defects

- **Industry Pain Point:** Finishing die-casted parts for industries like automotive and 3C electronics presents a dual challenge in both inspection and grinding. Manual inspection of defects like burrs and pinholes on complex surfaces is highly subjective, leading to inconsistent quality standards and low efficiency. Manual grinding is physically demanding, hazardous, and relies on scarce skilled labor. On the other hand, automation offers a poor alternative. Automated inspection systems are often inflexible and struggle with the varied shapes and reflectivity of cast parts, while separate robotic grinding cells are notoriously difficult to program and cannot adapt to the unique location and size of each defect, creating two disconnected and inefficient processes.

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- **Solution:** We transform this fragmented workflow into a single, intelligent operation with our integrated “Inspection + Grinding” solution.
 - High-Precision Perception (“Fly-Scan”): Addressing the challenges of complex surfaces, our proprietary “Fly-Scan” technology performs continuous, smear-free 3D imaging at speeds up to 1,000 mm/s.
 - AI-Enabled Defect Detection: The system replaces subjective manual sorting with precise, automated identification. Powered by our process model library, the AI distinguishes between defect types down to 0.2 mm.
 - Intelligent Dynamic Planning: Unlike rigid grinding cells, our system utilizes integrated perception and motion to autonomously generate an optimal, custom grinding toolpath tailored specifically to each defect’s unique location.
 - Digitized Craftsmanship: To address labor shortages, the system learns from and applies human expertise. Process engineers can refine the robot’s technique (e.g., pressure, angle) through an intuitive interface, capturing this expert craftsmanship into reusable process models for flawless autonomous execution.
 - Closed-Loop Quality Control: We minimize the risk of missed escapes by re-scanning the area to verify the repair. The DQI system analyzes this data to identify trends, enabling upstream process optimization.

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

- **Industry Pain Point:** The manufacturing of e-drives, especially hairpin motors, involves precise and complex structures where defects like wire damage or poor welding can have serious consequences. The inspection and rework for these components are exceptionally challenging. Manual inspection within the dense motor windings is unreliable and prone to missing critical flaws. Manual repair-welding is a highly specialized skill that is both slow and inconsistent. Automated solutions are ill-equipped for this task; they lack the sophisticated imaging needed to navigate the complex internal geometry for inspection and are far too rigid to perform the unique, delicate welding required for each randomly located defect.
- **Solution:** We provide an end-to-end intelligent inspection and repair-welding solution that overcomes the limitations of both manual labor and rigid automation.
 - High-Precision Perception: Addressing the failure of traditional imaging, our self-developed optical systems achieve complete coverage of complex internal windings with a precision of up to 0.03 mm.
 - AI-Enabled Defect Detection: To ensure no critical flaws are missed, raw imaging data is interpreted by our process model library, which is extensively trained via a “Human-in-the-Loop” mechanism to reliably identify even the most subtle defects.
 - Intelligent Dynamic Planning: The system seamlessly transitions from perception to action by intelligently generating a precise, custom repair-welding path for each unique defect.
 - Digitized Craftsmanship: The robot continuously learns from process engineers, capturing and applying expert-level craftsmanship to execute delicate welds with stability and accuracy that outperforms human experts.
 - Closed-Loop Quality Control: We help reduce defects in production through a closed-loop verification process, where the system re-inspects the repaired area until it meets quality standards, with full traceability provided by our embedded DQI system.

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Standardized Delivery and Evolution Process for EIIR Projects

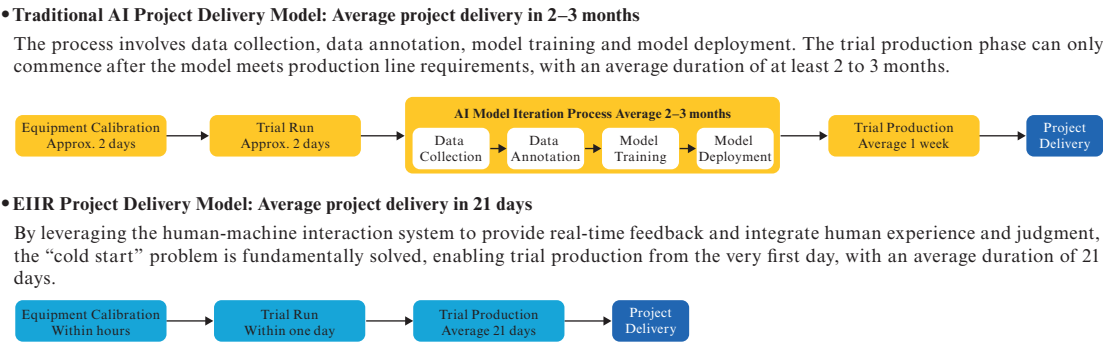
Whether delivering a single-process EIIR or deploying a more complex multi-process EIIR, we follow a standardized project workflow. This workflow spans a total of approximately two to six months from initial assessment to final deployment and continuous evolution. This process enables efficient customer service and enhances our ability for systematic rollout, drive continuous product evolution, and helps build a sustainable competitive advantage.

- **Stage 1: Solution Blueprint and Feasibility Assessment.** This stage typically takes three to seven weeks. Our starting point is an assessment of the embodied intelligence feasibility for the application scenario. In addition to defining key metrics with the client, we focus on physical execution constraints such as the 3D workspace, robot reachability, and cycle time. The final output of this assessment is a recommended combination of modules from our standardized EIIR products that best matches the client’s industrial needs.
- **Stage 2: Standardized Construction and Pre-activation.** This stage, encompassing production planning, managing and sourcing materials, outsourced manufacturing and assembly, and quality control and testing, typically takes four to nine weeks. The core of this stage is to inject a customized model into a standardized physical product within a virtual world. We first build a “digital twin” environment in the cloud that is a 1:1 match of the customer’s site. Our core AI algorithms then autonomously compute the optimal robot motion trajectories and operational poses within this virtual environment. Finally, a “Standardized Digital Process Package,” containing a full set of motion, perception, and process parameters, is generated and pre-loaded into the robot’s control system before the equipment leaves the factory.
- **Stage 3: On-site Deployment and Rapid Learning.** This stage, covering on-site debugging and acceptance, typically takes one to six weeks. Upon arrival at the customer’s site, the core task for the EIIR is no longer “programming” but “virtual-to-reality calibration” — precisely aligning the pre-activated model with the physical world. With our self-developed automated calibration technology, this process is typically completed within an hour. Subsequently, supported by our “Fast System” (i.e. “BASH”), cloud-based engineers validate the robot’s initial operations. Their feedback not only corrects perception (“is it seeing correctly?”) but also optimizes execution (“is it performing well?”), enabling rapid iteration of the robot’s “hand-eye coordination” capabilities.
- **Stage 4: Continuous Evolution and Value Expansion.** This is an ongoing process post-deployment. Once connected to the cloud (“Yixiu Cloud”), the data streamed back from the EIIR includes not only perceptual data but also high quality execution data such as forces and trajectories. Our evolution in the cloud is dedicated not only to improving the accuracy of perception models but also to optimizing motion decision-making and control strategies to make the robot’s actions more efficient and intelligent. Through OTA upgrades, we can enhance the equipment’s existing performance to meet customer delivery standards even without human intervention, and in the future, unlock entirely new functions and application capabilities for the customer, achieving true value expansion.

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

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Comparison of Project Implementation and Delivery



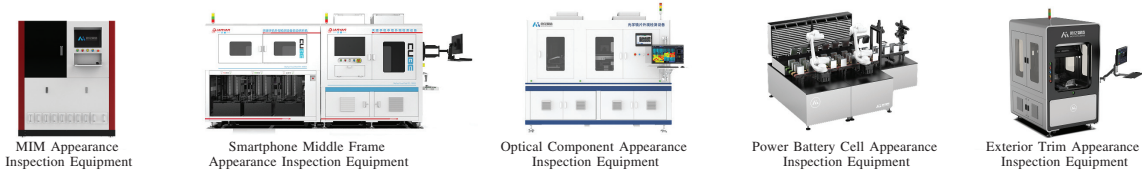
AI-Enabled Intelligent Products

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

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

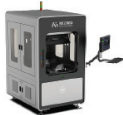
Forms of AI-Enabled Intelligent Products

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



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The table below summarizes the key features, application scenarios, and core technologies for each major AI-enabled intelligent product type:

Product	Application Scenarios	Core Technologies and features
 MIM Appearance Inspection Equipment	Provide high-precision, full-coverage detection of common surface defects such as cracks, dents, flashes, and discoloration on complex-shaped Metal Injection Molding (MIM) components.	The product features a high-speed, full-coverage optical imaging system capable of 360° inspection of complex MIM parts within one second. It integrates multiple detection algorithms — including AI-based visual inspection, dimensional measurement, and golden sample comparison — enabling comprehensive defect detection for over 20 potential flaw types. The system is supported by a high-precision, high-stability industrial image processing controller and a dual-robotic-arm automation design, ensuring reliable performance while fully replacing manual inspection and allowing direct packaging after quality verification.
 Smartphone Middle Frame Appearance Inspection Equipment	Provide fully automated, high-precision visual inspection for smartphone middle frames.	The product delivers full-coverage, high-precision inspection for composite material surfaces, including challenging mixed textures such as highly reflective, curved, and matte finishes on mobile phone frames. It integrates area-scan and line-scan industrial cameras with multi-algorithm capabilities — including AI-based visual inspection, dimensional measurement, and golden sample comparison — enabling comprehensive defect detection across all optical surfaces. Supported by a high-speed, high-stability industrial image processing system and a flexible automation design compatible with both camera types, the system ensures reliable imaging performance while fully replacing manual inspection and allowing direct post-inspection packaging.
 Power Battery Cell Appearance Inspection Equipment	Provide fully automated, high-precision visual inspection for aluminum housings used in power battery packs. It specializes in detecting critical surface defects including scratches, dents, pits, corrosion spots, and machining imperfections that could compromise structural integrity and safety, replacing manual inspection and enabling direct packaging after quality verification.	Utilizing proprietary PMD optical imaging and algorithmic technology, the system achieves reliable defect identification on highly reflective and complex material surfaces. It integrates multi-algorithm capabilities such as AI-enabled defect classification, dimensional measurement, and golden-sample comparison, supported by a high-speed industrial image-processing platform and robotic automation that ensures 4-second cycle times per piece and broad product compatibility.
 Exterior Trim Appearance Inspection Equipment	Provide automated, high-precision visual inspection for automotive exterior mirror housings. It specializes in detecting surface defects critical to vehicle aesthetics, including scratches, sink marks, flow lines, color deviations, and contamination on high-gloss or textured surfaces.	Utilizing proprietary PMD-based optical imaging and algorithmic technology, the system achieves reliable defect detection on highly reflective and curved paint surfaces, accurately distinguishing between repairable and non-repairable scratches. It integrates multi-algorithm capabilities such as AI-enabled defect classification, dimensional measurement, and golden-sample comparison, all supported by a high-speed, high-stability industrial image processing system and a robotic automation solution that enables 4-second cycle times per piece with enhanced product compatibility.

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

We understand that every customer’s production site is unique. Therefore, we have established a distinct process aimed at efficiently applying our standardized core technology to meet our customers’ customized needs. This workflow spans a total of approximately four to eight months from initial assessment to final deployment and continuous evolution. This process ensures both rapid project delivery and superior performance.

- **Stage 1: Solution Blueprint and Feasibility Assessment.** This stage typically takes three to seven weeks. Our collaboration begins with a deep-dive AI and intelligent production feasibility assessment. Our solution experts work with the client to define key metrics for success metrics and focus on evaluating the on-site processes, production layout, quality control, and safety requirements. Based on this assessment and leveraging our vast library of past projects, we design an optimal solution blueprint for the customer, composed of standardized vision and algorithm modules and a custom automation workstation.
- **Stage 2: Non-standard Design and Outsourced Manufacturing.** This stage, encompassing production planning, managing and sourcing materials, outsourced manufacturing and assembly, and quality control and testing, typically takes eight to 14 weeks. In this stage, the non-standard solution design undergoes customer review and refinement. We then organize the supply chain for the outsourced manufacturing of the equipment, implementing strict quality control and management throughout the process. After assembly and commissioning, the equipment undergoes rigorous internal stress testing before being approved for shipment.
- **Stage 3: On-site Delivery.** This stage, covering on-site debugging and acceptance, typically takes six to 13 weeks. After the equipment arrives at the customer’s site, it is quickly installed and integrated into the production line. We then enter the critical AI performance ramp-up period. The equipment will collect the most authentic image data from the production line to rapidly fine-tune the “foundational vision model,” allowing it to precisely adapt to the customer’s unique product details. In the initial phase, using a human-machine interaction verification approach not only ensures 100% production quality but also provides the AI model with invaluable expert knowledge, accelerating its maturation.
- **Stage 4: Continuous Evolution and Value Expansion.** Delivery is not the end but the beginning of “evolution.” Once connected to our Yixiu Cloud the equipment enters a continuous value-growth cycle. With customer authorization, on-site data is securely streamed back to the cloud for more in-depth model training. As soon as a higher-performing algorithm is developed, we will remotely push it to the customer’s equipment via OTA, continuously enhancing its capabilities.

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

Comparison between EIIR Products and AI-enabled Intelligent Products

While both product categories leverage AI to enhance industrial efficiency, they differ fundamentally in their core architecture, the role of AI in physical execution, and the degree of customization required for deployment.

EIIR products — Intelligent Inspection Robot

AI serves as the end-to-end operating core, driving autonomous perception, decision-making, motion control, and continuous learning within a single integrated system. The robot autonomously perceives each workpiece, generates its own inspection path in real time through AI-driven pose estimation and trajectory planning, and physically executes inspection tasks — including surface defect detection, dimensional accuracy checks, and assembly completeness verification — without any manual programming of individual inspection points. When a new product type is introduced, the system loads a new process model via OTA update from the cloud; no physical reconfiguration is required. This makes the hardware effectively task-agnostic, with customisation achieved entirely.

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AI-enabled Intelligent Products — MIM Appearance Inspection Equipment

AI is focused primarily on visual perception, data analysis, and process optimisation — and does not involve complex, AI-driven robot motion control. The equipment performs automated appearance inspection of MIM components, detecting over 20 predefined flaw types — including cracks, dents, flashes, and discolouration — through AI-based visual inspection algorithms, dimensional measurement, and golden sample comparison. The mechanical system operates on fixed, deterministic actuation logic: there is no AI-driven motion planning, no workpiece pose estimation, no adaptive trajectory generation, and no task learning. The hardware is purpose-engineered to the specific geometry and surface characteristics of MIM components, and any change to part type or production line configuration beyond the equipment’s designed optical and mechanical envelope requires physical hardware modification. Post-deployment customisation is therefore confined to the AI algorithm and inspection parameter layer — such as adjusting defect classification thresholds — and is bounded by the physical design of the station.

To conclude, EIIR products use AI to manage uncertainty across environments, tasks, and workpiece variability; AI-enabled intelligent products use AI to maximise precision within a known, controlled scenario. The former demands autonomous intelligence across the full perception-decision-execution loop; the latter requires only a sophisticated visual analysis engine embedded within conventional automation hardware.

Modular Products

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

Our modular products are designed with high compatibility and open interfaces to facilitate seamless integration within the broader automation ecosystem. Our modular products, such as our vision modules, are fully compatible with a wide range of third-party robotic arms and industrial equipment. They utilize standard industrial communication protocols and universal mounting interfaces, allowing customers to upgrade existing non-AI hardware with our intelligent capabilities. Conversely, our EIIR products and AI-enabled intelligent products are engineered to be compatible with third-party modular components. This flexibility ensures that customers can integrate specific third-party sensors or specialized tools into our platforms, provided they meet standard industry specifications.

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

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

- **Industrial Brain/Collaboration Platform:** Aggregating industry chain data to optimize overall operational efficiency through intelligent scheduling and analysis algorithms.
- **Intelligent Supply Chain Platform:** Using AI models for demand forecasting, intelligent product selection, and route optimization.

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- **Smart Factory Management System:** Integrating AI capabilities into production management to provide services like lean production consulting, data collection, and analysis.

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

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

Industrial Robot Series: A comprehensive portfolio of SCARA, PUMA, and collaborative robots powered by a proprietary single-chip multi-axis motion controller. These robots are designed for high-precision tasks such as loading/unloading, polishing, and assembly across the automotive and electronics sectors.

Magnetic Transport Systems: An intelligent, high-speed linear transport solution that utilizes magnetic propulsion for flexible and precise workpiece movement. The system enables synchronized, multi-carrier control to optimize production throughput in complex manufacturing environments.



The table below summarizes the key features, application scenarios, and core technologies for each major modular product type:

Product	Application Scenarios	Core Technologies and features
 Lingmou OCT	Lingmou OCT performs non-destructive 3D internal inspection for transparent, semi-transparent, and highly scattering materials such as optical lenses. It accurately detects surface and internal defects — including those inside complex curved and aspherical lenses — while also enabling precision measurement of coating thickness, micro-hole depth, and fine structural dimensions.	The system utilizes optical coherence tomography to capture detailed, layer-by-layer 3D images inside materials without cutting, achieving micron-level resolution. It offers a detection depth of up to 11 mm with ~10 μm lateral resolution, supported by high sensitivity (~102 dB) and real-time 3D defect analysis algorithms. Enhanced by AI-enabled 3D target detection and knowledge-based defect classification, it ensures reliable identification of internal flaws and automated defect reporting for process monitoring.

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Product



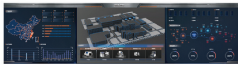
Lingjing PMD

Application Scenarios

Lingjing PMD is designed for high-precision surface defect inspection on highly reflective and mirror-finish objects, such as power battery aluminum casings in new energy vehicles.

Core Technologies and features

The system utilizes phase measurement deflectometry to amplify subtle surface variations and detect 3D topography and defects with nanoscale vertical resolution. It incorporates a specialized unwrapping algorithm for synthesizing background, modulation, and phase maps, supported by multi-channel optical information for multi-angle defect classification. Enhanced by an AI model platform with millions of real defect samples and composite algorithm matrices, it ensures high-speed, high-accuracy inspection even in harsh industrial environments, with a measurement cycle of 0.2 seconds per point.



Industrial Software and Cloud Platforms

Our industrial software and cloud platforms serve as the central operating system for smart factories, enabling production line optimization through real-time monitoring and AI-driven analysis of operational data. The platforms also provide supply chain intelligence solutions for demand forecasting, inventory optimization, and logistics planning across multi-tier manufacturing networks spanning 3C electronics, home appliances, furniture, and automotive components.

The platform architecture integrates over 400 industry-specific application models, supported by three dedicated algorithm training platforms for visual inspection, equipment process optimization, and production metrics.

We have established a sustainable business model by addressing the inherent need for continuous equipment upgrades and transformation across industrial sectors. While individual sales of our EIIR and AI-enabled intelligent products may appear discrete, they are strategically embedded within a framework of recurring customer engagement and expanding application scenarios, creating a natural path for sustained demand.

The ongoing demand from existing customers is rooted in the inherent upgradeability of our EIIR technology, which allows for continuous enhancements through AI model updates, software upgrades, and hardware retrofitting. This enables customers to adapt to new production requirements without full system replacement, extending product lifecycles and generating recurring revenue from upgrade services. Furthermore, the industries we serve — including 3C electronics, automotive manufacturing, new energy, FMCG, and semiconductors — undergo frequent technology renewal cycles, typically driving demand for next-generation equipment every one to three years. We maintain active long-term cooperation with key customers, aligning our R&D with their technology roadmaps to consistently capture new orders driven by these refresh needs.

Additionally, once our EIIR products are successfully deployed, they often serve as strategic entry points to address broader operational needs within the same customer. By demonstrating tangible value in initial applications — such as inspection, welding, or assembly — we systematically expand into adjacent production lines, processes, or different product divisions, enabling organic cross-selling and scenario-based replication. This expansion is further supported by our ability to leverage proven application experience in one industry to address similar process requirements in related sectors, allowing us to replicate success across verticals while deepening penetration within each customer account.

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Project Backlogs and Project Details

During the Track Record Period, the movement in the number and value of projects in progress is summarized as follows:

Number of Projects

Item	For the year ended December 31,		
	2023	2024	2025
Number of ongoing projects at beginning of year	29 ⁽²⁾	65	83
Prior year adjustments ⁽¹⁾	(1)	(1)	(2)
Add: Newly awarded projects	180	189	244
Less: Projects completed	<u>143</u>	<u>170</u>	<u>196</u>
Number of ongoing projects at end of year	<u>65</u>	<u>83</u>	<u>129</u>

Notes:

- (1) Prior year adjustments refer to a reduction in the project count, attributable to the cancellation of contracts that had been entered into in a prior year but were terminated before execution or revenue recognition.
- (2) The number of ongoing projects at the beginning of the year for 2023 includes 11 backlog projects acquired through the Jiangsu SVFactory in December 2022.
- (3) The number of newly awarded projects in 2025 includes 73 backlog projects acquired through the Agilebot.
- (4) The total number of projects completed in 2025 includes 34 backlog projects integrated through the acquisition of Agilebot.

Value of Projects in Progress

Item	For the year ended December 31,		
	2023	2024	2025
<i>(RMB in thousands)</i>			
Value of ongoing projects at beginning of year	24,208 ⁽²⁾	86,773	335,639
Prior year adjustments ⁽¹⁾	(268)	(4,004)	(5,837)
Add: Newly awarded projects	545,399	922,582	1,195,650
Less: Revenue recognized ⁽³⁾	<u>482,565</u>	<u>669,712</u>	<u>890,145</u>
Value of ongoing projects at end of year	<u>86,773</u>	<u>335,639</u>	<u>635,308</u>

Notes:

- (1) Prior year adjustments refer to modifications in the value of ongoing projects resulting from contract amendments — including changes in scope or total contract value — or cancellations of contracts that were initially signed in a previous year but were adjusted in a subsequent period.
- (2) The value of ongoing projects at the beginning of the year for 2023 reflects the inclusion of the project backlog acquired through Jiangsu SVFactory in December 2022.
- (3) As the contract value according to the agreement is inclusive of VAT, for the purposes of calculating the project backlog, the revenue recognized during the relevant year also includes VAT.

Our project pipeline demonstrated robust growth and strategic deepening during the Track Record Period. Our backlog value as at the year end increased significantly from RMB86.7 million as of December 31, 2023 to RMB635.3 million as of December 31, 2025, which was primarily driven by the strong market reception of our new EIIR products and the strategic acquisition of Jiangsu SVFactory and Agilebot.

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Top Five Projects by Contract Value

The following table sets forth our top five projects by contract value (inclusive of VAT) for period indicated during the Track Record Period:

Rank	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
1	28,224	39,028	44,810
2	27,300	38,500	44,100
3	24,250	34,200	35,000
4	23,058	32,147	34,760
5	22,958	25,413	33,120
Total Amount	125,790	169,288	191,790

Loss-Making Projects

During the Track Record Period, we undertaken eight projects that were loss-making upon completion. These consisted of three EIIR product projects, two AI-enabled intelligent product projects, one modular product project and two other services. The aggregate gross loss from these projects was approximately RMB0.6 million. The loss-making outcomes were primarily attributable to: (i) initial equipment batches for new projects often incur higher upfront costs, which we view as necessary investments to facilitate future, high-margin replicable orders; and (ii) we proactively absorbed additional labor and customization costs arising from evolving customer requirements during delivery to maintain long-term relationships with KAs.

Early Termination/Cancellation of Projects

During the Track Record Period, 11 projects with an aggregate contract value of approximately RMB18.8 million were terminated or cancelled prior to completion. These consisted of four EIIR product projects, five AI-enabled intelligent product projects, and two modular product project. The primary reasons for these cancellations included: (i) changes in customer product lines or production strategies resulting in the discontinuation of equipment demand; (ii) technical limitations in the equipment’s original hardware specifications, which could not accommodate subsequent changes in client requirements or newly introduced demands during project delivery; and (iii) the termination or cancellation of related production initiatives by the ultimate end-customer. These project cancellations were isolated and case-specific, and did not have a material adverse effect on our operations or financial condition.

RESEARCH AND DEVELOPMENT

Our strategic investment in R&D is the cornerstone of our technological leadership and long-term growth. This commitment is reflected in our sustained R&D spending, which amounted to RMB178.3 million, RMB164.9 million, and RMB235.5 million for the years 2023, 2024, and 2025, respectively. These amounts represented 41.1%, 27.5%, and 29.6% of our total revenue for the respective periods.

Our R&D work has received formal national recognition. Our self-developed technological achievements, “Development and Application of High-Speed, Self-Planning, Integrated Intelligent System for Defect Detection and Repair” and “R&D and Application of Photoelectric Tomography Technology and System Based on AI Vision,” were evaluated by the MIIT as reaching “International Leading” level and “International Advanced” level, respectively, and have been approved for registration in the National Science and Technology Achievements Database.

Our innovation is driven by a dedicated in-house R&D team, managed by our Technical Management Board, which is the highest decision-making body for the company’s R&D management. It is composed mainly of technical personnel along with core members from the

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company’s marketing, production, and management departments to evaluate the feasibility and market prospects of R&D from various aspects. The team is structured into specialized departments focusing on key areas such as AI, robot planning and control, and cutting-edge optical and machine vision technologies. Their expertise, combined with our disciplined R&D process — from idea generation and prototyping to rigorous testing — ensures our innovations are not only leading-edge but also efficient and market-ready.

Our R&D Team

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

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

As of December 31, 2025, our R&D team consisted of more than 270 members, of whom nearly one-quarter hold postgraduate degrees or above. The core members of our R&D team have an average of nearly 17 years of industry experience.

Our R&D Process

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

Requirement Analysis

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

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

Prototype Design

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

Testing and Validation

We place a high emphasis on testing and validation throughout the entire R&D process. Our testing strictly adheres to two core principles: (a) Rapid Identification Principle: to promptly discover and resolve issues at the source stage to reduce rectification costs and improve development efficiency; and (b) Zero-Defect Delivery Principle: to ensure that all issues that can be detected and resolved in an internal testing environment are thoroughly addressed before the product is delivered to the customer. These principles contribute to the consistent quality of our deliverables, enhance customer trust, and solidify our reputation in the industry.

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

Our R&D projects span several advanced technology domains, such as optical imaging, industrial robotics, AI-enabled vision and reasoning systems, and generative learning models. The following provides an overview of our key R&D projects as of the Latest Practicable Date:

Project Name	Purpose of the Project	Status
High-Speed Vision Servo System for Industrial Robots	To research and develop a high-performance vision servo system to enhance the speed, precision, and stability of industrial robots.	Early Development Stage
End-to-End Trajectory Generation and Task Understanding Model for Industrial Use	To develop a comprehensive model for generating robotic trajectories and understanding complex tasks in industrial scenarios.	Early Development Stage
Research and Demonstration of Retrieval-Augmented and Knowledge-Driven Industrial Large Models	To develop large-scale AI models that can leverage vast internal and external knowledge bases for enhanced reasoning, decision-making, and industrial automation.	Early Development Stage

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Project Name	Purpose of the Project	Status
Imaging System Based on New Photoelectric Detection Technology	To develop next-generation, high-performance optical imaging systems for advanced inspection and measurement.	Pilot Testing/Advanced Prototype Stage
Industrial Embodied Intelligent Robot System	To create a highly accurate, versatile, and scalable intelligent robotic system supporting applications from single-robot to full production lines.	Initial Commercial Deployment Stage
Universal Generative Learning (UGL) Algorithm	To build a robust AI framework for generating and validating synthetic data (especially defect samples) to address data scarcity in industrial inspection.	Early Optimization Stage
Industry Pre-trained Model	To build foundational AI models and a database for industry-specific applications, starting with the lens industry, for highly accurate and efficient inspection.	Advanced Development Stage

INTELLECTUAL PROPERTY

We consider copyrights, trademarks, patents, domain names, trade secrets, and other intellectual property rights to be core assets of our business operations. As of the Latest Practicable Date, we own (i) 356 patents, including 214 invention patents, 101 utility model patents, 40 design patents and one international patent; (ii) 311 software copyrights; and (iii) 136 trademarks and 16 domain names. We also register and manage key intellectual property in overseas jurisdictions to protect our rights and support our overseas business activities. For further details on the intellectual property material to our business, please refer to the section titled “Appendix IV — Statutory and General Information — B. Further Information About Our Business — 2. Intellectual property rights of our Group” in this document.

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

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

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

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PRODUCTION

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

Our procurement department is responsible for the entire supply chain management, including supplier selection and partnership. We evaluate potential suppliers based on comprehensive criteria such as technical capability, production capacity, quality control systems, and delivery records. Only suppliers who pass our audit are included in our qualified supplier list. This framework for ensuring a stable and reliable supply chain is embedded in our standardized supplier management process, which governs supplier engagement from project initiation to delivery, covering structured oversight, quality assurance, and risk management. For more details, please refer to “— Our Suppliers — Supplier Management.” Meanwhile, the project management department is responsible for project scheduling, technical implementation, and daily coordination with our manufacturing partners.

All manufacturing engagements are formalized through contractual arrangements with outsourced suppliers. The salient terms of these agreements typically include: (i) scope and specifications: The agreements provide a clear definition of scope, quality standards, technical models, quantities, and precise specifications based on our provided designs; (ii) pricing and payment terms: typically fixed-price and inclusive of all costs, and the payment is generally structured in stages: a 30% prepayment upon signing, a 60% progress payment following delivery and final acceptance, and a 10% retention fee (warranty money) payable one year after acceptance; (iii) delivery and logistics: suppliers are responsible for delivering the finished goods to our designated sites by specified deadlines; (iv) quality assurance and inspection: rigorous quality control obligations for the suppliers, including sampling inspections and submission of inspection reports; (v) protocols for handling non-conforming products, including rework, replacement, or contract termination; (vi) warranty period: suppliers typically provide a one-year quality warranty from the date of final acceptance; and (vii) strict confidentiality and intellectual property protection clauses, requiring suppliers to safeguard our technical documents. These agreements explicitly prohibit suppliers from disclosing, copying, or reverse-engineering our technical data, designs, and specifications. They further mandate the return or destruction of all provided documents upon project completion and stipulate penalties for breaches.

Our Design-Driven Outsourcing Model

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

- **In-house Design:** We complete detailed product designs, engineering drawings, and a bill of materials (BOM). This foundational step is critical to our IP protection strategy, as it confines the most valuable proprietary knowledge and specifications within the Company.
- **Supplier Execution:** We then transfer these detailed plans to our suppliers. The suppliers are responsible for procuring standard materials, manufacturing, and assembly according to our precise specifications. Our project management and quality management departments maintain continuous oversight and are involved in reviewing and approving critical decisions during the execution phase.
- **Key Component Procurement:** To ensure product quality and protect our core technology, we procure all critical components — including robot arms, specialized optical parts, and industrial PCs equipped with our proprietary software — and provide them to our third-party manufacturing suppliers. By retaining control over the procurement and ownership of these core components, which embody our key technologies, we effectively decouple the most sensitive IP from the general manufacturing process, limiting our suppliers’ access to and ability to replicate our core systems.

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Our Production Process

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

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

Future Manufacturing Capabilities

To support our long-term growth, we are strategically enhancing our manufacturing capabilities through direct investment. Among these, our acquisition of Agilebot is a key strategic move aimed at vertically integrating the design and production of core robot components. By collaborating with Agilebot on its expertise in robot arm manufacturing and motion control algorithms, we expect to achieve significant synergies. This integration will foster deep co-development between AI algorithms and underlying hardware, thereby enhancing product performance, shortening development and implementation cycles, and optimizing cost efficiency, which in turn strengthens our competitive advantage. Concurrently, we plan to leverage Agilebot’s expertise in hardware. Both parties plan to build a production base in Jiangsu Province. Subject to securing necessary permits and final investment approval, this facility is planned to be constructed on leased property with a total estimated construction area of 14,000 square meters, primarily for the production of hardware modules for our EIIR products, including robot arms and magnetic transport system product lines. It is expected that the construction would take place in 2026 with an estimated annual production capacity of ranging from 10,000–12,000 units of robots and 6,000–8,000 meters of magnetic transport systems. Full capacity utilization is projected to be achieved by 2029. As of the Latest Practicable Date, the construction of production base was at preliminary planning stage.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We primarily partner with reputable third-party logistics service providers to transport our products from production facilities and warehouses to customer-designated locations. To minimize damage during long-distance transportation, all equipment must be packaged and handled according to waterproof, shockproof, and dustproof requirements. For sensitive computing equipment such as industrial control computers and servers, special attention is paid to preventing damage from vibration or impact during transit. Logistics service providers are required to report the

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transportation status of materials to us in real-time or at key milestones upon request. If any abnormalities are found, remedial measures must be taken immediately. After goods are delivered, our technical staff will be dispatched to the customer’s site to assist with equipment installation and commissioning.

Inventory Management

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

Our inventory mainly consists of raw materials, work-in-progress, and finished goods. We have established a comprehensive inventory management system covering the entire process of inventory storage, acceptance, dispatch, real-time tracking, and periodic stocktaking. As of December 31, 2023, 2024, and 2025, our inventory amounts were RMB45.7 million, RMB77.6 million, and RMB110.1 million, respectively. Please refer to “Financial Information — Discussion on Certain Key Balance Sheet Items — Inventories”. We have implemented strict inventory control policies to monitor inventory levels, mitigate the risk of excess or obsolete inventory, and optimize inventory turnover rates. Through close coordination with customers and suppliers, we strive to reduce the inventory levels of raw materials and work-in-progress and to lower inventory risks.

QUALITY CONTROL

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

To ensure product quality throughout the value chain, we have established strict internal quality management policies and procedures. Potential institutional component suppliers must pass an on-site audit conducted jointly by our procurement, technical, and quality teams before being included in the approved supplier list. During the quality assessment process, we pay special attention to the supplier’s capabilities in incoming inspection, in-process inspection, outgoing inspection, and continuous improvement.

Our end-to-end quality control framework covers all production stages. At the incoming inspection stage, we conduct checks in sync with the material management team, implementing at least a 10% sampling or 100% full inspection for critical components. In-process inspections are implemented at key production stages (such as dynamic reducer assembly and single-joint performance testing), with non-conforming products immediately sent for rework. The final inspection stage typically lasts one to two days and includes assessments of functionality, safety, and regulatory compliance. We coordinate a three-stage acceptance process, including supplier self-inspection, our pre-acceptance, and final acceptance, to ensure all products meet delivery specifications.

We also implement strict control measures throughout the project delivery process. For all major projects, we convene multi-departmental delivery and handover review meetings attended by senior representatives from project management, engineering, algorithm implementation, procurement, and quality management departments. These meetings systematically review project management checkpoints and key test reports to ensure a seamless handover and that all products meet our delivery specifications.

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Our quality assurance framework is supported by a dedicated team aimed at safeguarding product integrity and reliability. The quality management department is responsible for identifying non-conforming products, coordinating internal reviews, and following up on the resolution of non-conformities reported by customers. The relevant departments are responsible for implementing corrective measures. The quality management department is also responsible for planning the continuous improvement of the quality management system and products. When actual or potential quality issues arise, it issues requests for corrective and preventive actions and supervises the implementation and effectiveness of the corrective measures.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any major product returns, liability claims, or legal issues related to product safety or quality control, nor have we had any product or service recalls.

SALES & MARKETING

Sales

We have established a broad and geographically diverse customer base in China, having served over 25 Fortune 500 companies and international industry leaders, with sales extending to overseas markets including Portugal, the United States, and Germany. We offer our products and services through a direct sales model, and we also collaborate extensively with ecosystem partners to reach target customers.

We have assembled a professional sales team that plays a key role in shaping our brand image and strengthening customer relationships. Our sales representatives possess in-depth knowledge of our products and the vertical industries of our clients, maintaining close contact with existing and potential customers to gain insights into their evolving needs. These insights are shared with our product development and marketing teams to guide product design, feature iteration, and commercial positioning. Furthermore, our sales team works closely with engineering and project teams to provide customized solutions for customers in industries such as 3C electronics, automotive manufacturing, new energy, FMCG, and semiconductors, accurately addressing their specific pain points.

The sales team adopts a matrix structure, combining customer industry, region, and product dimensions, to ensure a customer-centric approach, thorough understanding of customer needs, and rapid response, achieving efficiency, professionalism, and synergy:

- **Key Industry Account Teams**, by focusing on key accounts in 3C electronics, automotive manufacturing, new energy, consumer goods, and semiconductor industries, create customized solutions and establish strategic lighthouse benchmarks. Notably, we leverage insights from these key account projects to develop and refine industry-standard products, which we then offer to other customers in the sector.
- **Regional Sales Teams**, through regional operations, provide localized and immediate service support to customers and further penetrate into lower-tier markets.
- **Overseas Sales Teams**, by serving the Chinese factories of numerous Fortune 500 companies and international industry leaders, we have accumulated solid trust and experience, allowing us to seamlessly enter their global supply chain systems and successfully expand overseas. We are actively establishing local partner networks in various global regions to achieve effective penetration and efficient service in global regional markets.

Marketing

To build brand trust by establishing “thought leadership,” we actively participate in and lead the development of industry technical standards to enhance our industry influence and brand credibility. We are also actively building a multi-layered partner ecosystem to accelerate innovation and expand market reach. We have formed strategic partnerships with giants in industrial automation, cloud services, and AI algorithms to achieve product cross-certification and technical integration, enhancing the compatibility and advancement of our solutions. We also develop

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partnerships with leading system integrators in various industries, combining their specialized industry knowledge and customer relationships with our product technology to jointly provide turnkey projects for customers.

To lead and educate the market, we employ a diversified market expansion strategy. On one hand, we collaborate with top global manufacturing groups to create innovative application examples of embodied intelligence in key scenarios, establishing a lighthouse effect for the industry. On the other hand, we actively participate in industry conferences such as the World Artificial Intelligence Conference and the China International Industry Fair to enhance brand awareness and attract high-quality leads. Concurrently, we share case studies, technical papers, and video demonstrations through digital marketing platforms and industry-specific vertical forums. Through precise content marketing and SEO/SEM, we nurture early-stage sales leads, effectively reaching potential customers and showcasing our technical capabilities.

Pricing

Our core pricing strategy is based on the quantifiable value created for the customer (e.g., cost savings from reduced defect rates, increased capacity from enhanced production efficiency, savings on labor costs), allowing customers to clearly perceive the return on investment (ROI) and supporting a premium brand positioning. At the same time, our pricing also considers current market conditions, historical transaction terms, customer expectations, and competitive dynamics. Our pricing strategy also reflects the degree of standardization of the products and services offered across our three key product lines — EIIR products, AI-enabled intelligent products, and modular products.

- **Standardized Product Pricing (EIIR products and modular products):** For products with fixed specifications and configurations, pricing is based on market benchmarks or the customer’s expected ROI. Such products use a uniform price list with volume discounts available.
- **Customized Solution Pricing for specific application scenarios (AI-enabled intelligent products):** For these non-standardized products, we use a cost-plus pricing model. The final price is determined by the bill of materials, customization costs, and labor costs, plus a predetermined profit margin. Each project is internally reviewed to ensure it aligns with our target gross margin goals while also meeting the customer’s ROI expectations and the product’s competitive positioning.

OUR CUSTOMERS

We have established a diverse customer base covering multiple industries, particularly in emerging high-tech sectors such as 3C electronics, automotive manufacturing, new energy, FMCG, and semiconductors. In 2023, 2024 and 2025, we served approximately 123, 113 and 150 customers, respectively. Our customers are primarily industry-leading clients and general manufacturers who directly apply our various solutions in their factories. Additionally, our customer base includes system integrators who integrate our robot products into broader automation solutions by adding components, software, and custom engineering services to meet end-user application needs. We continuously monitor the evolution of complex industrial demands and constantly optimize our products to adapt to diverse market needs, thereby expanding our market coverage and deepening our industry influence.

In 2023, 2024, and 2025, the revenue from our top five customers amounted to RMB227.4 million, RMB169.8 million, and RMB303.0 million, respectively, representing 52.4%, 28.3%, and 38.1% of our total revenue, respectively. In 2023, 2024, and 2025, the revenue from our largest customer was RMB58.6 million, RMB42.0 million, and RMB74.6 million, respectively, accounting for 13.5%, 7.0%, and 9.4% of our total revenue, respectively.

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The following table sets forth information regarding our top five customers in each year during the Track Record Period:

For the Year Ended December 31, 2023

Customer	Background	Products Sold	Year of Commencement of Business Relationship	Payment Method	Revenue (RMB in thousands)	% of Total Revenue
Customer A	A leading digital technology service provider	Industrial software & cloud platforms	2022	Telegraphic Transfer	58,560	13.5
Customer B	An enterprise specializing in computer, telecom, and other electronics	AI-enabled inspection equipments	2021	Telegraphic Transfer	51,073	11.8
Customer C	A cloud computing and big data service provider	AI-enabled inspection equipment, industrial software & cloud platforms	2022	Telegraphic Transfer	46,131	10.6
Customer D	An enterprise focusing on IT and smart manufacturing systems	Intelligent inspection and re-welding robots, intelligent inspection robots, AI-enabled surface defect inspection equipments, industrial software & cloud platforms	2022	Telegraphic Transfer	39,025	9.0
Customer E	An enterprise focusing on cloud computing, big data, industrial internet, and smart manufacturing	AI-enabled surface defect inspection equipments, industrial software & cloud platforms	2023	Telegraphic Transfer	32,618	7.5
Total					227,407	52.4

For the Year Ended December 31, 2024

Customer	Background	Products Sold	Year of Commencement of Business Relationship	Payment Method	Revenue (RMB in thousands)	% of Total Revenue
Customer F	A cross-industry leader with businesses in automotive, rail tech, clean energy, and electronics	Intelligent inspection and re-welding robots, AI-enabled inspection equipments	2021	Telegraphic Transfer	42,019	7.0
Customer A	A leading digital technology service provider	Industrial software & cloud platforms	2022	Telegraphic Transfer	34,479	5.7
Customer G	A leading enterprise in China's digital energy and smart manufacturing sectors	AI-enabled inspection & vision-guided automated production line	2024	Telegraphic Transfer	34,071	5.7
Customer B	An enterprise specializing in computer, telecom, and other electronics	AI-enabled inspection equipments	2021	Telegraphic Transfer	30,234	5.0
Customer H	An enterprise focusing on intelligent driving data services, integrated solutions, and smart manufacturing system integration services	Intelligent inspection robots, AI-enabled inspection equipments	2024	Telegraphic Transfer	28,965	4.8
Total					169,768	28.3

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For the Year Ended December 31, 2025

Customer	Background	Products Sold	Year of Commencement of Business Relationship	Payment Method	Revenue (RMB in thousands)	% of Total Revenue
Customer I	An enterprise providing digital and intelligent solutions for the electric power and energy Internet	Intelligent loading/unloading and inspection robot, AI-enabled assembly& testing production lines and AI-enabled automated inspection lines	2024	Telegraphic Transfer	74,560	9.4
Customer J	A state-owned enterprise in Fuzhou focusing on new energy, smart city solutions, and smart manufacturing	Intelligent sorting and inspection robot, intelligent inspection robot, industrial AI platform software for quality inspection, industrial inspection core algorithm models	2022	Telegraphic Transfer	69,896	8.8
Customer K	An enterprise focusing on automation systems engineering for automotive and 3C industries	Intelligent inspection and re-welding robots, intelligent inspection robots	2023	Telegraphic Transfer	63,239	7.9
Customer G	An enterprise in China’s digital energy and smart manufacturing sectors	Intelligent inspection and grinding robots, intelligent inspection robots, AI-enabled automated inspection lines	2024	Telegraphic Transfer	53,863	6.8
Customer L	An enterprise providing testing solutions for semiconductors, MEMS, and filters, as well as smart equipment for the 3C industry	Intelligent inspection robots, AI-enabled inspection lines, AI-enabled battery module inspection equipments	2024	Telegraphic Transfer	41,419	5.2
Total					302,977	38.1

Notes:

- (1) Customer A is a private company established in 2012 in Beijing with a registered capital of over RMB5.0 billion. During the Track Record Period, we provided Customer A with industrial software and cloud platform to support its development of regional industrial cloud systems across China.
- (2) Customer B is a private company established in 2012 in Guangdong Province, with a registered capital of over RMB600.0 million. During the Track Record Period, we provided Customer B with AI-enabled inspection equipments for 3C electronics manufacturing.
- (3) Customer C is a private company established in 1989 in Shandong Province, with a registered capital of RMB1.0 billion. During the Track Record Period, we provided Customer C with AI-enabled inspection equipment for PC/server manufacturing quality control and industrial software & cloud platforms for the development of industrial cloud platform.
- (4) Customer D is a private company established in 2021 in Henan Province, with a registered capital of RMB60.0 million. During the Track Record Period, we provided it with a diverse portfolio of products and services for automotive and new energy vehicle manufacturing applications.
- (5) Customer E is a private company established in 2006 in Beijing with a registered capital of RMB9.9 billion. During the Track Record Period, we provided it with AI-enabled surface detect inspection equipment for the manufacturing of household appliances and industrial software & cloud platforms for the development of industrial cloud platform.
- (6) Customer F is a public company listed on the Stock Exchange and the Shenzhen Stock Exchange. During the Track Record Period, we provided Customer F with intelligent inspection and re-welding robot and AI-enabled inspection equipments for its manufacturing of electronics, automotive, and battery.
- (7) Customer G is a private company established in 2019 in Jiangsu Province, with a registered capital of over RMB100.0 million. During the Track Record Period, we provided Customer G with AI-enabled inspection & vision-guided automated production line for the manufacturing of energy storage server.
- (8) Customer H is a private company established in 2021 in Anhui Province, with a registered capital of over RMB55.0 million. During the Track Record Period, we provided Customer H with intelligent inspection robots and AI-enabled inspection equipments for manufacturing of new energy vehicle electronic component.
- (9) Customer I is a private company established in 1999, with its registered address in Jiangsu Province, and a registered share capital of over RMB60.0 million. We provided Customer I with intelligent loading/unloading and inspection robot, AI-enabled assembly& testing production lines and AI-enabled automated inspection lines for electrical appliance manufacturing.

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- (10) Customer J is a private company established in 2013 in Fujian Province, with a registered share capital of over RMB2.0 billion. We provided Customer J with intelligent sorting and inspection robot, intelligent inspection robot, industrial AI platform software and core algorithm models for new energy and smart manufacturing applications.
- (11) Customer K is a private company established in 2017 in Tianjin, with a registered share capital of RMB20.0 million. We provided Customer K with intelligent inspection and grinding robots, intelligent inspection robots and AI-enabled automated inspection lines for automotive and new energy vehicle manufacturing.
- (12) Customer L is a private company established in 2014 in Jiangsu Province, with a registered share capital of over RMB10.0 million. We provided Customer L with intelligent inspection robots, AI-enabled inspection lines and battery module inspection equipments for new energy vehicle and semiconductor manufacturing.

As of the Latest Practicable Date, none of our Directors, their close associates, or any Shareholder (who, to the knowledge of the Directors, owns more than 5% of our issued share capital) had any interest in our top five customers for each year during the Track Record Period.

The principal terms and conditions in the agreements with our customers are as follows:

- **Product Delivery:** We are typically responsible for delivering the products to the location specified by the customer.
- **Payment and Credit Terms:** We usually require payment in installments and have no fixed credit term. A portion of the purchase price is paid upon contract signing, a second payment is made upon our shipment, a third payment is made after delivery and acceptance, and the final balance is paid upon the expiration of the warranty period. Some customers may opt for a lump-sum payment of the full amount after receipt and acceptance.
- **Warranty:** We typically provide a 12-month warranty period, covering repair services for product defects that occur under normal use. The warranty does not cover damage caused by misuse or external factors beyond our control.
- **Product Return Policy:** We generally do not accept product returns from customers after acceptance.
- **Termination:** Generally, the contract can be terminated by mutual agreement of both parties.

The change in the top five customers in 2025 was primarily driven by the successful scaling and application of our EIIR and AI-enabled intelligent products. While one key customer from 2024 remained, four new customers ranked among our top five customers, reflecting successful large-scale deployments in sectors like new energy motors, electrical components, and semiconductors. Conversely, certain customers who were among the top five in 2024 did not remain in the top five, mainly due to a shift in their product focus away from modular cloud platforms, delayed order recognition, or a temporary pause in project phases.

Our product liability exposure is managed through a comprehensive pre-project risk assessment process. Before undertaking any project, we conduct a rigorous assessment of delivery risks. The scope of delivery and our corresponding obligations are clearly delineated in technical agreements, which are only executed once we confirm our capability to meet the specified requirements. This disciplined approach at the contracting stage serves as our primary mechanism to mitigate the risks of product failure and subsequent liability claims. While we currently do not maintain product liability insurance, we will explore procuring such insurance to further strengthen our risk management framework, taking into consideration factors such as coverage scope, premium costs, and our operational risk exposure. During the Track Record Period and up to the Latest Practicable Date, there have been no material product returns, defects, or malfunctions, nor have there been any product or service recalls.

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OUR SUPPLIERS

We procure key components and equipment that are crucial for our production. Our procurement mainly includes raw materials, actuator components for automation, and computing power services. In 2023, 2024, and 2025, our procurement amounts from the top five suppliers were RMB202.6 million, RMB186.0 million, and RMB362.0 million, respectively, accounting for 64.1%, 46.6%, and 42.4% of our total procurement. Our procurement from the largest supplier in 2023, 2024, and 2025, were RMB51.9 million, RMB50.3 million, and RMB104.5 million, respectively, representing 16.4%, 12.6%, and 12.2% of our total procurement.

The following table sets out information on our top five suppliers in each year during the Track Record Period:

For the year ended December 31, 2023

Supplier	Background	Products Provided	Year of Commencement of Business Relationship	Payment Methods	Purchase Amount (RMB in thousands)	% of Total Purchases
Supplier A	An enterprise focused on the R&D, manufacturing, and sales of automation hardware	Quality Inspection Equipment and Industrial Robotic Arm	2023	Telegraphic Transfer	51,860	16.4
Supplier B	A company focused on smart manufacturing and robotics technology	Computing Power Services and Quality Inspection Equipment	2023	Telegraphic Transfer	51,796	16.4
Supplier C	A private enterprise providing intelligent equipment and solutions for manufacturing, including processing, assembly, and maintenance services	Computing Power Services	2021	Telegraphic Transfer	44,581	14.1
Supplier D	A high-tech enterprise focused on industrial automation, smart manufacturing, and robotics applications	Quality Inspection Equipment and Industrial Robotic Arm	2018	Telegraphic Transfer	37,187	11.8
Supplier E	A high-tech enterprise focused on R&D of smart manufacturing, industrial automation, and advanced equipment	Quality Inspection Equipment and Industrial Robotic Arm	2023	Telegraphic Transfer	17,212	5.4
Total					202,636	64.1

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For the year ended December 31, 2024

Supplier	Background	Products Provided	Year of Commencement of Business Relationship	Payment Methods	Purchase Amount (RMB in thousands)	% of Total Purchases
Supplier B	A company focused on smart manufacturing and robotics technology	Computing Power Services and Quality Inspection Equipment	2023	Telegraphic Transfer	50,322	12.6
Supplier C	A private enterprise providing intelligent equipment and solutions for manufacturing, including processing, assembly, and maintenance services	Computing Power Services	2021	Telegraphic Transfer	49,550	12.4
Supplier F	A high-tech enterprise focused on R&D of smart manufacturing, industrial automation, and advanced equipment	Intelligent Production Line and Quality Inspection Equipment	2024	Telegraphic Transfer	35,778	9.0
Supplier G	An enterprise focused on R&D, production, and sales of electronic components, smart hardware, and automation equipment	Quality Inspection Equipment and Industrial Robotic Arm	2024	Telegraphic Transfer	27,094	6.8
Supplier H	A high-tech enterprise focused on graph databases, knowledge graphs, and big data correlation analysis	Quality Inspection Equipment and Industrial Robotic Arm	2024	Telegraphic Transfer	23,224	5.8
Total					185,968	46.6

For the year ended December 31, 2025

Supplier	Background	Products Provided	Year of Commencement of Business Relationship	Payment Methods	Purchase Amount (RMB in thousands)	% of Total Purchases
Supplier I	An enterprise providing AI-driven services like intelligent content generation, AI game development tools and interactive	GPU Server; Computing Power	2024	Telegraphic Transfer	104,486	12.2%
Supplier D	A high-tech enterprise focused on industrial automation, smart manufacturing, and robotics applications	GPU Server; Computing Power; Mechanical Components	2018	Telegraphic Transfer	75,602	8.9%
Supplier J	An enterprise focused on the informatization and intelligent construction	GPU Server; Supermicro Server	2025	Telegraphic Transfer	68,274	8.0%
Supplier B	A company focused on smart manufacturing and robotics technology	Computing Power; Supermicro Server; Quality Inspection Equipment	2023	Telegraphic Transfer	65,528	7.7%
Supplier K	A company that provide R&D and innovation of enterprise-level AI-Native infrastructure software, integrated data and intelligent infrastructure solutions for large organizations	Computing Server; GPU Server; Factory Management Platform System	2025	Telegraphic Transfer	48,111	5.6%
Total					362,001	42.4%

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Notes:

- (1) Supplier A is a private company established in July 2016, with its registered address in Xi'an, Shanxi Province, and a registered share capital of RMB12.9 million.
- (2) Supplier B is a private company established in December 2019, with its registered address in Zhengzhou, Henan Province, and a registered share capital of RMB57.7 million.
- (3) Supplier C is a private company established in May 2011, with its registered address in Changzhou, Jiangsu Province, and a registered share capital of RMB44.8 million.
- (4) Supplier D is a private company established in August 2013, with its registered address in Suzhou, Jiangsu Province, and a registered share capital of RMB20.0 million.
- (5) Supplier E is a private company established in April 2015, with its registered address in Suzhou, Jiangsu Province, and a registered share capital of RMB10.0 million.
- (6) Supplier F is a private company established in February 2017, with its registered address in Shenzhen, Guangdong Province, and a registered share capital of RMB22.4 million.
- (7) Supplier G is a private company established in June 2016, with its registered address in Suqian, Jiangsu Province, and a registered share capital of RMB16.5 million.
- (8) Supplier H is a private company established in August 2016, with its registered address in Hangzhou, Zhejiang Province, and a registered share capital of RMB16.7 million.
- (9) Supplier I is a private company established in June 2017, with its registered address in Nanjing, Jiangsu Province, and a registered share capital of RMB20.0 million.
- (10) Supplier J is a private company established in December 2001, with its registered address in Zhengzhou, Henan Province, and a registered share capital of RMB34.1 million.
- (11) Supplier K is a private company established in June 2019, with its registered address in Beijing, and a registered share capital of RMB14.3 million.

To the best of our knowledge, our top five suppliers during each year of the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates, or any shareholder (who, to the knowledge of the Directors, holds more than 5% of our issued share capital) held any interest in our top five suppliers during each year of the Track Record Period.

The principal terms and conditions of our agreements with suppliers are as follows:

- **Product Delivery:** The supplier is responsible for transporting the goods to the location designated by us and bears the transportation costs. The agreed delivery date is unchangeable except with our written consent.
- **Payment and Credit Terms:** The contract provides for either installment payments or monthly settlement. If monthly settlement is chosen, payment is made within an agreed number of days after the goods have been received, inspected, and the supplier's invoice has been received.
- **Quality Assurance:** The supplier provides a quality guarantee period as stipulated in the contract, during which it will repair or maintain the goods free of charge, excluding damage caused by our improper operation. The supplier must respond promptly upon notification and, if necessary, dispatch personnel to the site within a specified time.
- **Acceptance and Handling:** If we find that the goods are non-conforming upon receipt, we have the right to reject them and demand a replacement from the supplier. If the replacement still fails re-inspection, we may choose to request another replacement or terminate the contract directly.
- **Contract Termination:** We have the right to unilaterally terminate the contract if the supplier's goods fail to pass acceptance, delivery is delayed by more than 15 days, or confidentiality obligations are breached, and we may demand payment of liquidated damages from the supplier.

Supplier Management

We have established a comprehensive supplier management system to ensure product quality, delivery reliability, service responsiveness, and supply chain efficiency, while also considering cost-effectiveness. Our procurement framework clearly defines the responsibilities of all parties and is supported by a dedicated procurement team and cost control team, including project procurement engineers and strategic procurement specialists.

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We maintain a list of reputable and qualified suppliers in the industry. In 2023, 2024 and 2025, we transacted with 176, 220 and 290 suppliers, respectively. For key components, we evaluate suppliers based on multiple criteria, including the technical background and organizational structure of their engineering teams, production equipment and capacity, quality assurance capabilities, pricing, technical expertise, production capacity, and delivery schedules. The procurement department, together with the relevant technical, project, and quality control teams, conducts regular performance evaluations of suppliers. The evaluations cover multiple dimensions, including the procurement process, engineering support, project management, and quality control. Suppliers whose composite scores do not meet the specified threshold are required to implement improvement measures according to a plan coordinated by the relevant departments. We also conduct regular on-site audits of suppliers to assess their production facilities, quality management systems, and supply chain management practices. We employ a tiered supplier management model that includes performance incentives, corrective action plans, and the phasing out of underperforming suppliers. This dynamic mechanism allows us to continuously optimize our supplier system and maintain a competitive edge in cost and quality.

We actively communicate with our suppliers and have established long-term partnerships with most of them to avoid supply chain disruptions. During the Track Record Period, we did not experience any significant supply shortages or delays. We secure favorable pricing by entering into long-term agreements with key suppliers and have not been adversely affected by significant price fluctuations during the Track Record Period.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We prioritize the management of ESG matters, strictly adhere to relevant laws, regulations, and market practices, and actively integrate ESG principles into our strategic decisions and daily operations.

ESG Governance Structure

Our ESG governance structure consists of the Board of Directors, management, and various functional departments. The Board is responsible for regularly reviewing and making decisions on significant ESG matters, approving ESG strategies and reports, and overseeing progress on ESG-related issues. Management is responsible for formulating the company’s ESG strategic plan, management policies, and implementation rules; identifying and monitoring ESG-related risks and opportunities that have a significant impact on our business; managing, supervising, and reviewing the implementation of the company’s ESG measures. Management will hold regular meetings and report to the Board on ESG-related matters at least once a year, with ad-hoc meetings convened as needed to assist the Board in the overall management and supervision of ESG work. The functional departments are responsible for the implementation of specific ESG tasks, providing strong support for the achievement of the company’s ESG strategic goals.

To further enhance our management level and professional capabilities in the ESG field, we have engaged an external ESG professional consultant to provide necessary ESG expertise and assist us in comprehensively reviewing ESG-related aspects of our business operations and carrying out ESG-related work.

ESG Materiality Assessment

Through a process of identifying, assessing, and confirming issues, we have identified ESG materiality issues relevant to our company’s development, including energy management, water resource management, waste management, climate change response, product safety and quality, supply chain management, labor management, occupational health and safety, and business ethics and anti-corruption. The specific process is as follows:

- **Identification:** We identify potentially significant environmental, social, and governance issues that may affect our business or stakeholders based on the Stock Exchange’s Guide for New Listing Applicants — 4.3 Corporate Governance and Environmental, Social and Governance (《新上市人申請指南 — 4.3企業管治以及環境、社會及管治》) and the

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Environmental, Social and Governance Reporting Code (《環境、社會及管治報告守則》), combined with our own circumstances and industry trends. In this process, we pay special attention to the impact of potential changes in ESG-related social trends and government policies on our business model and value chain.

- **Assessment:** We conduct a preliminary materiality assessment of the identified ESG issues and invite external ESG experts to provide professional opinions and guidance, followed by prioritization.
- **Confirmation:** Management reviews the prioritization results and ultimately confirms the ESG issues that have a significant impact on the company’s sustainable development.

In the future, we are committed to improving our regular communication mechanisms with stakeholders to stay informed of their concerns and expectations, and to consider how to incorporate these into our management decisions to build momentum for the company’s sustainable development.

ESG Risk Management

To manage ESG risks, we have established a risk and opportunity response and control procedure. By systematically reviewing business processes, we accurately identify existing risk points and evaluate the severity and frequency of the identified risks to determine their risk level. Based on the assessment results, we will formulate targeted risk response measures to enhance the company’s resilience to risks, while striving to balance cost-effectiveness and sustainable development. We are committed to monitoring and evaluating the effectiveness of our risk management system to ensure it is timely corrected and effectively controlled during business development. We face various risks in our operations, including ESG-related risks, which are detailed in the “Risk Factors — Risks Relating to Our Business and Industry” section of this document.

With reference to Appendix 27 Environmental, Social and Governance Reporting Code (《環境、社會及管治報告守則》) of the Main Board Listing Rules, we have identified climate-related risks and opportunities relevant to our business and considered their potential impact on the company and our response measures. The climate risks and opportunities we have identified are detailed in the table below:

Risk/Opportunity Type	Impact Timeframe	Scope of Impact	Description	Response Measures
Transition Risk	Short-term, Medium-term, Long-term	Own Operations, Upstream Value Chain	Tighter regulatory policies may subject the company and suppliers to stricter requirements on resource use and carbon emissions, leading to increased production costs for suppliers and higher operating costs for the company.	Continuously monitor relevant policies and regulations; timely formulate, revise, and implement related internal systems to reduce compliance risks.
Physical Risk	Short-term	Own Operations	Increased frequency of extreme weather events such as heavy rain and typhoons due to climate change, threatening employee health and safety, affecting normal company operations, and causing property damage.	Pay close attention to extreme weather warnings and communicate them to employees; implement temporary control measures such as work-from-home arrangements and adjusted travel times to remind them of personal safety.

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Risk/Opportunity Type	Impact Timeframe	Scope of Impact	Description	Response Measures
Opportunity	Short-term	Own Operations	Improve the efficiency of energy, water, and other resources, while reducing resource consumption to save operating costs.	Actively promote energy-saving, emission reduction, and green office measures. Conduct energy-saving and emission reduction training to raise awareness among all employees. Promote resource recycling and strengthen the classification, treatment, and reuse of recyclable waste.

Environmental Responsibility

Environmental Protection

We strictly comply with environmental laws and regulations such as the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》), the Energy Conservation Law of the People’s Republic of China (《中華人民共和國節約能源法》), and the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), and we also closely monitor the latest policy developments and regularly evaluate and update our environmental policies and measures. According to our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we have not had any serious violations of environmental laws and regulations.

We value environmental management and have obtained ISO 14001 Environmental Management System certification. Given the nature of our business, we believe that our operations do not have a significant adverse impact on the environment, and we are not aware of any major environmental liability risks or compliance costs during the Track Record Period and up to the Latest Practicable Date.

The following table shows our energy and resource consumption during the Track Record Period¹.

	For the year ended December 31,		
	2023	2024	2025
Energy Consumption			
Electricity Consumption (MWh)	493.09	601.49	523.36
Gasoline Consumption (MWh)	24.92	23.74	36.72
Total Energy Consumption (MWh)	518.01	625.23	560.08
Energy Consumption Intensity (MWh/million RMB revenue)	1.19	1.04	0.71
Water Consumption			
Water Consumption (cubic meters)	387.63	270.39	278.80
Water Consumption Intensity (cubic meters/million RMB revenue)	0.89	0.45	0.35
Packaging Materials			
Packaging Material Usage (kg)	36.00	32.00	36.00
Packaging Material Usage Intensity (kg/million RMB revenue)	0.08	0.05	0.05

Note: As electricity and water consumption data for some operational sites are not retroactively available, we have used annual per capita data from other traceable operational sites for estimation, considering business consistency.

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We are currently in the initial stage of assessing the environmental impact of our operating activities and setting ESG targets. To minimize environmental impact and risks, promote energy conservation and emission reduction, and effectively manage various quantitative indicators, we have set the following quantitative targets related to energy and water consumption:

Energy consumption intensity: with 2024 as the base year, to reduce energy consumption intensity by 5% by 2030;

Water consumption intensity: with 2024 as the base year, to reduce water consumption intensity by 5% by 2030.

To ensure the successful achievement of these targets, we will adopt a series of specific management measures in areas such as energy management, water resources management and emissions management, which will be implemented by the respective functional departments. Based on the advice from external professional ESG consultants and the data we collect and calculate, the management will regularly review the target settings and progress, and report to the Board to facilitate timely adjustments and follow-ups according to the actual situation.

Energy Management

The main energy consumption in our business operations is purchased electricity and gasoline for company vehicles. To reduce electricity consumption, we closely monitor our energy usage by compiling monthly statistics on electricity consumption at each operational site, gradually identifying high-energy-consuming areas, and planning targeted energy-saving measures. Additionally, we post energy-saving reminder signs in office areas and include electricity usage regulations in new employee orientation to enhance the energy-saving awareness of all staff.

Water Resource Management

All water we use is sourced from municipal water supplies. We deeply understand the necessity of water resource conservation and have established a water usage monitoring mechanism to regularly compile and analyze water consumption data. At the same time, we advocate for responsible water use and post water-saving reminder signs in restrooms to raise employees' awareness of water conservation.

Emissions Management

The emissions generated during our daily operations are primarily vehicle exhaust, domestic sewage, and solid waste, including domestic garbage and packaging materials. Domestic sewage is discharged through municipal pipelines for compliant treatment by municipal sewage plants. For solid waste, we sort it according to local government requirements and dispose of it at designated locations for unified collection and treatment by relevant personnel. With respect to hazardous waste generated in the course of our operations, we have set up designated hazardous waste storage areas in accordance with the Corporate Hazardous Waste Management Procedures (《企業危廢管理流程》). Such waste is collected and treated by category by the original suppliers or by qualified third-party companies commissioned by us, to minimize the negative impact on the environment. We are committed to achieving 100% compliant disposal of waste and have not been subject to any material fines or other penalties due to non-compliant waste disposal.

To further reduce our environmental impact, we actively take measures to promote waste reduction at the source and sorted recycling in our operations. We continuously strengthen employees' environmental awareness by posting environmental slogans in office areas, promoting paperless offices and waste sorting, and enhancing training and advocacy during new employee orientation. Furthermore, we require proper storage and sorted placement of transportation packaging materials such as pallets and cardboard boxes to achieve recycling of packaging materials.

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The following table shows our air pollutant emissions during the Track Record Period.

	For the year ended December 31,		
	2023	2024	2025
Air Pollutants			
Nitrogen Oxides (kg)	35.65	33.10	49.80
Sulfur Oxides (kg)	0.04	0.04	0.06
Particulate Matter (kg)	3.42	3.17	4.77

Addressing Climate Change

In response to the national carbon neutrality strategy, we have systematically quantified our greenhouse gas (GHG) emissions to identify the current status and potential for reduction. In the foreseeable future, we intend to further reduce GHG emissions through various workplace policies and measures. We expect to promote sustainable, green, and low-carbon development by practicing environmental protection concepts and implementing green office initiatives. To better control greenhouse gas quantitative indicators, we have comprehensively and prudently considered our historical emission levels during the Track Record Period and have set a GHG emission target based on the actual development of the Company, which is to reduce GHG emission intensity (Scope 1 + Scope 2) by 5% by 2030 with 2024 as the base year, to contribute to the achievement of the national dual-carbon goals. In the future, we will consider our actual business expansion and regularly review the target settings and progress, making timely adjustments and follow-ups to the targets.

The following table shows our greenhouse gas emissions during the Track Record Period.

	For the year ended December 31,		
	2023	2024	2025
Greenhouse Gas Emissions			
Scope 1: Direct GHG Emissions (tCO ₂ e) ¹	6.48	6.17	9.54
Scope 2: Energy Indirect GHG Emissions (tCO ₂ e) ²	264.59	322.76	280.84
Total GHG Emissions (Scope 1 + Scope 2) (tCO ₂ e)	271.07	328.93	290.38
GHG Emission Intensity (Scope 1 + Scope 2) (tCO ₂ e/million RMB revenue)	0.62	0.55	0.37
Scope 3: Other Indirect GHG Emissions (tCO ₂ e) ³	306.48	253.44	309.71

Notes:

1. Scope 1 GHG emissions are from gasoline use in company vehicles.
2. Scope 2 GHG emissions are from purchased electricity at various operational sites.
3. Scope 3 GHG emissions are from employee business travel.

Social Responsibility

Labor Management

We strictly adhere to relevant laws and regulations such as the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》) and the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》). Based on these, we have formulated an Employee Handbook (《員工手冊》) that covers all aspects of management, including recruitment, termination, compensation and benefits, performance evaluation, promotion mechanisms, and working hours, to fully protect the legitimate rights and interests of our employees and promote the mutual development of the company and its employees.

Recruitment and Employment

We actively expand diversified recruitment channels, using a strategy that combines internal referrals with external talent acquisition to enhance recruitment efficiency and precision, thereby attracting a wide range of outstanding talent. We adhere to the principles of openness, fairness, and justice in recruitment and employment, ensuring that recruitment information is transparent and all

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applicants are treated equally, without discrimination based on gender, age, race, religious beliefs, or other factors. Upon official onboarding, we sign formal labor contracts with employees in strict accordance with relevant laws and regulations, effectively ensuring the legality and standardization of the employment relationship.

We prohibit the employment of child labor and forced labor. During the recruitment process, we require all prospective employees to provide authentic and valid identification documents to ensure their age meets legal requirements. If any instance of child labor or forced labor is discovered during employment, we will immediately terminate the employment relationship and optimize our recruitment processes and management mechanisms to prevent such incidents from recurring.

We strictly prohibit any form of discrimination and unfair treatment, resolutely opposing any unfair treatment of employees based on factors such as gender, age, or educational background, and we prioritize employment opportunities for persons with disabilities. To effectively protect employee rights, we encourage any employee who experiences discrimination to provide feedback and seek help from the company promptly, and we have also established an employee union to represent and protect the interests of our employees.

The following table shows the composition of our workforce as of December 31, 2025.

Employee Indicator		Number of Employees (Persons)
Total Employees		490
By Gender	Male	377
	Female	113
By Age Group	Under 30	140
	30–40	256
	Over 40	94

Training and Development

We fully consider the diverse career development needs of our employees and have established systems such as the Rank System Communication and Implementation Plan (《職級體系宣導方案》) and the Performance Evaluation Principles for the Technology Research and Development Center (《技術研發中心績效考核原則》) to create multiple development paths, ensuring that our promotion mechanism is fair, transparent, scientific, and standardized, fully stimulating the potential and enthusiasm of employees in different positions.

To foster a culture of mutual learning and knowledge sharing, we provide employees with a variety of training courses, including new employee orientation, internal on-the-job training, and external training, to enhance their professional skills. Each year, we organize the “Smart Sharing Billion Plan” sharing sessions, inviting internal senior experts or external industry elites to share in-depth insights on core topics like job skill enhancement and management capability advancement, helping employees to continuously improve their professional competitiveness.

Occupational Health and Safety

We prioritize the occupational health and safety of our employees and have obtained ISO 45001 Occupational Health and Safety Management System certification. In our daily safety management, we place great importance on fire safety, actively participating in fire drills to continuously strengthen employees’ fire safety awareness and enhance their ability to respond to and handle emergency fire incidents, ensuring rapid and orderly evacuation and self-rescue in emergencies. During the Track Record Period and up to the Latest Practicable Date, we have not had any major workplace accidents. We also strictly adhere to environmental standards, commissioning third-party authoritative institutions to conduct air quality testing upon completion of all renovation projects to create a healthy and comfortable office space for our employees.

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During the Track Record Period and up to the Latest Practicable Date, we have not had any incidents or complaints relates to occupational health and safety that would have a material adverse effect on our business, financial condition, or results of operations.

Products and Services

Product R&D and Innovation

Supported by continuous and stable R&D investment, we have built a rigorous, complete, and deeply integrated structured and systematic R&D management process to clarify the standards and specifications for each stage of the project lifecycle, ensuring that innovation is both efficient and reliable. At the same time, we have brought together top talent in the industry to create a formidable R&D team. With their professional expertise and market insight, they drive innovative achievements that not only lead the industry but also precisely meet market demands, achieving efficient commercialization. For more details, please refer to section “Business — Research & Development” of this document.

Product Safety and Quality

We are ISO 9001 Quality Management System certified and have established a full-process safety and quality control procedure, implementing strict process control measures in all aspects, including business, R&D, procurement, production delivery, after-sales, and operations. During the product installation and commissioning process, we conduct trial run tests to identify potential safety hazards and set up safety warning signs. Before delivery, we organize relevant departments such as engineering, procurement and quality to conduct a joint review to ensure that the products meet safety and quality standards. We have set an annual quality target of “100% assurance of shipment quality and 100% guarantee of delivery schedule.” If quality issues are found during inspection, we will immediately replace the components and re-commission the product until the quality is fully up to standard before it leaves the factory. In addition, for obsolete components or products, we regularly conduct inspections and assessments and carry out centralized and proper disposal. For details, please refer “Business — Quality Control”.

Supported by a professional project management team, we provide customers with comprehensive, one-stop service support and take appropriate action on complaints related to product safety and quality. During the Track Record Period and up to the Latest Practicable Date, we did not receive any major complaints regarding product safety and quality.

Intellectual Property Protection

We strictly comply with the Patent Law of the People’s Republic of China (《中華人民共和國專利法》), the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》), the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》), and related intellectual property laws and regulations, and have also implemented comprehensive internal policies to establish robust management of our intellectual property. For details, please refer to “Business — Intellectual Property”.

Information Security and Privacy Protection

By formulating policies such as the Cybersecurity and Access Management Process (《網路安全及訪問管理流程》), Information Security Incident Management Process (《信息安全事件管理流程》), and Employee Privacy Protection Management Measures (《員工隱私保護管理辦法》), we regulate information security operations and enhance our information security protection capabilities. At the same time, we have established an information security management framework to promote the implementation of related security measures. We are certified under ISO 27001 Information Security Management System and ISO 20000 Information Technology Service Management System.

We have adopted robust information security and privacy protection measures, including strictly restricting access to relevant information files; deploying firewalls with high capabilities for preventing external intrusions; and implementing physical isolation between internal and external

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networks. In addition, we regularly provide information security training for employees to enhance the security and compliance awareness of all staff. For details, please refer “Business — Data Security and Privacy”.

Supply Chain Management

We are committed to establishing clear supplier management procedures, including multiple regulations such as the Production Supplier Management Process (《生產性供應商管理流程》) and Supplier Rating and Performance Evaluation Process (《供應商評價及績效評估流程》), which provide detailed provisions for the full lifecycle management of suppliers from approval and verification to performance management. To select high-quality suppliers, we comprehensively consider factors such as production capacity and technical strength, and we prioritize suppliers who have passed relevant quality management system certifications like ISO 9001 to ensure their compliance with quality standards.

We actively respond to the concept of sustainable development and continuously strengthen our supply chain sustainability management capabilities. Suppliers are required to sign a Corporate Social Responsibility Agreement (《企業社會責任協議》) to clarify the rights and obligations of both parties in environmental protection, social responsibility, and other areas, jointly promoting a green and sustainable supply chain.

As of December 31, 2025, the number of our suppliers and specific procurement details by region is as follows.

Supply Chain Management Indicator	Purchased Goods and Services	Procurement Proportion (%)	Number of Suppliers (Companies)	Percentage of Total (%)
Jiangsu Province	Actuator components, Computing power services, Optical instruments, Others	33.48	240	40.00
Henan Province	Actuator components, Computing power services, Optical instruments, Others	13.22	7	1.17
Zhejiang Province	Actuator components, Computing power services, Optical instruments, Others	12.43	37	6.17
Guangdong Province	Actuator components, Computing power services, Optical instruments, Others	10.49	112	18.67
Other Regions and Overseas	Actuator components, Computing power services, Optical instruments, Others	30.37	204	34.00
Total		100	600	100

Note: Other Regions refer to Beijing, Fujian Province, Anhui Province, ect. Overseas refer to the Czech Republic.

Anti-corruption and Anti-bribery

We strictly comply with all applicable anti-corruption and anti-bribery laws and regulations, such as the Anti-Unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》) and the Criminal Law of the People’s Republic of China (《中華人民共和國刑法》), and we have also established management systems like the Anti-Financial Fraud and Whistleblowing System (《反財務舞弊與投訴舉報制度》) to prevent and stop any form of corruption and bribery, ensuring that our employees adhere to high standards of integrity and transparency in all business activities. During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any pending or concluded corruption or bribery cases brought against our Company or our employees.

We adopt a “zero-tolerance” stance towards corruption and bribery, and have established an anti-corruption task force, led by the Chief Executive Officer, to coordinate anti-corruption efforts. To strengthen compliance constraints, we require all employees to sign a Sunshine Agreement (《陽光

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協議》) and provide anti-corruption and anti-bribery training to every new employee. We also require all suppliers to sign an Integrity and Honesty Agreement (《誠信廉潔協議》) to build an upstream and downstream linked clean supply chain.

We have established a reporting mechanism, including a hotline (400-1600-127) and an email address (info.micro-i.com), to support employees and partners in proactively reporting any suspicious acts of corruption or bribery, and we strictly protect the identity of anonymous whistleblowers and prohibit the disclosure of information about those who report by name.

Community Involvement

For many consecutive years, we have conducted design ecosystem salons, held AI popular science lectures, and hosted over a thousand middle school and university students for research and practice activities, providing a platform for young students to experience cutting-edge technology immersively. In the future, we will invest in community education to provide young people with diverse learning opportunities and resources, helping to cultivate innovative talent adapted to the needs of the digital age. Furthermore, during the COVID-19 pandemic, the company actively responded to the government’s call by promptly donating special funds and epidemic prevention materials to the local community, demonstrating corporate social responsibility through practical actions and contributing to the building of a harmonious society.

COMPETITION

As a pioneer and leader in the embodied intelligence industrial robotics industry, we operate in a competitive environment driven by rapid technological advancements and an increasing demand for flexible, intelligent solutions to address the core challenges of modern manufacturing. Since our establishment, we have positioned ourselves as an early mover in applying embodied intelligence to complex industrial scenarios, achieving a market-leading position within China. Our success underscores our commitment to delivering highly integrated hardware and software solutions that empower companies to navigate the complexities of Industry 4.0.

However, as the concept of embodied intelligence transitions from an academic framework to a commercially viable technology, competition has intensified, drawing a diverse range of both established automation companies and innovative startups into the field. We currently face competition from players with backgrounds in traditional industrial automation, humanoid robotics, and AI, who are also vying to capture the immense market opportunity.

The accelerating pace of innovation in embodied intelligence presents significant opportunities for us, alongside unique challenges. The industry is rapidly evolving, requiring the synergistic fusion of AI, multi-modal perception, decision-making, and physical execution capabilities. Staying at the forefront of these integrated technologies and aligned with evolving customer needs is crucial. Our strategy must remain adaptable, as any delay in technological development or misalignment with specific industrial know-how could potentially slow our growth or impact our market share.

By proactively leveraging our full-stack research and development capabilities, from core hardware to advanced AI algorithms, and focusing on our proven ability to deploy solutions in complex industrial settings, we believe we are well-positioned to strengthen our competitive position. We will continue to offer cutting-edge industrial embodied intelligence solutions that redefine the future of intelligent manufacturing.

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EMPLOYEES

As of December 31, 2025, we had a total of 490 full-time employees. All employees are based in China. The following table shows a breakdown of our employees by function as of December 31, 2025.

Function	Number of Employees	%
R&D	272	56
Engineering & Delivery	75	15
Sales & Marketing	76	16
General Administration & Management	67	14
Total	490	100

Our success depends on our ability to attract, retain, and motivate qualified talent. We firmly believe that our high-quality talent pool is one of our core competitive advantages. Therefore, we offer a competitive compensation and benefits package and a collaborative, innovative work environment, which enables us to attract and retain qualified personnel and maintain a stable management team. We emphasize training to ensure our workforce remains highly skilled, knowledgeable, and proficient. We provide training programs at all levels tailored to employees’ functions, positions, and responsibilities, covering both soft and technical skills.

We select the most suitable talent for positions through a high-standard recruitment process, utilizing a combination of online professional recruitment platforms, headhunting firms, and internal employee referrals to meet the company’s diverse talent needs. We have signed standard labor contracts, confidentiality agreements, and non-compete agreements with key employees.

In accordance with China’s social insurance and housing provident fund laws and regulations, we are required to make mandatory contributions for our employees. During the Track Record Period, we failed to make full social insurance and housing fund contributions for some employees as required by relevant PRC laws and regulations. For details, see “Risk Factors — Risks Relating to Our Business and Industry — Any failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.”

We maintain good relations with our employees and expect to continue to do so in the future. During the Track Record Period and up to the Latest Practicable Date, there were no major strikes that adversely affected our operations, nor were there any major disputes between the Company and our employees.

INSURANCE

We believe we have provided adequate insurance coverage for our business operations by implementing all mandatory insurance policies required by PRC laws and regulations. As stipulated by PRC law, we maintain standard employee-related insurance, including pension, maternity, unemployment, work-related injury, medical insurance, and supplementary medical insurance. In line with general market practice, we have not purchased business interruption insurance or product liability insurance, as such insurance is not mandatory under relevant PRC laws. During the Track Record Period, we have not made any material insurance claims related to our business. For more information, please see “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations and financial condition.”

U.S. EXPORT CONTROL LAWS AND REGULATIONS

We do not conduct business in jurisdictions that are subject to comprehensive U.S. or international sanctions, including Iran, North Korea, and the Crimea region. During the Track Record Period, our international sanctions legal adviser reviewed our customer and supplier

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data against sanctions lists maintained by the PRC, the United States, the European Union, the United Kingdom, and the United Nations. This review did not identify any engagement with designated parties in comprehensively sanctioned jurisdictions during the relevant period.

Based on currently available information and to the best of our knowledge, including our assessment of the technologies employed in our R&D processes, the materials and components incorporated into our products, and the nature of our product offerings, our international sanctions legal adviser is of the view that, our products are not subject to the EAR. Accordingly, our transactions have not involved items that would require a U.S. export control license, nor do they appear to constitute violations of applicable U.S. export control laws.

U.S. Outbound Investment Program Final Rule

Based on the nature of our operations, we have developed certain AI systems for use in connection with our own products. These AI systems are not designed or intended for military end uses, government intelligence purposes, or mass-surveillance applications, and the training parameters of such systems do not meet the thresholds for “prohibited transactions” as defined under the Final Rule. Our AI systems are solely utilized to control and optimize the performance of our industrial embodied intelligent robots. Accordingly, our legal advisor on international sanctions laws is of the view that we are engaged in “covered activities” that could fall within the scope of transactions subject to notification requirements under the Final Rule.

While purchases of our Shares in this [REDACTED] by U.S. persons will likely be subject to the notification requirement, ordinary secondary trading in our Shares will be able to rely on the Publicly Traded Securities Exception, and the notification requirement will not be applicable to those trades. Specifically, pursuant to the FAQs (X. 4) on the Final Rule issued by the U.S. Department of the Treasury on 23 December 2025, absent additional facts, when a U.S. person acquires an equity interest in a covered foreign person, and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of “publicly traded security exception” under the Final Rule, regardless of when an agreement is entered into. Therefore, our Directors and legal advisor on international sanctions laws are of the view that the Final Rule is not expected to have a material adverse impact on Group’s business operations, financial performance, as well as the [REDACTED] of the Company’s securities on the Exchange after the completion of the [REDACTED]. Neither we nor the [REDACTED] for this [REDACTED] are advising investors on compliance with the Final Rules, and any investor that is uncertain about the Final Rule’s application to its purchase of Shares in this [REDACTED], should consult its own counsel.

IMPACT OF THE TARIFFS

Our legal advisor on international sanctions laws and Sponsor are of the view that our operations and financial condition have not been materially affected by U.S. tariff policies throughout the Track Record Period and up to the Latest Practicable Date, and that such impact is expected to remain limited for us going forward.

With respect to the current impact of U.S. tariff policies, the Group has not engaged in any export activities to the U.S. market during the Track Record Period and up to the Latest Practicable Date. This operational structure inherently shields the Group from direct impacts of U.S. tariff fluctuations during the relevant period. As to potential indirect knock-on effects, including changes in global or downstream product demand, we confirm that no material order cancellations, revenue shortfalls, or operational disruptions have arisen as a result of U.S. tariff volatility. We do not rely on U.S.-related sales channels, which further mitigates indirect risks from U.S. tariff changes.

With respect to the future impact of U.S. tariff policies, our planned expansion into the U.S. market will be supported by a prudent commercial strategy, the associated tariff-related risks are considered manageable by our legal advisor on international sanctions laws and Sponsor.

Moreover, our procurement of U.S.-origin items was limited to commercially available software licenses. These software products were acquired through standard licensing agreements and are used in our general administration, product development, and service delivery operations. The

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procurement did not involve the import of physical goods or hardware. The software serves internal functions, such as office productivity, design and engineering, data analysis, and infrastructure management.

DATA SECURITY AND PRIVACY

In the course of providing our products and services, we conduct certain necessary data-related activities to ensure product functionality and operational efficiency. For example, we may access data related to solution design, development, production, and functionality, including production line layouts, equipment configurations, material types, product specifications, and other information related to production and facilities. We handle such data in strict compliance with applicable data privacy regulations and our contractual agreements with customers. The aforementioned data processing activities are conducted under customer authorization and for the purpose of fulfilling contractual obligations.

Specifically, the sources, ownership, and handling of key data types are as follows:

- **On-site and Production Data:** Comprises operational logs (machine-run data) and production metrics (e.g., yield and defect rates) generated by our robots after deployment at customer facilities. These datasets remain the property of the customers and are stored exclusively on customers’ local servers. We do not retain or transit this data for our own use; it is utilized solely to optimize model instances deployed locally for that specific customer. We do not access such data without explicit authorization.
- **Annotated Data:** Consists of raw data (e.g., trajectory points and sensor inputs) generated by our equipment at our own premises, which is subsequently annotated by our personnel to train proprietary algorithms. This data belongs to us and is stored at our cloud-based servers (deployed via China Mobile Public Cloud, which holds multiple certifications including ISO 27001, ISO 27701, ISO 27017, and ISO 27018, and has completed the Multi-Level Protection Scheme (Level 3) filing). The implication of these credentials is that our data hosting infrastructure adheres to the recognized domestic and international standards for cybersecurity and privacy protection.
- **Contact Information:** General personal information (e.g., names and professional contact details) voluntarily provided by customers and suppliers for business liaison. This data is stored in our SaaS-based management systems, which are certified under ISO 27001 and ISO 27701 and have completed the Multi-Level Protection Scheme (Level 3) filing. These certifications imply that our internal management of business contact data is fortified against data leakage, providing a verified level of trust to our business partners regarding the confidentiality of their corporate information. Counterparties are deemed to have provided consent and legal basis by voluntarily providing this information for the necessary purposes of concluding and performing the contract.
- **Test Data:** Used for pre-acceptance model training, comprising subsets of our Annotated Data and occasional simulated data provided by customers. For customers providing simulated data, we obtain explicit consent through the relevant service or test agreements. This data is stored at our cloud-based servers.

Our Yixiu Cloud supports “fully private deployment” by being installed and operated locally according to customer requirements. All related hardware and software are used independently by the customer, and all customer data is processed by the customer themselves.

Cross-Border Data Transfer

Our principal business does not involve any cross-border transfer of important data. Since the implementation of the relevant regulations in 2024 and up to the Latest Practicable Date, neither our Company nor any subsidiary has, in the aggregate for the respective year, transferred personal information of more than 1 million individuals (excluding sensitive personal information) or sensitive personal information of more than 10,000 individuals overseas. In conclusion, we are not required to apply for a security assessment of cross-border data transfers arising from our ordinary business operations.

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Regarding data processed during our principal business operations, we have implemented the following data security obligations and protective measures:

- (1) **Dedicated Management Structure and Personnel:** A Quality Systems Department has been established, with a designated member of this department appointed as the company’s Network Data Security Officer. A confidentiality agreement has been signed with the Network Data Security Officer.
- (2) **Development of Data Compliance Framework:** We have formulated comprehensive compliance protocols covering all aspects of data security, including data classification and grading, cybersecurity protection, data backup and encryption, access rights control, log management, security incident emergency response, and data compliance training. These form a robust data compliance system alongside multiple specific control procedures.
- (3) **Concurrently, we have implemented a series of measures to enforce the established data compliance framework:**
 - Routinely managed data has been categorised, with corresponding access controls, audit monitoring, and data backup measures implemented according to data classification levels;
 - For business and management systems, security modules including firewalls, vulnerability scanning, and network access rule configurations have been activated. Functional modules such as cloud backup, cloud disk backup, log recording, querying, and management have been enabled to effectively prevent and mitigate risks of data corruption or loss;
 - Access permissions and network restrictions have been established for relevant systems based on user roles and job responsibilities;
 - The emergency response system clearly defines classifications and severity levels for information security incidents, along with corresponding procedures and measures for response, investigation, resolution, and rewards/penalties;
 - Data compliance awareness training has been conducted for relevant staff in accordance with the established data security training plan.
- (4) **We have obtained ISO/IEC 27001 Information Security Management System certification, demonstrating our implementation, maintenance and management of information security in accordance with internationally recognised commercial operational guidelines and principles.**

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material data breaches or data loss incidents, nor have we discovered any material unauthorized use of personal information involving customers, suppliers, other business partners, or employees. As of the Latest Practicable Date, we have not encountered any disputes, litigation, or legal proceedings related to violations of information security laws and regulations.

In summary, our PRC Data Compliance Legal Adviser is of the view that, during the Track Record Period and as of the Latest Practicable Date, the Group’s data processing activities related to cybersecurity, data security, and personal information protection have, in all material respects, complied with the current laws and regulations of China. No fundamental issues that would render the Group’s principal business unsustainable and irremediable due to violations of cybersecurity, data security, or personal information protection obligations under PRC law, nor any circumstances that would pose material adverse obstacles to the [REDACTED], have been identified.

At the same time, it is recommended that the Group shall fully consider the business models of its industry sector, the continuous development of science and technology, as well as the potential changes in laws, regulations, rules, normative documents, and regulatory requirements related to cybersecurity, data security, and personal information protection under PRC law. The Group shall also continuously conduct data compliance work to meet all data compliance requirements within China and effectively guard against potential significant data compliance risks.

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PROPERTY

As of the Latest Practicable Date, we owned one commercial property in Jiaxing, Zhejiang with a gross floor area of 15.55 square meters. As of December 31, 2025, no single property had a carrying value representing 15% or more of our total assets. Therefore, in accordance with Rule 5.01A of the Listing Rules, we are not required to include any valuation report in this document. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report for all of the Company’s interests in land.

As of the Latest Practicable Date, we leased 14 properties with a total gross floor area of approximately 13,289.0 square meters, including 13 properties in China with a total area of approximately 12,650.6 square meters, and one property in the United States with a total area of approximately 638.4 square meters. These leased properties are primarily used for office, R&D, and warehousing purposes. The lease terms generally range from one to five years.

LICENSES, PERMITS, AND APPROVALS

We are subject to regular inspections, reviews, and audits, and must maintain or renew various licenses, permits, and certifications required to conduct our business. During the Track Record Period and up to the Latest Practicable Date, we have obtained all necessary licenses, approvals, and permits required to conduct our business in the jurisdictions where we operate, and we did not experience any material difficulties in renewing the licenses, approvals and permits, and that we currently do not expect any material difficulties in such renewal.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

Legal Proceedings

We may from time to time be a party to various legal, arbitration, or administrative proceedings arising from the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisers, we had not been involved in any litigation, arbitration, or administrative proceedings that could have a material adverse effect on our financial condition or results of operations.

Non-compliance

We are subject to various regulatory requirements and guidelines promulgated by PRC regulatory authorities. During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Adviser, we have not had any material non-compliance incidents, nor have we been subject to fines, enforcement actions, or other penalties for non-compliance that, individually or in the aggregate, could have a material adverse effect on our business, financial condition, and results of operations.

Social Insurance and Housing Provident Funds

During the Track Record Period, we did not make full contribution to the social insurance and housing provident funds for certain of our employees as required by relevant PRC laws and regulations. To the best of our Directors’ knowledge, information and belief having made reasonable enquiries, the shortfalls were primarily attributed to: (i) certain employees’ preference not to contribute at the full statutory base, owing to the associated co-contribution requirements and their individual financial circumstances; and (ii) limited familiarity among our then-responsible personnel with the specific statutory contribution obligations, resulting in inadequate awareness and implementation of the relevant regulations. Additionally, we engaged third-party agents to make social insurance and housing provident fund contributions for some of our employees, which are not in strict compliance with the applicable laws and regulations. In 2023, 2024 and 2025, the aggregate shortfall of social insurance and housing provident fund contributions amounted to RMB3.3 million, RMB3.7 million and RMB4.1 million, respectively. No provision has been made for the

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historical shortfalls in social security and housing fund contributions during the Track Record Period, in accordance with IFRS. This treatment is supported by our assessment and the advice of our PRC Legal Adviser, which indicates that the risk of mandatory rectification or material penalties is remote under applicable policies — provided no employee claims are raised, and there are no material changes to existing laws, regulations, or enforcement practices.

Potential Legal Consequences

For the shortfall of social insurance, we may be subject to the following legal consequences: (i) to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the social insurance contributions are due, and (ii) to pay a fine of one to three times of the overdue amount if such payment is not made within the stipulated period. For the shortfall of housing provident funds, we may be subject to the following legal consequences: (i) to pay the outstanding housing provident funds within a prescribed period, and (ii) an application may be made to the courts by relevant authorities for compulsory enforcement if the payment is not made within the stipulated period.

Latest Status and Remedial Measures

Our Directors believe that such shortfall of social insurance and housing provident funds would not have a material and adverse effect on our business and results of operations, considering that: during the Track Record Period and up to the Latest Practicable Date, (i) we had not received any notification from relevant government authorities requiring us to pay shortfalls or the penalties with respect to social insurance or housing provident funds; (ii) we had not been subject to any administrative penalties regarding social insurance or housing provident funds, nor are we aware of any major employee complaints or significant disputes with respect to social insurance or housing provident funds; (iii) Upon consultation, the competent local authorities, being the Changzhou Zhonglou District Social Security Administration Center and the directly-affiliated branch of Changzhou Housing Provident Fund Management Center, have indicated that they will not proactively pursue the recovery of any outstanding social insurance or housing provident fund contributions from our Company or its principal operating subsidiary, provided that: no reports or complaints are filed by employees, and there are no significant changes to the existing laws, regulations, or policies; (iv) we will make full contributions or pay any shortfall within a prescribed time period if demanded by the relevant government authorities; (v) our Single Largest Shareholders will fully indemnify us for any loss as a result of failure to pay such social insurance or housing provident fund; and (vi) as advised by our PRC Legal Adviser, considering the facts as mentioned above, the likelihood of us being subject to centralized collection of the outstanding historical social insurance and housing provident fund contributions and any material penalties due to the failure to provide such contributions in full amount for our employees is remote, according to the applicable regulatory policies, provided no claims or complaints are filed against us by our employees and no significant changes in existing laws, regulations, policies, or implementation or supervision requirements of the relevant government authorities.

Our PRC Legal Adviser is of the view that the aforementioned departments are the competent authorities to provide such indications based on the following reasons: (a) they are the respective authorities in charge of the social insurance and housing provident fund contributions in the locations where the Company and its principal operating subsidiary are situated, and (b) as confirmed by these authorities during interviews, the Company and its principal operating subsidiary fall under their jurisdiction and they are authorized to enforce relevant laws, regulations, and policies.

Based on the above and the Sole Sponsor’s due diligence work, nothing has come to the Sole Sponsor’s attention that would cause them to disagree with the Directors’ view.

We have taken the following internal control enhancement measures relating to social insurance and housing provident funds contributions:

- We have designated our human resources department to monitor the reporting and contributions of social insurance and housing provident funds;

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- We will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and
- We will actively communicate with relevant social insurance and housing fund local authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing provident funds. If the relevant authorities order us to pay the outstanding social insurance and/or housing provident funds or take any rectification measures in accordance with applicable laws and regulations, we undertake to make such payments or take such rectification measures promptly within the specified period.

Leased Properties

As of the Latest Practicable Date, we had not completed the registration of lease filing for nine leased properties with the relevant competent authorities in accordance with applicable laws and regulations in China, which was primarily due to the difficulty in procuring our lessors’ cooperation in registering such leases. Our PRC Legal Adviser advised us that, according to the applicable PRC Law, the non-registration would not affect the validity of these lease agreements, but we, as the lessee, may be required by the relevant authorities in China to register the relevant lease agreements within a prescribed time limit. We may have a maximum penalty of RMB10,000 imposed on us for each non-registered lease if we fail to complete the lease registration after we are requested to do so by the competent PRC government authorities. However, as of the Latest Practicable Date, we had not been ordered to register our lease agreements or fined by the relevant authorities in China with respect to these lease agreements. In view of the foregoing, our Directors are of the view that non-registration of these lease agreements will not materially and adversely affect our business operations.

In addition, regarding one of our leased R&D properties, as of the Latest Practicable Date, its landlord had not provided us with a complete and valid property ownership certificate. As advised by our PRC Legal Adviser, without ownership certificates or proof of authorizations from the property owners, our use of these defective leased properties may be affected by third parties’ claims or challenges against the lease or our land use rights. Pursuant to the applicable PRC Law, if the lessors do not have the requisite rights to lease these properties, the relevant lease agreements may be deemed invalid and we may be required to vacate these properties. However, in the event that we are unable to continue using such properties due to third parties’ claims or challenges against the leases or our land use rights, based on the advice of our PRC Legal Adviser, we, as the tenant, will have the right to claim compensation from the lessors, unless otherwise provided by laws or agreed by both parties.

In view of the foregoing, our Directors are of the view that the abovementioned title defects will not materially and adversely affect our business and results of operations on the grounds that: (i) our lease with respect to these defective leased property had not been subject to claims or disputes in connection with rights to lease and use such leased property in all material respects during the Track Record Period and up to the Latest Practicable Date, (ii) we would be able to relocate to a different site relatively easily on comparable commercial terms and at similar prices with immaterial relocation costs, considering that there are sufficient alternative leased properties available within the same vicinity.

For further details on the risks associated with our leased properties, please refer to “Risk Factors — Risks Relating to Our Business and Industry — We are subject to potential material and adverse effects in respect to defects in our existing properties leased in China.”

RISK MANAGEMENT AND INTERNAL CONTROL

To monitor and reduce the impact of risks relevant to our business, we have established a comprehensive risk management and internal control framework. Our Board of Directors provides oversight and is supported by a governance structure designed to ensure robust control and compliance across all operations.

Our corporate governance framework includes policies and procedures to ensure effective oversight and decision-making. We have clear guidelines for managing potential conflicts of interest and related-party transactions to ensure all activities are conducted in the best interests of the Company. Our financial management is governed by strict controls, including standardized financial

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reporting procedures to ensure accuracy and compliance with accounting standards, regular reconciliation of bank accounts, diligent treasury management for all financial accounts and investments, and periodic physical asset counts to safeguard company property.

In our operations, we have implemented standardized controls to ensure efficiency and reliability. Our procurement process includes requirements for competitive bidding and regular supplier data maintenance to manage costs and quality. Sales and revenue processes are guided by clear criteria for revenue recognition and complete customer information management. We also maintain systematic inventory controls for all materials from issuance to their use in production to ensure accurate cost accounting.

Our IT controls are designed to protect data integrity and ensure business continuity. This framework includes strict user access management based on the principle of least privilege, a formal change management process for system modifications, and a disaster recovery plan to mitigate potential operational disruptions. We also maintain a comprehensive management system for our intellectual property, actively tracking all patents and trademarks to protect our innovations. We believe these measures provide a solid foundation for managing risks and supporting our long-term growth.

Based on the foregoing, our Directors are of the view that, as of the Latest Practicable Date, the Company’s current internal control measures are sufficient to ensure compliance with relevant laws and regulations.

AWARDS AND RECOGNITION

The table below lists the major awards and honors we received during the Track Record Period and up to the Latest Practicable Date.

Year	Award/Honor	Issuing Authority/Organization
2025	Ranked First Nationally in IDC’s “China AI Vision Industrial Robot Market Share” Report ” (“中國AI視覺工業機器人市場份額”報告排名第一)	International Data Corporation (IDC) (國際數據公司)
2025	Selected for “2025 ‘AI+’ Industry Benchmark Case Collection” (入選2025年「人工智能+」行業標桿案例薈萃)	China Academy of Information and Communications Technology (CAICT) East China Branch (中國信息通信研究院華東分院)
2025	National-level Specialized, Refined, Unique, and Innovative “Little Giant” Enterprise (國家級專精特新重點「小巨人」企業)	MIIT (工業和信息化部)
2025	Forbes China Top 50 AI Technology Enterprises (福布斯中國人工智能科技企業TOP 50)	Forbes China (福布斯中國)
2025	Grand Prize, 2nd National AI Application Scenarios Innovation Challenge (第二屆全國人工智能應用場景創新挑戰賽特等獎)	Chinese Association for Artificial Intelligence (CAAI) (中國人工智能學會)
2024	National-level Innovative Product for Intelligent Inspection Equipment (國家級智能檢測裝備創新產品)	MIIT (工業和信息化部)
2024	First Prize, 7th “Blooming Cup” 5G Application Contest (第七屆「綻放杯」5G應用徵集大賽全國一等獎)	CAICT (中國信息通信研究院)
2023	National Next-Generation Information Technology Typical Product, Application, and Service Case (國家級新一代信息技術典型產品、應用和服務案例)	MIIT (工業和信息化部)
2023	National Intellectual Property Advantage Enterprise (國家知識產權優勢企業)	China National Intellectual Property Administration (CNIPA) (國家知識產權局)
2023	The First IJCAI International Workshop on Generalization under Limited Resources in Open-World Settings First Place in Track 2 (Rotation Detection), Third Place in Track 1 (Level Detection) (IJCAI 第一屆開放世界有限資源泛化國際研討會第二賽道(旋轉檢測)第一名, 第一賽道(水平檢測)第三名)	International Joint Conference on Artificial Intelligence (IJCAI) (國際人工智能聯合會議)