

BUSINESS

OVERVIEW

Our Mission and Vision

Our mission is to empower end-to-end robotics intelligence through high-precision spatial sensing.

Our vision is to deliver world-class AI empowered intelligent robotics solutions.

Who We Are

We specialize in developing high-precision spatial sensing solutions, with demonstrated expertise in intelligent robotics applications. Leveraging AI technologies, we build intelligent spatial sensing systems and provide high-precision algorithms and hardware for intelligent robots. According to CIC, we are the No. 1 player in the global spatial sensing solution provider for intelligent robots in terms of revenue, with a market share of 1.7% and we are the No. 1 player in the global spatial sensing solutions for robot vacuums by 2024 revenue with a market share of 17%, and maintain our No. 1 position specifically in LiDAR products for robot vacuums across both revenue and shipment volume in 2024, with a shipment volume of approximately eight million units and a market share of over 50% by shipment volume. In 2024, we achieved a market share of approximately 1.0% of the global spatial sensing solutions market in terms of revenue. Since inception, our total cumulative shipment volume has surpassed 33 million units. In 2025, the total shipments of LiDAR and line laser sensors exceeded ten million units and five million units, respectively. This remarkable trajectory underscores our market position in spatial sensing technology and validates the strong demand for our innovative solutions across the rapidly expanding intelligent robotics sector.

Our key business highlights are summarized as follows:

Established Global Position



Global largest spatial sensing solution provider for intelligent robots

In terms of revenue from intelligent robot spatial sensing solutions in 2024



Global largest LiDAR provider in robot vacuums

More than **eight million units** shipped in 2024



Industry-leading cumulative shipments of spatial sensing products

Exceeding **33 million units**

Innovation Capabilities



Industry-wide AI spatial sensing algorithms

Improve processing performance and enhancing environmental adaptability and stability



Self-developed AI spatial data processing chip in robot vacuums

Submillimeter ASIC chips overcoming general-purpose limitations of computing power and reliability, with more than **25 million units** deployed



Innovative image sensor solutions

Industry-first consumer-grade area-array image sensor solutions

Top Tier Customer Base



5/5

Core supplier to top five robot vacuum companies



60%+

Combined market share of downstream robot vacuum companies

Financial Highlights



35.9%

Revenue CAGR for the past three years (2023 to 2025)



Over RMB190.7 million

Total research and development expenditure during the Track Record Period

Over the years, we have built one of the most comprehensive product portfolios in intelligent robotic spatial sensing, bolstered by the largest commercial deployment in the sector. Through years of technology development and product iteration, we offer a diversified product matrix covering conventional triangulation LiDAR, dTOF LiDAR, 3D TOF LiDAR and line laser sensors, among others, meeting differentiated needs across intelligent robot, XR, industrial inspection and other sectors. We are among the few companies in the intelligent robotics industry that possess both proprietary submillimeter AI spatial data processing chip design and core spatial sensing AI algorithm capabilities. Through our proprietary consumer-grade CIS combined with self-developed ASIC chip technology solution, we have redefined the cost-efficiency boundaries of robotic spatial sensing technology, achieving lower costs, higher positioning accuracy and commercial scalability.

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Our technology framework is deeply rooted in core spatial sensing AI algorithms that enable intelligent robots to accurately sense and perceive their surrounding environment, developing comprehensive spatial understanding capabilities and thereby achieving true embodiment. While spatial sensing faces inherent challenges from variations in light conditions, materials, textures, and object characteristics, our proprietary AI-empowered solutions significantly enhance environmental adaptability, stability, and interference resistance. Our advanced AI algorithms and custom chips support submillimeter computation for high-precision measurements. Through automated image signal processing and AI-enhanced distance measurement, we achieve superior consistency and precision across diverse materials and light conditions, ensuring robust performance in any environment. We continuously refine our solutions through extensive simulation environments that replicate physical-world conditions, while our over-the-air update capability enables regular enhancements based on customer feedback and evolving market needs, helping intelligent robots better understand and navigate their surroundings with increasing sophistication.

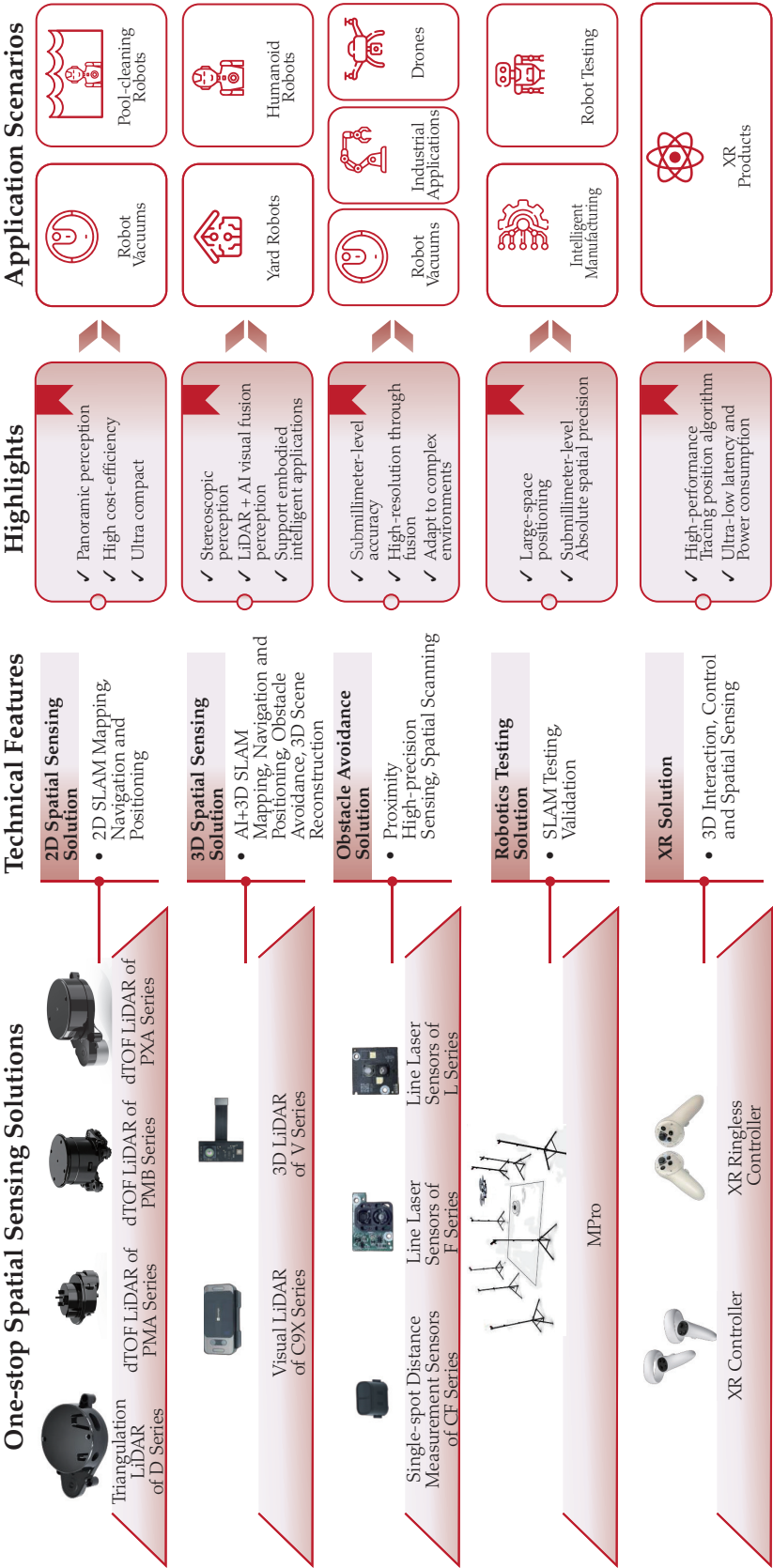
Capitalizing on our technological capabilities, comprehensive spatial sensing solution matrix, and customer-driven product development and manufacturing system, we have established a market-leading position and developed enduring win-win partnerships with key customers in the intelligent robot industry. We have cultivated long-term relationships averaging over five years with major customers in the intelligent robot sector, serving all five largest market players in the robot vacuum industry and have received outstanding supplier recognition from these companies for several consecutive years. Through continuous technological advancement and rigorous market validation, we have emerged as a key player in intelligent robotics spatial sensing technology. Leveraging our technology capabilities, we are also expanding into new areas, including yard robots, pool-cleaning robots and humanoid robots.

Our Product and Solutions

Since our inception, we have been empowering the robotic industry by developing and providing high-precision spatial sensing solutions that truly empower robotic perception. Spatial sensing serves as the “eyes and brain” of robots, unleashing their fundamental capabilities to “see, understand, and think” with accuracy. These breakthrough systems enable robots to seamlessly interpret their surroundings, process complex environmental data, and make intelligent decisions in real-time. This transformative cognitive foundation is what fundamentally bridges the gap between mechanical automation and truly intelligent robotic behavior, ushering in new era of autonomous robotics.

Built on our proprietary ASIC chips, submillimeter spatial sensing AI algorithms and innovative hardware architecture design, we have established a robust foundation for high-performance, low-power consumption solutions that deliver exceptional spatial sensing accuracy. We have developed a comprehensive product portfolio meticulously tailored to diverse application scenarios and specific customer requirements, as outlined in the chart below.

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With one of the most comprehensive and extensively deployed spatial sensing solutions portfolios in the intelligent robotic industry, we strategically integrate technology with physical-world application scenarios to deliver the following systematic solutions:

- ***Spatial Sensing Solutions.*** We specialize in providing high precision spatial sensing solutions. In LiDAR technology, we deliver submillimeter positioning accuracy and reliable environmental sensing capabilities through advanced spatial sensing algorithms. Our LiDAR products have achieved industry-leading performance in both reliability and cost-effectiveness, setting new benchmarks in the market. We leverage state-of-the-art AI algorithms to achieve high-precision environmental understanding and spatial sensing, providing consistently stable and reliable perception capabilities even under the most challenging and complex environments. We also develop line laser sensors with submillimeter-level accuracy that can support obstacle avoidance.
- ***Other Offerings.*** In addition to our spatial sensing solutions, we are extending our solution offering to other application scenarios. Our high-precision positioning systems can support diverse industrial applications. We also provide XR controller interaction solutions for consumer electronics including smart TVs and gaming devices, delivering seamless and intuitive user experience.

Our Market Opportunities

As intelligent technologies continue to rapidly mature and evolve, intelligent robots are undergoing unprecedented function upgrades, enabling them to execute increasingly sophisticated tasks across services, education, entertainment, and healthcare sectors. According to CIC, the shipment volume of intelligent robots globally has increased from 18.2 million in 2020 to 27.3 million in 2024 at a CAGR of 10.6% and is expected to reach 74.7 million in 2030 at a CAGR of 18.2%.

Robot vacuum is one of the major and most mature application of consumer-grade intelligent robots, accounting for approximately 75% of the total shipment volume in 2024. The penetration rate of robot vacuum has reached 33 units per thousand family in 2024 globally, increasing from 28 units per thousand family in 2020. The continuously increasing market penetration rate of robot vacuum is closely correlated with the iterative advancement of core sensor technology. As a critical component for precise navigation and environmental perception, approximately 70% of robot vacuums produced globally in 2024 were equipped with LiDAR technology. Further, China’s robot vacuum market remains in its early stage, with only 42 units per thousand families, as compared to 154 units in the United States. As consumer awareness of intelligent home products increases, product cost-effectiveness continues to optimize, and user experience improves consistently, the number of robot vacuums per thousand families in China is expected to increase to 94 units in 2030.

More recently, intelligent robot market has been experiencing rapid growth. Beyond robot vacuum, many new types of intelligent robot categories rapidly ascend, including yard robots, pool-cleaning robots and humanoid robots. These emerging product types are driving the demand for advanced robotic perception technologies. Simultaneously, intelligent robots are undergoing a fundamental transformation from “tools” to “intelligent agents.” Mid-to-high-end models are progressively integrating advanced visual technologies including binocular stereo imaging, 3D structured light sensing, TOF or laser-vision fusion navigation. Leveraging our core competitive advantages in spatial sensing algorithms, proprietary chip development, and multi-sensor fusion technologies, we are positioned to capitalize on this structural value growth per device and the rapidly expanding intelligent robot ecosystem.

Our Track Record

During the Track Record Period, we have experienced revenue growth from RMB332.1 million in 2023 to RMB613.5 million in 2025, at a CAGR of 35.9%. As our major product, revenue generated from our triangulation LiDAR products increased from RMB326.6 million in 2023 to RMB403.2 million in 2025, at a CAGR of 11.1%.

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Our commercial scale is expanding rapidly, with LiDAR shipments growing at a CAGR of 47.6% from 4.8 million units in 2023 to 10.5 million units in 2025. Since inception, our cumulative shipment volumes for LiDAR products and line laser sensors have reached over 26.8 million units, and over 6.4 million units, respectively. This remarkable trajectory underscores our market position in spatial sensing technology and validates the strong demand for our innovative solutions across the rapidly expanding intelligent robotic sector. We are actively expanding into yard robots, pool-cleaning robots and humanoid robots. Leveraging our strong technical capabilities and industry presence, we are well-positioned to capitalize on the substantial growth opportunities in the global intelligent robotic industry.

COMPETITIVE STRENGTH

Established Provider of Spatial Sensing Technology for Intelligent Robots

We are an established provider of high-precision and spatial sensing solutions for intelligent robots, with one of the most comprehensive product portfolios in intelligent robotic perception. According to CIC, we are the No. 1 player in the global spatial sensing solutions for robot vacuums by 2024 revenue, and maintain our No. 1 position specifically in LiDAR products for robot vacuums across both revenue and shipment volume in 2024, with a shipment volume of approximately eight million units and a market share of over 50% by shipment volume. As a specialized spatial sensing technology provider, our solutions form the critical foundation layer that enables our customers’ robotic systems to achieve embodied intelligence, supporting their autonomous navigation and task execution requirements in dynamic, unstructured environments.

We believe we are positioned at a uniquely strategic and pivotal point within the global intelligent robotics supply chain. Robotic spatial sensing technology serves as a critical bridge connecting digital intelligence with the physical world and presents expansive growth potential. This industry is characterized by exceptionally high technical barriers and strong customer loyalty — distinguishing it from many other consumer electronics segments. Clients place utmost importance on suppliers’ technological expertise, product quality, and consistent delivery performance, which together create natural competitive moats for established players. Within this high-barrier environment, we benefit from significant first-mover advantages and economies of scale. Moreover, as intelligent functionality continues to advance and market penetration deepens, we are observing a consistent increase in the number of sensors per device. This trend offers spatial sensing technology suppliers sustained growth opportunities for the foreseeable future.

The ongoing development of AI technologies and applications further amplifies this growth potential. The precision, efficiency, and reliability of robotic perception are fundamental to the practical utility of AI systems. Our solutions perform the essential function of translating AI algorithms into actionable environmental awareness and operational capabilities, enabling robots to achieve autonomous navigation, precise obstacle avoidance, and intelligent decision-making in complex physical-world settings. This makes our technology a key gateway for deploying AI. Our comprehensive technology and solution portfolio forms a core stack for AI implementation in intelligent robotics, as evidenced by our dominant role in the value chain for robot vacuums — one of the most frequent application scenarios for intelligent robots. As AI technology continues to advance, demand for our high-precision, real-time environmental perception is expected to grow rapidly.

Full-Stack R&D Capability: Building an AI-Driven Proactive Perception Framework

We possess comprehensive full-stack R&D capabilities. Our high-precision AI algorithms serve as the foundation of our spatial sensing technology and represent a key demonstration of our technological advancement. These algorithms, integrated with our underlying technologies including AI spatial data processing chip, system design, intelligent manufacturing technology, and comprehensive software development, collectively constitute a highly versatile spatial sensing technology architecture. As one of the few companies in the industry capable of proprietary chip design and core spatial sensing AI algorithm development, we have established end-to-end control over our technology stack, from underlying hardware to advanced algorithms. This has enabled certain industry-first innovations globally or in China, including our groundbreaking introduction and successful

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industrialization in 2018 of the “self-developed ASIC chip + CMOS array image sensor + VCSEL laser” solution globally — creatively replacing the traditional “general-purpose chip + linear image sensor + EEL laser” approach and enabling the scalable mass adoption of LiDAR in intelligent robots.

Key aspects of our R&D and technology capabilities are summarized as follows:

- ***Ultra-precise Spatial Sensing AI Algorithm.*** Our proprietary technology framework leverages advanced AI algorithms that deliver precise spatial sensing capabilities through multi-modal sensor fusion and deep learning. By processing extensive physical-world datasets, our spatial sensing AI algorithms analyze complex environmental variables — including light conditions, surface materials, textures, and object characteristics — to provide industry-leading positioning accuracy and stability.
- ***Proprietary AI Spatial Data Processing Chip.*** We have developed our proprietary AI spatial data processing chip — C Series, which embedded our ultra-precise AI spatial data processing algorithm into hardware. Compared to general chips, our AI spatial data processing chips are optimized with enhanced processing speed, supporting the processing of submillimeter computation for high-precision measurements. To date, we have already launched three generations of AI spatial data processing chips, primarily for conventional triangulation LiDAR products, which has been used in over 25 million LiDAR products we sold.
- ***System Design.*** Through years of theoretical research and deep insight into physical-world application scenarios, we have successfully developed the industry-first consumer-grade area-array image sensor solutions, breaking through the limits of industrial-grade designs. We also developed our VCSEL system, making us the first in the industry to replace EEL lasers with VCSELs in spatial sensing industry. In addition, we have also developed core technologies to address multiple critical challenges in the LiDAR industry, including anti-debris entanglement and adaptive laser feedback control systems, to deliver more robust, scalable performance.
- ***Intelligent Manufacturing Technology.*** As LiDARs are highly precise optical devices, they demand extremely high consistency and reliability in mass production. We have established an industry-leading intelligent manufacturing system, developing calibration technologies, stress-relieving technologies, the full product testing methods, and a suite of proprietary manufacturing software. These innovations ensure product consistency and reliability while reducing defect rates.

We have built a forward-looking intellectual property portfolio. As of the Latest Practicable Date, we held 156 granted patents, including 47 invention patents and 16 granted patents in key overseas markets such as the U.S., EU, Japan, and South Korea. In addition, we had 40 patents under application worldwide. Our intellectual property portfolio strategically covers key technological aspects in the intelligent robotics industry, including 112 patents in precision optical systems, five patents in AI spatial sensing algorithms and six patents in AI spatial data processing chips. To maintain our competitive edge, we consistently invest in high-intensity R&D. Our innovation strength has been endorsed through prestigious awards including the National-Level Specialized, Refined, Unique, and New “Little Giant” Enterprise and the Shenzhen Science and Technology Progress Second Prize.

Deep Engagement with Leading Customers Driving Robust Commercial Deployment

Leveraging our deep integration of our proprietary chips and our AI core algorithms, we have established a suite of cost-efficient spatial sensing solution for intelligent robots and has captured a dominating position in the spatial sensing solutions sector. Through continuous technological innovation, high-quality service, and stable, premium product delivery, we have been successfully serving all five largest market players in the robot vacuum industry. We maintain long-term partnerships with leaders across various application scenarios and we have built a customer network that encompasses major industry players. In

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the field of robot vacuums, we serve as a core supplier to all five largest market players in the robot vacuum industry, with our product quality earning strong customer recognitions.

Our relationships with our major customers extend beyond the traditional supplier role, forming deeply integrated partnerships across the intelligent robotic value chain. We are capable of conducting highly efficient customized product development and new business initiatives tailored to their specific needs and have completed multiple pioneering product developments in collaboration with leading industry players. We are deeply involved in customers’ product planning and technology roadmap development, which ensures the stability and sustainability of our relationships with existing key clients while laying a critical foundation for our expansion into new application scenarios.

Diversified Product Portfolio Built on a Unified Technology Foundation that can Quickly Adapt to Different Application Scenarios

We have built a diversified product portfolio based on a unified technological platform, enabling rapid expansion into various application scenarios with strong technical readiness and commercial potential. Our core technology platform is anchored in proprietary spatial sensing AI algorithms and enhanced by our self-developed ASIC chips, together forming a highly versatile robotic spatial sensing technology architecture. This foundation has secured our position as a key player in the robot vacuum market and enables us to further expand into high-value sectors and application scenarios, such as yard robots, pool-cleaning robots, XR, industrial inspection robots, medical devices, and 3D printing.

Leveraging our unified technology platform that can achieve scenario-specific adaptability, we are positioned to enter new consumer-grade and industrial application scenarios rapidly. Among these emerging application scenarios, yard robots represent our most near-term growth opportunity. We have developed specialized technologies that outperform current mainstream solutions, enabling high-precision positioning that can replace traditional systems that are widely used in current products. In terms of pool-cleaning robots, our spatial sensing solutions can significantly enhance navigation accuracy and operational efficiency. For commercial robots, we offer adaptable technical capabilities that provide high-precision navigation while reducing costs to support broader adoption.

In advanced manufacturing and industrial applications, our large-space high-precision positioning system has been commercially deployed in robotic laboratories of major home appliances companies in China. Beyond physical limitations, our XR controllers have entered mass production with major XR companies, achieving submillimeter tracking accuracy and latency below 10 milliseconds through multi-sensor fusion technology.

Large Scale Manufacturing System Delivering Stringent Quality Control and Efficiency

We have built a fully integrated value chain from technology development to mass production, enabling rapid response to product development needs and reliable large-scale delivery. Our strategically located advanced manufacturing facilities in Shenzhen and Huizhou ensure agility and resilience in operations. Through industry-leading manufacturing excellence, we deliver high-quality products in a cost-effective manner, flexibly meeting diverse customer requirements across growth stages and strengthening our competitive advantage in scalable deployment. This operational prowess has driven a substantial increase in annual production capacity from six million units in 2023 to a combined annual production capacity of 18 million units in 2025.

We integrate quality control into every stage of our operations, from R&D through mass production, maintaining a stringent quality management system supported by automated equipment and intelligent manufacturing technologies. Our standardized R&D process ensures rigorous oversight from initial feasibility analysis through mass production. This disciplined approach has achieved exceptional product yield rates of 99.8% for LiDAR and over 99% for line laser sensors, resulting in high customer satisfaction and an extremely low return rate for repairs. These industry-leading quality metrics have established our reputation as a premium supplier to leading robot vacuum companies, with multiple customers maintaining partnerships with us for over five years. Our commitment to quality excellence is reflected not only in our superior yield rates but also in our consistently low warranty claims and minimal field failure rates, demonstrating the reliability that our customers have come to depend upon for their mission-critical applications.

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Seasoned Leadership with Tech-Forward Organization Culture

We are led by a seasoned and experienced management team, who serves as the core driving force behind our continuous growth. **Mr. Wang Jian**, our Chairman, has nearly two decades of experience in the industry. Mr. Wang held key positions at several renowned companies, including Hualu Panasonic, Zoran Corporation and C2Micro. **Mr. Zhou Kun**, our general manager, has worked at Bell Laboratories in Chicago and China Mobile, demonstrating exceptional capability in translating technological achievements into commercial success. **Dr. Chen Yue**, our CTO, is a recognized expert in CMOS image sensors with extensive experience at multinational companies such as Philips and Zeiss. Dr. Chen held a doctoral degree from Delft University of Technology and is a member of IEEE and an industrial professor at Nanjing University.

Our management philosophy promotes fairness, equality, and a forward-thinking work environment that empowers talent and encourages boundary-pushing experimentation. As one of the rare market players that master both proprietary chip design and core spatial sensing AI algorithm development, we have built a “tech-forward” organization culture centered on engineering innovation. Our engineer-led culture values vision, innovation, and technical exploration. As of December 31, 2025, over 27.2% of our employees are dedicated to R&D. In particular, our core technical staff members collectively bringing exceptional depth and expertise to our mission. Further, through strategic industry-academia collaborations with top institutions such as Tsinghua University and China Academy of Sciences Shenzhen Institutes of Advanced Technology, we have built a sustainable talent pipeline.

Our engineering-driven culture and leadership — strategic, technical, and global — fuel relentless LiDAR innovation and rapid growth. This strong foundation underpins our robust development and sustains our long-term competitive advantage.

OUR STRATEGIES

Continue to invest in next-generation spatial sensing technology.

We plan to intensify our R&D investment in high-precision spatial sensing AI algorithms while comprehensively integrating AI across our technology architecture. Building on the existing advantages of our triangulation LiDAR technology, we will further optimize our multi-layered algorithm system spanning image preprocessing, core processing, logic, and calibration layers to enhance our capabilities in ranging accuracy, interference resistance and environmental adaptability. Simultaneously, we are exploring the potential of pure vision-based solutions and closely monitoring technology trends in emerging fields such as embodied intelligence to ensure we retain a competitive edge as technical pathways evolve.

In addition to strengthening our core technology for triangulation LiDAR solution, we will also advance the development in dTOF LiDAR to establish a robust “Phoenix” LiDAR technology platform. We will continue to develop and integrate our AI algorithms with conventional functions such as obstacle avoidance and wall-following. In this way, we aim to develop and launch our next-generation high-precision products, with enhanced environmental perception and measurement stability, thereby delivering more intelligent solutions to our customers. For our proprietary AI chips, we plan to advance the development of the next generation of C series chips, leveraging the success of our existing chips (C1 through 3 series for triangulation LiDAR products). Through exploration of system level integration of computing power, power management, and scan control circuits, we will further optimize cost structure and performance metrics for our next-generation chip specifically designed for dTOF products, enabling miniaturization and power efficiency of LiDAR products for all intelligent devices while ensuring hardware-level precision.

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Advance multi-scenario application expansion to build comprehensive spatial sensing ecosystem.

We intend to deeply align our technology roadmap with our customers’ product planning, creating a seamless cycle of innovation and physical-world applications. With proven capabilities in spatial algorithms, self-developed ASIC chips, and rapid mass production and delivery, we are positioned to quickly respond to customized needs of leading customers across sectors — extending from indoor to outdoor, consumer to industrial, and from 2D to 3D perception. We will sustain mutual reinforcement between technology innovation and application scenario expansion, laying a solid foundation for diversified and sustainable growth:

- **Consumer-Grade Smart Device.** Building on our leading position in robot vacuum market, we will continue to iterate and upgrade products to meet rising demand in navigation accuracy, obstacle avoidance, and cleaning coverage. We will also expand into yard robots, pool-cleaning robots and humanoid robots, delivering specialized spatial sensing solutions for varied scenarios, and providing LiDAR, line laser, and AI vision-based perception capabilities.
- **Commercial and Industrial Application.** We will leverage our technical expertise to offer high-precision spatial sensing solutions for commercial and industrial applications, continuously improving operational accuracy. Our expansion targets include drone altitude holding, passenger traffic flow analysis, logistics, smart transportation and smart factories, supplying standardized spatial sensing solutions for devices with diverse range requirements.
- **Embodied Intelligence:** Recognizing that embodied intelligence demands far greater environmental perception and AI-integrated decision-making than traditional applications, we plan to combine our AI algorithms and spatial data processing chips with enhanced perception capability to deliver more intelligent motion and task execution capabilities for embodied agents.
- **Other Emerging Technologies:** Further, we are also evaluating opportunities in other emerging scenarios. For example, we have introduced a cliff detection sensor, and plan to introduce new product lines such as 3D solid-state LiDAR, high-precision 360° LiDAR, and underwater LiDAR, offering specialized spatial sensing solutions for more scenarios.

Maximize efficiency across the whole value chain through process optimization and technological innovation.

Efficiency enhancement remains our core competitive strategy. Through systematic process optimization and technological innovation, we will continuously improve efficiency across our entire value chain spanning R&D, manufacturing, and operations management.

- **R&D.** We will continue to focus on core technologies, enhance digital and standardized management of development processes, strengthen security traceability and reuse of R&D assets such as chip designs and algorithm models, and accelerate both technology iteration and product commercialization.
- **Production.** We will optimize capacity allocation across our specialized facilities in Shenzhen and Huizhou, as well as our new manufacturing facility in Zhongshan, which is currently under construction, improve coordination among sites, and advance automation upgrades for LiDAR and sensor module production lines. This will reinforce our precision manufacturing, cost control, and quality management capabilities, achieving greater economies of scale.
- **Operation.** We will pursue full digital transformation, implementing a collaborated product development management system covering core component procurement, flexible production scheduling, and smart inventory management. This end-to-end approach ensures precise alignment with dynamic multi-sector customer needs, improves rapid-response mechanisms, and shortens overall delivery cycles.

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Build a global brand through intelligent manufacturing excellence.

We will further upgrade our intelligent manufacturing facilities by introducing more intelligent equipment and automated production line to enhance efficiency and product quality, thereby strengthening our relationship with major customers. Through partnership with major global robot companies, we will expand and deepen our presence in developed markets including North America and Europe. Our manufacturing capability enables us to quickly accommodate customized requirements from leading clients, addressing differentiated needs for premium products in these markets, while also delivering cost-effective solutions tailored to emerging markets. This provides solid manufacturing support for our global expansion. In this way, we believe we can further enhance our reputation as a global brand.

Simultaneously, we are transitioning from an embedded technology supplier into a globally recognized brand in embodied intelligence and spatial sensing. We plan to increase branding investment to strengthen our brand awareness globally, which is underpinned by our technological expertise and product reliability. As a first step, we have set up a Hong Kong subsidiary to drive expansion in European and the U.S. markets by deepening collaboration with key international customers. Serving as a strategic hub, it will support further build-out of localized teams in key regions, sharpen market-specific insights, and enable a more agile and efficient global supply chain.

Capitalizing on our advantages in AI algorithms, proprietary chips, and intelligent manufacturing, we believe we are well-positioned to build a globally distinctive spatial sensing technology brand and become a key player in international embodied intelligence solutions.

Strengthen talent, organization, and external collaboration to support sustainable growth.

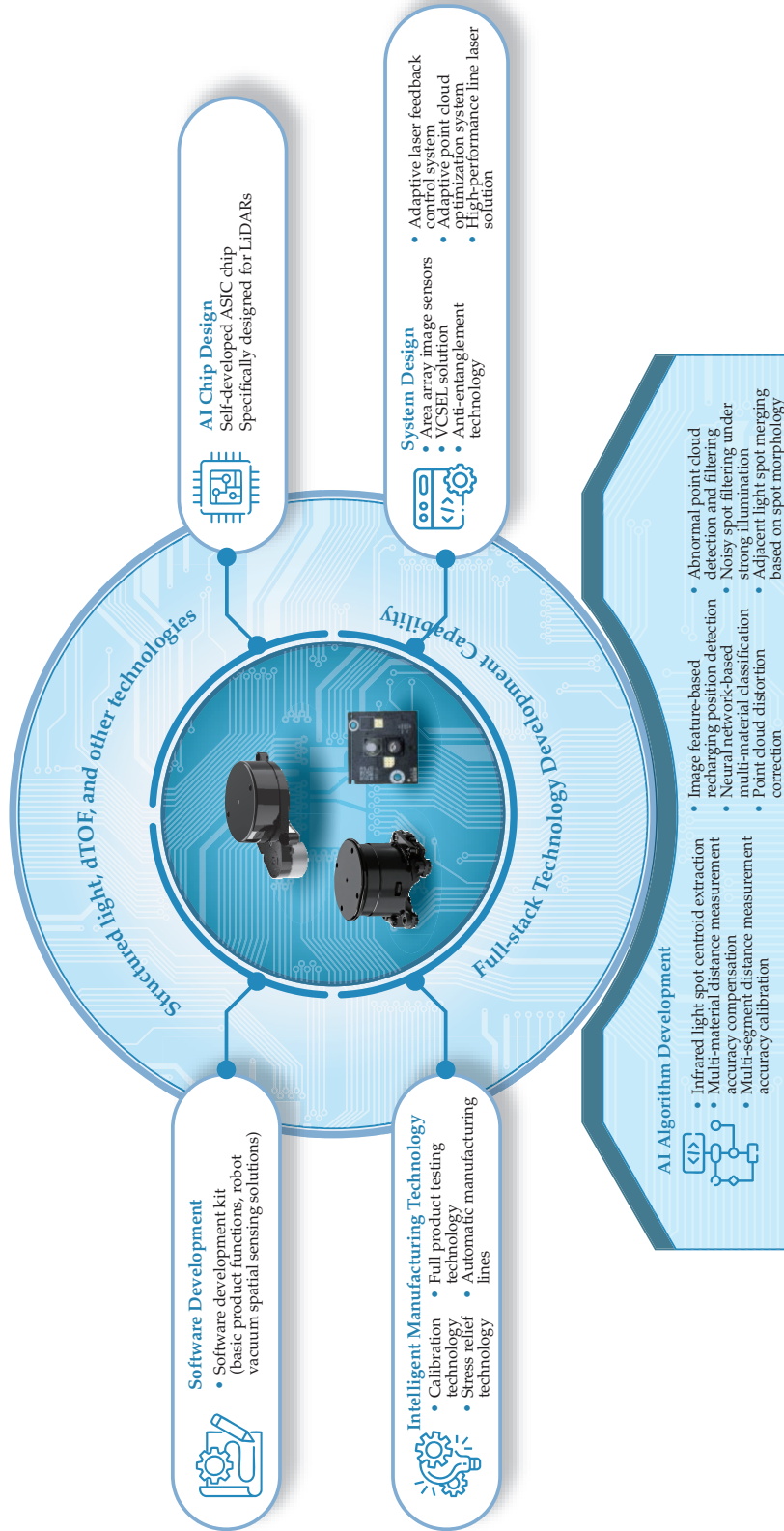
We will continue to enhance our talent recruitment and retention system, organizational capabilities, and external R&D collaboration to provide sustainable organizational support for global scaling — accelerating our presence and breakthrough innovation in spatial sensing technology worldwide:

- We plan to implement a dual-path talent development model balancing technical depth and managerial skill. In this way, we will build a pipeline of both technical and managerial talents. We will also establish a full-cycle talent management system covering recruitment, training, incentivization and retention — with focused investment in core domains including algorithms, chip design, and product development.
- We will further reinforce our engineer-led, innovation-driven organization culture that encourages creativity and technical exploration. For example, we plan to deepen collaboration with top universities in China and overseas. In this way, we believe we can further enhance our innovation capabilities.
- We will proactively build talent capabilities in fields that we consider crucial for our future growth, such as chip design, AI algorithm development, and industrial automation applications. By cultivating and retaining talent aligned with technology trends over the next decade, we believe we can lay talent foundations for breakthrough innovation and market expansion into emerging application scenarios.

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OUR TECHNOLOGY STACK

Our LiDAR technology stack is built on a foundational layer of ultra-precise spatial sensing AI algorithms, enabling comprehensive processing capabilities from infrared light processing to point cloud morphology. This foundational AI technology drives four key aspects of our technology stack: proprietary AI spatial data processing chip design, comprehensive software development for spatial sensing solutions, system design with VCSEL laser solutions, and intelligent manufacturing technology. Together, these technologies enable high-precision 3D sensing capabilities through structured light to dTOF approaches, making our LiDAR solutions particularly valuable for robotics and industrial automation where accurate spatial awareness and reliable object detection are crucial for operational success.



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Algorithm Development

Our proprietary ultra-precise spatial sensing AI algorithms form the foundation of our technology stack. Through advanced AI and deep learning techniques, these algorithms process extensive physical-world datasets to deliver exceptional measurement precision across complex environments.

The core algorithms span multiple domains of spatial sensing. Our measurement capabilities include infrared light spot centroid extraction and multi-material distance compensation, enabling submillimeter-precision across varied surfaces. We have developed sophisticated neural network-based material classification and image feature-based positioning algorithms, essential for applications like precise autonomous recharging for robot vacuums. Our point cloud processing algorithms demonstrate further technical advancement through intelligent distortion correction, abnormal point filtering, and morphology-based light spot merging.

This algorithmic foundation is critical for enabling reliable autonomous operation in dynamic physical-world environments. The submillimeter precision and robust environmental adaptation capabilities directly translate into superior navigation, obstacle avoidance, and object manipulation performance. By addressing these fundamental challenges in spatial sensing, from material variations to complex light conditions, our algorithms create a reliable foundation for increasingly sophisticated robotic applications.

Chip Design

Our self-developed AI spatial data processing chip (C-Series) forms the cornerstone of our LiDAR technology stack, embedding our ultra-precise AI algorithms directly into the hardware. This custom chip design is crucial because it enables sophisticated processing capabilities while optimizing for size, power, and cost-efficiency — fundamental requirements for commercial LiDAR adoption. Our chip architecture delivers enhanced processing speed for submillimeter computation, crucial for high-precision measurements. Through three generations of development, our proprietary design has proven its reliability in conventional triangulation LiDAR applications, with over 25 million products sold. This specialized architecture sets us apart from competitors who rely on general-purpose processors. This foundation enables all higher-level functionalities while maintaining the performance characteristics essential for demanding applications in robotics and industrial automation. Our key ASIC chips include:

- Our C1 ASIC marks a fundamental advancement in LiDAR technology. By integrating CMOS array image sensors with VCSEL technology, we created a more reliable and stable alternative to traditional EEL-based solutions. The chip processes 4K resolution at 3000FPS while supporting multiple CMOS sensor types, significantly improving both performance and reliability. This breakthrough has played a key role in driving global LiDAR adoption in robot vacuums, establishing C1 as a trusted solution among leading manufacturers.
- Building on the C1’s success, our C3 represent our next generation of innovation in chip design. This new and improved chip introduce enhanced material recognition algorithms and sophisticated angle deviation calibration, achieving unprecedented precision in spatial sensing. The enhancements in the latest generation’s compact design and improved power efficiency enable its integration into an expanding range of applications, while maintaining superior computing power and real-time performance. These advancements have already attracted significant interest from customers developing next-generation robotics and industrial automation solutions.

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Software Development

Building directly on our chip capabilities, our proprietary SDK creates the crucial bridge between hardware potential and practical applications. This software layer is essential because it transforms raw sensor signal into actionable information, providing developers with the tools needed to harness our LiDAR technology effectively. We implement this through a sophisticated yet accessible development kit that includes both fundamental controls (sensor initialization, point cloud generation) and specialized modules for specific applications like robot vacuum navigation. Our SDK’s architecture uniquely positions us by offering both immediate functionality and future expandability, preparing the ground for our advanced algorithmic capabilities while maintaining developer-friendly interfaces.

System Design

Our system design approach implements comprehensive spatial sensing innovation and sophisticated hardware control systems. We have developed high-precision spatial sensing systems that replace traditional line laser sensors with consumer-grade CMOS array image sensors for enhanced privacy. Our VCSEL laser solution represents a key advancement in light emission technology, complemented by high-performance line laser capabilities. The system’s high reliability is achieved through sophisticated control systems including adaptive point cloud optimization. Additionally, our anti-entanglement technology enables reliable operation in complex environments. This systematic approach sets us apart by creating a robust, practical implementation of our algorithmic capabilities while ensuring consistent performance across varying conditions.

Intelligent Manufacturing Technology

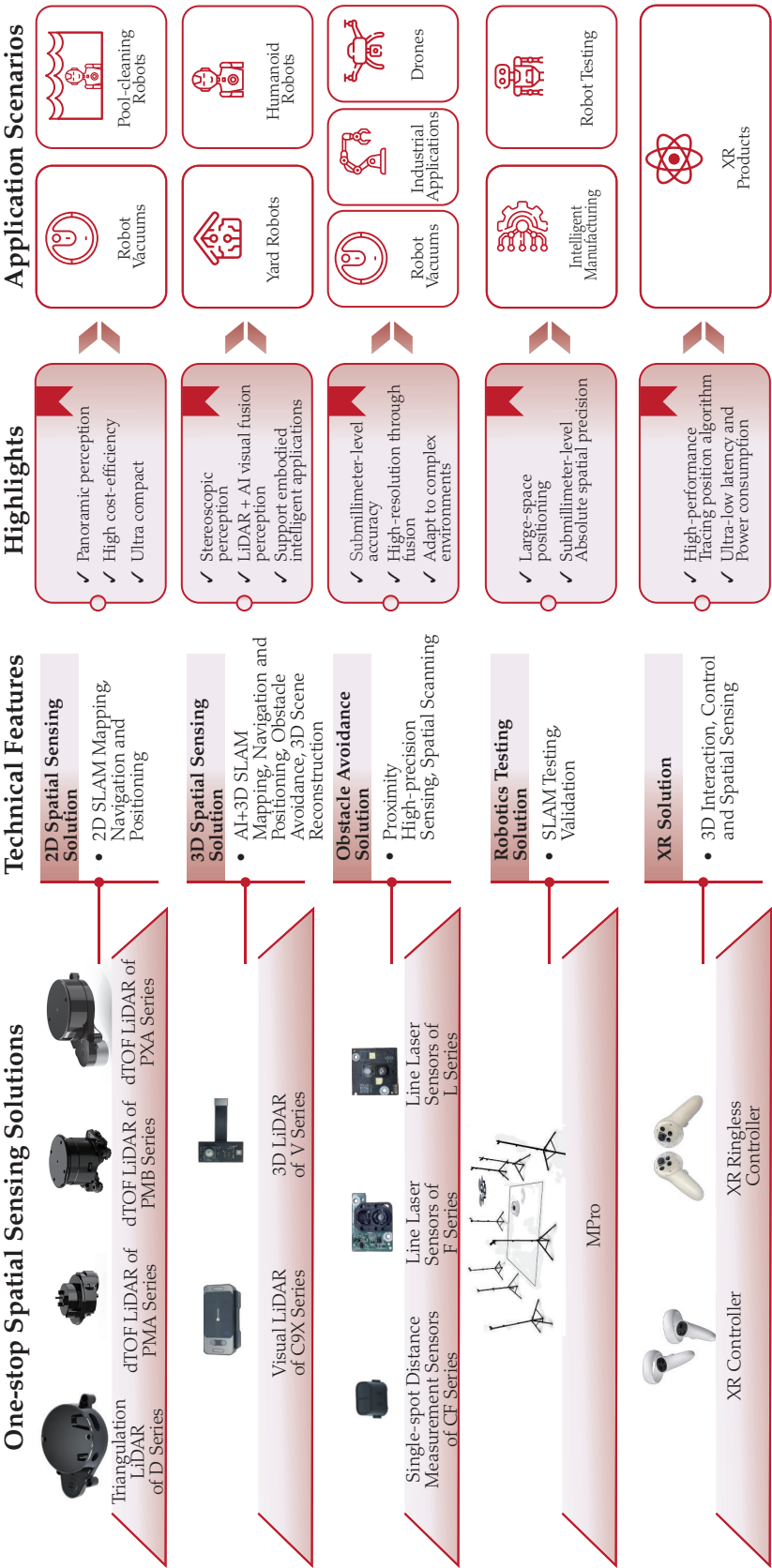
Our LiDAR products require high consistency and reliability in mass production. We have established an industry-leading intelligent manufacturing system through several key innovations. Our advanced calibration technologies ensure precise optical alignment across all components, while our stress-relieving technology maintain long-term mechanical stability. Each product undergoes rigorous testing methods to validate performance and quality standards. Supporting this hardware framework, our proprietary manufacturing automation solutions optimize production efficiency across the entire process. These integrated innovations ensure product consistency and reliability while reducing defect rates, enabling us to consistently deliver the full capabilities of our technology stack in every product we produce.

OUR PRODUCTS AND SOLUTIONS

Our comprehensive product portfolio addresses the growing demand for high-precision spatial sensing across multiple industries. Built on years of research and development in spatial sensing technologies, we deliver innovative solutions that serve diverse applications from robotics SLAM to XR interactive tracking experiences and industrial automation.

We established ourselves as a key industry player through conventional triangulation LiDAR (D2 and D3 series), primarily in robot vacuum applications. Building on this foundation, we expanded into advanced dTOF technology with our P series, offering enhanced precision and versatility across different configurations while maintaining compatibility for smooth customer transitions. This strategic expansion has enabled us to address emerging requirements for higher precision and more flexible integration options. Our spatial sensing technology and product development roadmap represents a systematic evolution across multiple perception modalities, designed to address the growing complexity of autonomous navigation and spatial awareness requirements. Each product line serves specific market segments and integration requirements, supported by our core technological capabilities in precision sensing and advanced signal processing. This comprehensive approach allows us to serve diverse customer needs while maintaining our position as a leading provider of LiDAR solutions.

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Our diverse solutions range from advanced spatial sensing and environmental sensing to XR interaction systems, offering comprehensive technologies for autonomous navigation, detection, and control. This integrated approach enables levels of accuracy and reliability across diverse applications.

- Our 2D spatial sensing solutions (D-series triangulation and P series dTOF transmission systems) are focused on delivering foundational environmental perception. By incorporating SLAM mapping and navigation capabilities, these solutions achieve 360° comprehensive awareness while maintaining extremely low computational overhead and ultra-compact form factors.
- Our 3D spatial sensing solutions comprise C9X visual sensors and V-series 3D TOF scanners with AI-enhanced SLAM navigation. This integration enables sophisticated robot control and scene reconstruction, delivering 120° stereoscopic perception with multi-modal fusion capabilities, while remaining compact enough for external deployment scenarios.
- Our obstacle avoidance solutions comprise CF series point measurement system alongside F-series and L-series line laser sensors for high-precision proximity detection. These systems excel in near-field high-resolution sensing and spatial mapping, achieving submillimeter-level accuracy while maintaining exceptional environmental clarity through sophisticated sensor fusion.
- Our robotics testing solutions employ up to 16 monocular cameras for calibration array infrastructure for SLAM testing and precision manufacturing. This comprehensive testing framework achieves submillimeter spatial sensing accuracy through sophisticated algorithms and cross-referenced sensor arrays, ensuring absolute spatial precision at the submillimeter level.
- Our XR spatial sensing solutions include advanced XR controllers in both tethered and wireless variants. These systems enable sophisticated 3D interaction and spatial control through multi-sensor fusion technology, delivering high-performance tracking with minimal latency and power consumption, ideal for extended XR operation.

Our innovative portfolio allows us to serve diverse market needs while maintaining focused development paths for each technology. Our conventional triangulation LiDAR continues to evolve towards higher performance and better cost efficiency, while our dTOF product line pushes the boundaries of miniaturization and integration. Line laser sensors complement these offerings by providing enhanced environment sensing and obstacle avoidance capabilities. In addition, we also provide integrated solutions that address emerging needs robotics testing and XR applications that extend beyond the physical world into the digital realm.

The following table sets forth our revenue breakdown by product category, each expressed in absolute amount and as a percentage of our total revenue, for the years indicated:

	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>						
Products	330,270	99.4	433,273	100.0	611,004	99.6
– Triangulation LiDAR	326,602	98.3	407,618	94.1	403,254	65.7
– dTOF LiDAR	–	–	4,199	1.0	65,032	10.6
– Line laser sensor	–	–	19,313	4.5	133,794	21.8
– Others ⁽¹⁾	3,668	1.1	2,143	0.5	8,924	1.5
Development services⁽²⁾	1,837	0.6	51	0.0	2,519	0.4
Total	332,107	100.0	433,324	100.0	613,523	100.0

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Notes:

- (1) Primarily include our 3D spatial sensing solutions, robotics testing solutions and XR solutions.
- (2) During the Track Record Period, we also provided development services in the form of solution design for our XR solutions. These development services are primarily provided to major customers through direct bilateral agreements between us and the customer, with no intermediaries involved. Our pricing model for these development services follows a cost-plus approach, where we charge based on the development costs incurred plus a service fee.

2D Spatial Sensing Solutions

D Series

The D series represents our foundational LiDAR line, built on proven VCSEL laser technology and CIS detector with triangulation principles. These sensors have undergone multiple generations of refinement, resulting in stable and precise 360° point cloud mapping. The D Series is widely adopted in mid-tier and entry-level robot vacuum applications due to its robust SLAM compatibility, proven reliability, and cost-effectiveness. It remains the preferred choice for manufacturers prioritizing cost control and operational stability over further reductions in device height.



D2



D3

The D2 and D3 series represent our core D series products, using advanced laser measurement technology that combines precision optics with a rotating scanner. The units are small and protected by a durable rotary cover. These products are capable of delivering reliable performance across operating temperatures from -10°C to +40°C for D2 and +45°C for D3, helping robots navigate accurately through complex environments.

dTOF LiDAR

Our P series dTOF LiDAR embodies our next-generation LiDAR technology, combining VCSEL lasers with advanced SPAD detector and dTOF principles. This innovative line introduced groundbreaking form factors, including retractable and embedded configurations, elevating both the technological sophistication and design aesthetics of intelligent robots in the mid to premium segments.

PMA Series



The PMA is designed specifically for compact-sized robot vacuum applications. This compact dTOF LiDAR achieves submillimeter-level accuracy while maintaining a minimal footprint. Currently in mass production, it enables manufacturers to integrate the unit into slimmer robot designs or incorporate retractable configurations that remain concealed when not in operation.

PMB Series



The PMB series represents our ultra-compact dTOF LiDAR line. These units based on the same electronic platform as the PMA but utilize a brushless motor. This modification further reduces the device diameter, making it suitable for ultra-compact product designs. The price premium — approximately thirty percent above the PMA — reflects the enhanced motor technology.

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PXA Series



The PXA series represents our top-mounted dTOF LiDAR solution, engineered to facilitate robot vacuums’ smooth transition from conventional triangulation LiDARs to dTOF technology. In practice, a D Series triangulation scanner can be replaced with a PXA model to achieve higher precision without requiring modifications to the existing chassis.

PMF Series



The PMF series represents an advanced integration, supporting ultra-compact robot profiles. This dTOF LiDAR features an inverted motor assembly, reducing the device height by approximately twenty-two percent, thereby enabling the sensor to be fully integrated within the robot’s casing without adding to the robot thickness. Additionally, the integration of a forward-facing line-laser array provides basic obstacle recognition, enhancing the robot’s ability to avoid low-lying obstacles.

3D Spatial Sensing Solutions

C9X Series



Our C9X series showcases our breakthrough in sensor fusion, where it merges three subsystems — navigation LiDAR, a forward obstacle sensor and an AI camera — into one enclosure. This series overcame the traditional 120° FOV limitations in SLAM applications, introducing a front-mounted sensor architecture that has revolutionized ultra-thin robot vacuum design. Because all three sensing streams are time-synchronised, the robot receives a unified view of its surroundings and can make split-second decisions about path planning and object classification. The C9X sits in the upper-mid to premium price band and is primarily selected by brands pitching a flagship robot with advanced features such as dynamic room labelling.

V Series

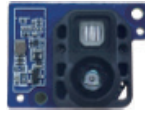


Our V series represents our 3D solid-state and semi-solid-state LiDAR technology. Leveraging array SPAD detector, which is essentially a grid of light-sensitive pixels, and advanced dTOF principles, these compact sensors enable sophisticated 3D environmental mapping, supporting everything from precise navigation to complex scene reconstruction in premium robotic applications. For consumers, that translates into highly accurate room mapping, better location memory and smoother operation in complicated floor plans. Given its performance capabilities, the V Series commands the highest unit price in the lineup.

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Line Laser Sensors

F Series



Our F series exemplifies our mastery in solid-state proximity sensing, utilizing semiconductor-grade precision assembly techniques. These sensors achieve submillimeter accuracy within a remarkable 120° FOV, enabling robots to detect low-lying obstacles and assess forward passage with unprecedented precision. It leverages a global-shutter image sensor, allowing the sensor to capture a crisp profile of objects even when the robot is moving at speed. Our F series delivers longer reach than the L Series and is often favoured for forward-facing obstacle detection.

L Series



Our wall-following L series sensor line delivers submillimeter-precision measurements, significantly enhancing wall-following cleaning coverage and obstacle avoidance capabilities in robot vacuums. It uses a more economical rolling-shutter sensor, and although its range and frame rate are modest, the cost efficiency makes the L series ideal for side-looking, wall-following duties where only short-range data are needed. Our dominant market share in this segment reflects the technology’s proven reliability and performance.

CF Series



Our CF series adopts single-point dTOF technology. These compact sensors provide crucial ground height detection with exceptional reliability, enabling robots to safely navigate elevation changes and prevent falls. They sample a smaller field of view than either F or L models, but their markedly lower cost accelerates the adoption of basic cliff-detection and wall-following functions in entry-level robots.

Robotics Testing Solutions

M-Pro



Our M-Pro represents our breakthrough in large-scale positioning systems, supporting up to 16 monocular cameras for precise spatial tracking. This cost-effective solution delivers laboratory-grade accuracy across extensive areas, making it the preferred testing platform for robot companies, drone developers, and XR equipment makers requiring high-precision SLAM validation.

BUSINESS

XR Solutions

XR Controller



Our XR solutions are designed for immersive and interactive applications. Our XR controller delivers precise 6-degree-of-freedom (6DOF) positioning through innovative multi-sensor fusion, enabling natural and responsive movement in virtual and augmented reality environments. This technology eliminates the need for external tracking devices, making setup simpler and more flexible for users. The controller achieves high accuracy in both position and rotation, supporting seamless interaction in gaming, training, and simulation scenarios. Our XR controller has been successfully commercialized through partnerships with leading XR companies, while also finding applications in drone navigation, intelligent robots and testing facilities.

XR Ringless Controller



Our next generation XR ringless controller builds on the XR controller foundation by removing the traditional tracking ring, resulting in a more compact and ergonomic design. Despite its smaller size, it maintains the same high level of tracking precision, offering greater comfort and freedom of movement for users. These innovations have been successfully commercialized in partnership with leading XR companies and are also used in robotics and drone navigation, highlighting their versatility and reliability.

COMMERCIALIZATION

Our product development and commercialization follows a rigorous stage-gate process, beginning with securing a design win from the customer. Following the design win, we proceed with detailed product planning through BOM (Bill of Materials) and DFM (Design for Manufacturing) evaluations. The process then moves through three critical validation phases: EVT (Engineering Validation Testing), DVT (Design Validation Testing), and PVT (Production Validation Testing). At each stage, customer feedback and design refinements are incorporated. After successful completion of all validation testing, the product enters mass production, followed by ongoing customer support. This systematic approach embeds quality control and customer engagement throughout the product development cycle to drive successful commercialization and attain high customer satisfaction. Typically, it takes approximately six to nine months from the time we secure a design win until the product qualifies for mass production, and we generally require customers to place their purchase orders 40 to 50 days before the scheduled delivery date.



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During the Track Record Period, we secured 25, 46 and 52 design wins in 2023, 2024 and 2025, respectively. Of these design wins, 24, 39 and 42 were successfully converted into purchase orders during the respective or subsequent periods, respectively, representing conversion rates of 96.0%, 84.8% and 80.8%. The fluctuations in conversion rates were primarily attributable to changes in our customers’ product development priorities and timelines. As of the Latest Practicable Date, our backlog of design wins is expected to generate purchase orders of approximately RMB192.0 million.

Key Operating Data

The table below sets forth our key operating data for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Number of customers ⁽¹⁾	30	33	41
Number of new customers ⁽¹⁾	14	13	16
Customer retention rate (%) ⁽²⁾ . . .	48.5	66.7	75.8
Average customer acquisition cost (RMB’000) ⁽³⁾	419	431	327
Net dollar retention rate (%) ⁽⁴⁾ . . .	221.1	126.0	127.1

Notes:

- (1) The calculation of the number of customers and new customers excludes those who are engaged solely in occasional sales or in the purchase of product samples.
- (2) Customer retention rate is calculated by subtracting the number of new customers acquired during the year from the total number of customers at the end of the year, and dividing the result by the total number of customers at the beginning of the year (i.e., the total number of customers at the end of the prior year) and multiplied by 100%.
- (3) Average customer acquisition cost is calculated by dividing the selling and marketing expenses for the year by the number of new customers acquired in the same year.
- (4) Net dollar retention rate equals the revenue of a current year from customers that contributed to our revenue for both the current and previous years divided by the revenue of the previous year and multiplied by 100%.

In 2023, 2024 and 2025, we acquired 14, 13 and 16 new customers, respectively. We are committed to expanding our customer base to broaden the application scope of our products and solutions, which is expected to further enhance our revenue streams, strengthen our market position, and contribute to the sustainable growth of our business.

RESEARCH AND DEVELOPMENT

We are dedicated to the advancement of visual-spatial localization and perception technologies, as well as the development of product application. Our foundational capabilities include algorithmic development, system-level design and intelligent manufacturing technologies, which collectively enable our comprehensive, end-to-end R&D proficiency.

BUSINESS

Our R&D Team

Our R&D team comprises dedicated professionals with extensive industry expertise, focusing on the development and commercialization of our products and solutions that help sustain our technological capabilities and market position. Our core R&D team members have an average of more than ten years of relevant technical experience, including domestic or overseas working experience in reputable technology companies and laboratories. Each of our core R&D team members has their specialized area and the following table sets out their profile:

Core R&D team member	Profile
Mr. Zhou Kun	Co-founder, executive director and general manager of our Company with over 20 years of experience in technology management and R&D leadership. Track record at global tech companies with expertise in research development and operational management. For details, see “Directors and Senior Management — Board of Directors.”
Dr. Chen Yue	Chief Technology Officer with over 10 years of experience. Previous experience at leading European technology companies. Specialized in electronic systems and engineering solutions, with focus on industrial applications and advanced technology development. For details, see “Directors and Senior Management — Senior Management.”
Mr. Xu Quan	Vice President of Software Engineering with over 25 years of experience. Previously held senior software leadership positions at multinational technology groups, specializing in machine vision, video image processing algorithms, and visual defect detection software development and implementation.
Mr. Yuan Lei	Chief Architect with over 15 years of chip design and architecture experience. Led development of triangulation LiDAR, T-series radar FPGA development, first ASIC implementation, VR framework construction, and wireless communication protocols. Solved key R&D challenges including mixed radar heading angle issues and LiDAR recharge solutions.

As of December 31, 2025, our R&D team consisted of 106 members, approximately 31.1% having a master’s degree or above. Our R&D team represented 27.2% of total employees as of the same date. Our research and development costs amounted to RMB54.6 million, RMB76.7 million and RMB59.4 million in 2023, 2024 and 2025, respectively.

We retain key management and technical staff with competitive remuneration packages and welfare benefits. Notably, we implement a talent incentive mechanism that tilts promotion opportunities and bonus allocations towards R&D personnel, in recognition of their core role in driving technological innovation and product iteration. We also invest in training programs to upskill our key management and technical staff. Furthermore, we provide additional bonuses to employees who successfully obtain patents, aiming to encourage proactive development of intellectual property and reinforce our technological barriers. In the event of termination of employment requested by a key staff, we closely communicate with the staff for the reason of departure and feedback for us. The salient terms of agreements with our management and technical staff are set out below:

- **Ownership of intellectual properties.** We hold the intellectual property rights to any inventions, computer software, works, trade secrets or other confidential

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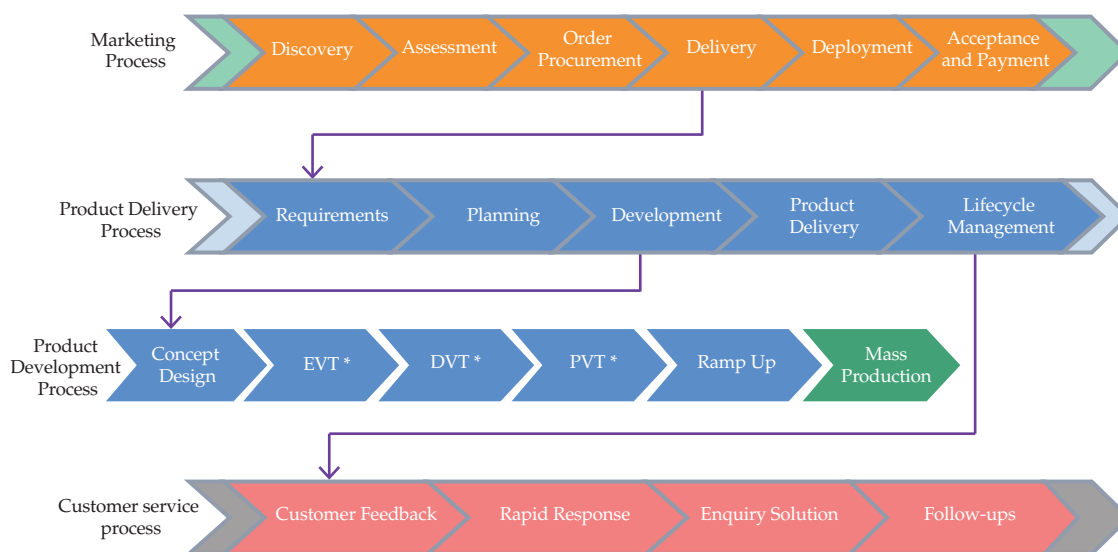
business information created by employees during their term of employment while performing their duties or primarily utilizing our material and technical resources or business information.

- **No conflict.** Employees shall not engage in any other job, whether full-time or part-time, during their term of employment.
- **Non-competition.** We have the right to unilaterally initiate a non-competition period of up to two years following the termination of employment. During the term of employment and the non-competition period initiated by us, employees shall not engage in any competitive behavior specified in the agreements.
- **Confidentiality.** Employees must protect and maintain the confidentiality of our confidential information during their term of employment and at any time thereafter. Employees are prohibited from disclosing, informing, publishing, releasing, distributing, transferring, or otherwise making our confidential information known to any third party, including other employees who are not permitted to access such information under confidentiality agreements. In addition, employees must not use this confidential information for purposes outside of their job duties.

During the Track Record Period and up to the Latest Practicable Date, there was no legal claim or proceeding that may have an influence on the R&D of our products.

Our R&D Process

We conduct all of our R&D activities in-house. We develop our technologies and products in accordance with an established process and roles and responsibilities. The following chart illustrates each stage of our R&D project development process:



* EVT = engineering validation test; DVT = design validation test; PVT = production validation test

Our product development process consists of five key phases: (i) product definition, (ii) project initiation, (iii) product development, (iv) small-scale trial production, and (v) mass production.

Our R&D process begins with comprehensive market research to identify product and technology requirements. Products are defined and designed based on customer or market needs, followed by ROI analysis and preliminary development planning. Based on the collected information, we conduct detailed product feasibility assessments to determine economic and technical viability. The product department then submits a project initiation report, which requires approval from R&D managers, technical directors, and the general manager.

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After project approval, we enter the systematic research, development, and testing verification phase. The R&D team conducts 1-2 rounds of functional testing to obtain product reliability and manufacturability metrics, culminating in a product reliability test report. Successfully verified products then enter small-scale trial production for customer sampling and evaluation. Necessary improvements identified during verification are implemented through adjustments and optimization. The R&D phase concludes once the product fully meets customer specifications and receives customer project qualification, after which it transitions to mass production.

Our ASIC development process follows a comprehensive approach built around four key phases. At its foundation is the definition and design phase, where we establish all core elements of the chip's architecture and functionality. During this crucial initial stage, our team defines the chip's core functions, designs the system architecture, establishes performance specifications, implements core algorithm modules, and develops comprehensive verification plans that cover everything from simulation to prototype and chip verification.

Following this, we move into the implementation and verification phase, where our focus shifts to practical execution and testing. This involves creating and verifying FPGA-based prototypes, implementing various IP modules outside of core algorithms, and establishing the framework design. Our team conducts thorough reviews of simulation and synthesis results, while also evaluating packaging and testing design specifications to ensure everything meets our exacting standards.

The final tape-out and production phase leverages our partnerships with external foundries, who handle the specialized processes of chip fabrication, packaging, and testing. Throughout all these stages, we maintain a continuous Acceptance phase that runs from initial design through to project completion, ensuring consistent quality control and validation at every step of the development journey.

Key Research Projects

We have recently engaged in various R&D projects aimed at launching new products and solutions, as well as iterating and upgrading our existing offerings, with the following key projects, some of which had already been completed as of the Latest Practicable Date:

- **Compact 3D Solid-State LiDAR.** During the Track Record Period, we have undertaken the R&D of a compact 3D solid-state LiDAR system designed for navigation and obstacle avoidance in robot vacuum, robot dog, smart toy, and drones. This product features a fully solid-state design and a compact form factor, significantly enhancing the spatial sensing capabilities of intelligent robots. It aims to improve navigation, obstacle avoidance, and the spatial sensing and precise grasping of robotic arms. As of the Latest Practicable Date, we had successfully commercialized this product.
- **3D Mid-Range High-Precision LiDAR.** We are currently developing a 3D mid-range high-precision LiDAR system for navigation and obstacle avoidance in yard robots and general-purpose robots. This product features 192 channels of high-precision semi-solid-state technology with a detection range of 40 meters at 10% reflectivity, offering superior performance, industrial level reliability, and accuracy compared to the 360° LiDAR systems used in robotics, thereby enabling high-precision positioning for yard maintenance robots. The product is currently at the concept design stage, with prototype development in progress. We expect to commence mass production for the product in the third quarter of 2026.
- **Pool-Cleaning Robotic Navigation LiDAR.** We are committed to expanding the application fields of our LiDAR products by developing underwater robotic navigation LiDAR, which will enable our expansion into pool-cleaning robot sector. Utilizing SPAD System-on-Chip (SoC) technology and an innovative optical design, this LiDAR system achieves underwater detection range of nearly 10 meters. It significantly enhances the navigation accuracy, cleaning coverage and intelligence of pool-cleaning robots. The product is currently at the concept design stage, with prototype development in progress. We expect to commence commercialization of this product by the third quarter of 2026.

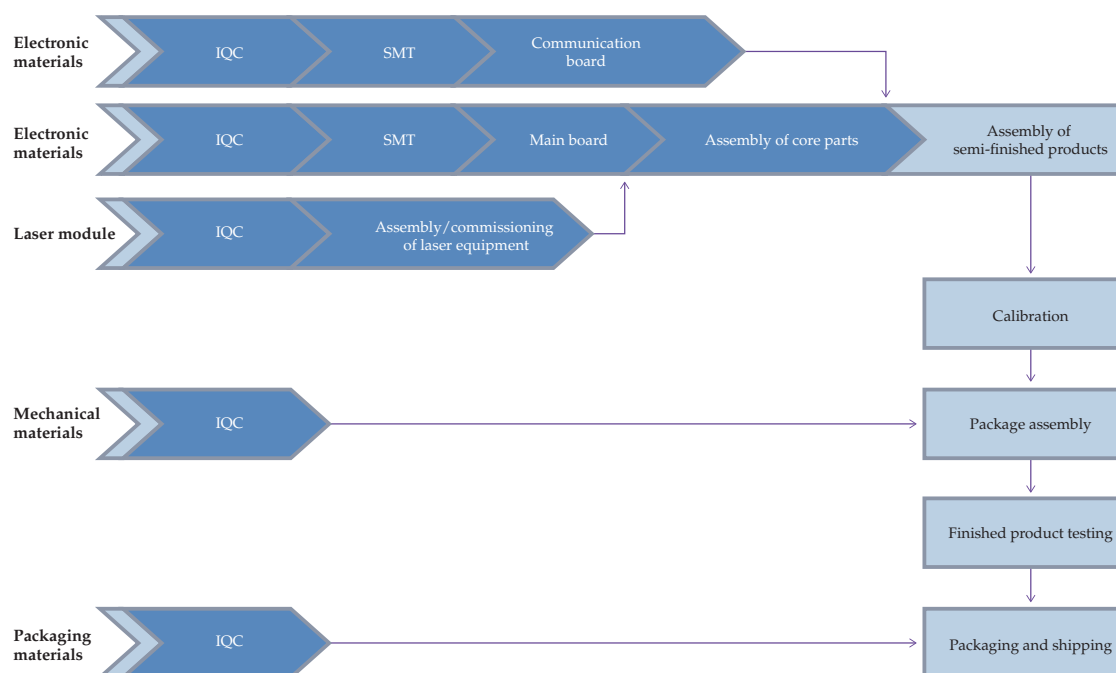
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PRODUCTION

We have established our own manufacturing processes in response to the algorithm-intensive development of LiDAR and their dedicated chips, as well as the increasing customer demand for product reliability, performance stability and cost-effectiveness. In the meantime, in-house production facilitates coordinated optimization, allowing us to meet the diverse needs of our customers effectively. For our ASIC chips, we complete the design in-house, with the fabrication carried out by certified third-party foundries.

Our Production Process

The chart below illustrates the key steps of the manufacturing process of our LiDAR products:



Production Bases

During the Track Record Period, we primarily manufacture our products at our Pingshan production base and Huizhou production base. The table below sets forth some information regarding our major production bases as of December 31, 2025:

Production Base	Location	Gross Floor Area (sq.m.)	Primary Products	Construction Completion Year
Pingshan	Guangdong, China	4,720	Triangulation LiDAR	June 2021
Huizhou	Guangdong, China	16,684	Line laser sensors, dTOF LiDAR, triangulation LiDAR	August 2024

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Production Equipment and Machinery

We possess advanced production equipment and machinery that are essential for ensuring the quality, cost-effectiveness, and efficiency of our spatial sensing solutions. Our advanced production bases are equipped with specialized equipment and machinery critical to manufacturing. Our manufacturing facility is equipped with a comprehensive suite of advanced production equipment. At the core of our operations are SMT (Surface Mount Technology) production lines, complemented by specialized conformal coating lines that include selective coating machines for protecting components against moisture, dust, and corrosion. The facility also features temperature cycling chambers for environmental testing, alongside a series of automated production systems. These automated systems handle various critical processes including calibration, assembly, precision focusing, screw-driving, dispensing, and welding operations. This integrated array of equipment enables us to maintain high precision and consistency throughout our manufacturing processes. To maintain quality control, we employ automated optical inspection systems for real-time defect detection. In addition, our automated programming machines facilitate swift and accurate firmware loading, while automatic focus adjustment equipment ensures optimal optical performance. Our production line also features automated dispensing machines for precise adhesive application, conformal coating systems for environmental protection, and screw fastening machines for reliable assembly. Our automated calibration and finished product testing equipment guarantee that every device meets stringent performance standards.

SALES AND MARKETING

Sales Network

We adopt a transaction-based business model and employ a direct sales model with a customer-centric marketing strategy. Our approach focuses on building and nurturing customer trust by delivering products that precisely meet their requirements. We consistently fulfill our customers’ needs across product specifications, delivery timelines, and quality standards, which helps strengthen our industry influence and enhance customer loyalty. We maintain a small but dedicated sales and marketing team that is strategically sized to efficiently serve our focused customer base. This lean structure enables us to maintain deep, long-term relationships with key customers while managing our operating expenses efficiently. As our customer base expands, we retain the flexibility to scale our sales and marketing capabilities accordingly.

Pricing

The pricing approach across our product portfolio combines strategic cost-based analysis with market-responsive flexibility. We employ a comprehensive pricing methodology that carefully weighs multiple factors, including customer requirements, competitive landscape dynamics, and broader market supply-demand conditions, all aimed at maximizing our market share potential. In view of the intense market competition, we formulated our pricing strategy with the objective of reinforcing our competitive position while maintaining profitability through product process automation, economies of scale and enhanced operational efficiency.

The pricing process follows a structured workflow, beginning with a thorough assessment of customer needs and their price expectations. We then conduct detailed competitive analysis, evaluate our cost structure, establish target profit margins, and finally formulate competitive sales quotations. This systematic approach ensures our pricing remains both competitive and sustainable while aligning with our market positioning objectives.

Marketing

Our commercial approach centers on a direct sales model that emphasizes deep customer relationships. Through consistently delivering products that precisely align with customer specifications, we have established a foundation of trust and reliability in the market. This customer-centric strategy focuses on continually meeting three critical dimensions: product requirements, delivery expectations, and quality standards. This comprehensive approach has strengthened our industry position while fostering strong customer loyalty. We primarily solicit customers and secure new orders through offline

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commercial negotiations and in-depth technical exchanges with both existing and prospective customers based on their specific application needs. Our sales infrastructure is built around a specialized team of sales professionals and technical support experts. To ensure optimal customer service and market coverage, we maintain dedicated sales and technical support offices in both Suzhou and Hong Kong.

OUR CUSTOMERS

Major Customers

Our major customers primarily include leading robot companies and intelligent device manufacturers. Notably, our leading position in intelligent robot spatial sensing solutions has enabled us to maintain stable business relationships with major robot vacuum manufacturers, representing one of the most advanced applications of intelligent robotics. Our robot vacuum customers collectively command over 60% market share in the global robot vacuum industry. Specifically, we serve as a core supplier to all five largest market players in the robot vacuum industry.

In addition to direct procurement, some of our customers may purchase our products through their designated third-party suppliers. Under such arrangements, we generally communicate the product requirements and order details with the customers and enter into sales and purchase agreements with their designated third-party suppliers. These third-party suppliers would further manufacture and assemble our products with other components and sell them to the customers. Revenue generated from our largest customer in each year during the Track Record Period accounted for 37.1%, 36.1% and 29.0% of our total revenue for the respective years, while revenue generated from our five largest customers in each year during the Track Record Period accounted for 93.6%, 89.2% and 80.4% of our total revenue for the respective years. We have established and maintained stable and good relationships with our five largest customers in each year during the Track Record Period, having a relationship of five years or above with a majority of them. The following tables set forth certain information of our five largest customers in each year during the Track Record Period:

For the Year Ended December 31, 2023

Rank	Customer	Background	Customer Type	Sales Amount (RMB'000)	% of Total Revenue (%)	Credit Terms	Business Relationship Since	Products/ Services Purchased
1	Customer A	Founded in 2018 and headquartered in Jiangsu province, Customer A is a robot company with a registered capital of RMB310 million, primarily engaged in the R&D and production of high-performance robotic home appliances.	End customer	123,157	37.1	60 days after invoice date	2020	LiDAR
2	Customer B ⁽¹⁾	Founded in 2014, headquartered in Beijing and listed on the STAR Market, Customer B is a robot company with a registered capital of RMB259.1 million, primarily engaged in the R&D and production of intelligent cleaning appliances.	End customer	107,240	32.3	60 days after invoice date	2021	LiDAR

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Rank	Customer	Background	Customer Type	Sales Amount (RMB'000)	% of Total Revenue (%)	Credit Terms	Business Relationship Since	Products/ Services Purchased
3	Customer C	Founded in 2014 and headquartered in Guangdong province, Customer C is a fundamental component provider to robot companies with a registered capital of RMB360.1 million, primarily engaged in the R&D and sales of ICs and semiconductor solutions for robotics and intelligent home applications.	End customer	66,814	20.1	30 days after invoice date	2020	LiDAR
4	Customer D	Founded in 2005 and headquartered in Guangdong province, Customer D is with a robot company with a registered capital of RMB89.5 million, primarily engaged in the R&D, production and sales of robot vacuum and related core components.	End customer	8,419	2.5	30 days after invoice date	2019	LiDAR
5	Customer E	Founded in 2016 and headquartered in Guangdong province, Customer E is a robot company with a registered capital of RMB6.2 million, primarily engaged in the R&D, production and sales of intelligent robots.	End customer	5,177	1.6	30 days after invoice date	2020	LiDAR
Total				<u>310,807</u>	<u>93.6</u>			

For the Year Ended December 31, 2024

Rank	Customer	Background	Customer Type	Sales Amount (RMB'000)	% of Total Revenue (%)	Credit Terms	Business Relationship Since	Products/ Services Purchased
1	Customer B ⁽¹⁾	Founded in 2014, headquartered in Beijing and listed on the STAR Market, Customer B is a robot company with a registered capital of RMB259.1 million, primarily engaged in the R&D and production of intelligent cleaning appliances.	End customer	156,629	36.1	60 days after invoice date	2021	LiDAR, line laser sensor

BUSINESS

Rank	Customer	Background	Customer Type	Sales Amount (RMB'000)	% of Total Revenue (%)	Credit Terms	Business Relationship Since	Products/ Services Purchased
2	Customer A	Founded in 2018 and headquartered in Jiangsu province, Customer A is a robot company with a registered capital of RMB310 million, primarily engaged in the R&D and production of high-performance robotic home appliances.	End customer	117,467	27.1	60 days after invoice date	2020	LiDAR
3	Customer F	Founded in 1998, headquartered in Jiangsu province and listed on the Shanghai Stock Exchange, Customer F is a robot company with a registered capital of RMB575.3 million, primarily engaged in the R&D, production and sales of intelligent robots.	End customer	65,024	15.0	60 days after invoice date	2023	LiDAR, line laser sensor
4	Customer C	Founded in 2014 and headquartered in Guangdong province, Customer C is a fundamental component provider to robot companies with a registered capital of RMB360.1 million, primarily engaged in the R&D and sales of ICs and semiconductor solutions for robotics and intelligent home applications.	End customer	30,825	7.1	30 days after invoice date	2020	LiDAR
5	Customer D	Founded in 2005 and headquartered in Guangdong province, Customer D is with a robot company with a registered capital of RMB89.5 million, primarily engaged in the R&D, production and sales of robot vacuum and related core components.	End customer	16,556	3.8	30 days after invoice date	2019	LiDAR
Total				386,501	89.2			

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For the Year Ended December 31, 2025

Rank	Customer	Background	Customer Type	Sales Amount (RMB'000)	% of Total Revenue (%)	Credit Terms	Business Relationship Since	Products/ Services Purchased
1	Customer B ⁽¹⁾	Founded in 2014, headquartered in Beijing and listed on the STAR Market, Customer B is a robot company with a registered capital of RMB259.1 million, primarily engaged in the R&D and production of intelligent cleaning appliances.	End customer	178,166	29.0	60 days after invoice date	2021	LiDAR, line laser sensor, dTOF LiDAR
2	Customer A	Founded in 2018 and headquartered in Jiangsu province, Customer A is a robot company with a registered capital of RMB310 million, primarily engaged in the R&D and production of high-performance robotic home appliances.	End customer	152,359	24.8	90 days after invoice date	2020	LiDAR, line laser sensor, dTOF LiDAR
3	Customer F	Founded in 1998, headquartered in Jiangsu province and listed on the Shanghai Stock Exchange, Customer F is a robot company with a registered capital of RMB575.3 million, primarily engaged in the R&D, production and sales of intelligent robots.	End customer	104,356	17.0	60 days after invoice date	2023	LiDAR, line laser sensor, dTOF LiDAR
4	Customer G ⁽²⁾	Founded in 2019 and headquartered in Beijing, Customer G is a robot company with a registered capital of RMB2.3 million, primarily engaged in the R&D and production of innovative cleaning appliances.	Designated third-party supplier	33,186	5.4	90 days after invoice date	2024	LiDAR, line laser sensor, dTOF LiDAR
5	Customer H	Founded in 2010 and headquartered in Beijing, Customer H is a telecommunications company with a registered capital of USD32.0 million, primarily engaged in the R&D and production of smartphones, AI-powered IoT devices, intelligent electric vehicles, and embodied robotics.	End customer	25,088	4.1	90 days after invoice date	2025	LiDAR
Total				493,155	80.4			

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Notes:

- (1) Customer B is the parent company of one of our Pre-[REDACTED] investors.
- (2) During the Track Record Period, Customer G was a designated third-party supplier of a major global robotics player.

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

The typical salient terms of our standard agreements with our major customers include the following:

- *Product specifications.* We specify product models, technical parameters, quality standards, and delivery requirements in accordance with purchase orders received from customers.
- *Payment and delivery.* Our customers typically make payment according to agreed terms after receipt and acceptance of products. We are responsible for delivery to customer-designated locations.
- *Warranty.* We provide warranty services according to agreed terms.
- *Technical support.* We provide necessary technical support and documentation for product integration.
- *Confidentiality.* Parties are required to maintain confidentiality of technical specifications, pricing, and other sensitive business information exchanged.
- *Transfer of risks.* The transfer of risk occurs at the agreed delivery point as specified in our agreement.
- *No return policy.* We normally do not allow product returns unless there are quality defects verified through agreed inspection procedures.
- *Termination.* The agreements will be terminated by mutual agreement, or by other means as set forth in the agreements.
- *Dispute resolution.* Any disputes shall be resolved through friendly negotiation first, failing which they may be resolved through arbitration or litigation as agreed.

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OUR SUPPLIERS

Our Major Suppliers

Our major suppliers primarily consist of providers for raw materials and components including optical components, structural components and electronic components. Purchases from our largest supplier in each year during the Track Record Period accounted for 8.2%, 9.2% and 8.6% of our total purchases for the respective years, while purchases from our five largest suppliers in each year during the Track Record Period accounted for 29.7%, 32.3% and 25.7% of our total purchases for the respective years. The following tables set forth certain information of our five largest suppliers in each year during the Track Record Period.

For the Year Ended December 31, 2023

Rank	Supplier	Background	Purchase Amount (RMB'000)	% of Total Purchase (%)	Credit Terms	Business Relationship Since	Products/ Services Supplied
1	Supplier A . . .	Founded in 2011 and headquartered in Guangdong province, Supplier A is primarily engaged in the R&D, production and sales of optoelectronic components and LED packaging products.	22,214	8.2	60 days after invoice date	2021	Lens, laser tube
2	Supplier B . . .	Founded in 2003 and headquartered in Shanghai, Supplier B is primarily engaged in the design, R&D and sales of CMOS image sensors and display driver chips.	17,965	6.6	Prepayment	2021	Sensor
3	Supplier C . . .	Founded in 2021 and headquartered in Anhui province, Supplier C is primarily engaged in the R&D and sales of optoelectronic devices.	15,214	5.6	30 days after invoice date	2023	Laser tube
4	Supplier D . . .	Founded in 2012 and headquartered in Guangdong province, Supplier D is primarily engaged in the provision of human resources services.	13,860	5.1	Monthly settlement	2021	Labor outsourcing services
5	Supplier E . . .	Founded in 2015 and headquartered in Guangdong province, Supplier E is primarily engaged in the R&D, production and sales of laser equipment and precision laser processing solutions.	11,139	4.1	60 days after invoice date	2021	Laser tube
Total			80,392	29.7			

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For the Year Ended December 31, 2024

Rank	Supplier	Background	Purchase Amount (RMB'000)	% of Total Purchase (%)	Credit Terms	Business Relationship Since	Products/ Services Supplied
1	Supplier C . . .	Founded in 2021 and headquartered in Anhui province, Supplier C is primarily engaged in the R&D and sales of optoelectronic devices.	38,618	9.2	30 days after invoice date	2023	Laser tube
2	Supplier D . . .	Founded in 2012 and headquartered in Guangdong province, Supplier D is primarily engaged in the provision of human resources services.	34,435	8.2	Monthly settlement	2021	Labor outsourcing services
3	Supplier B . . .	Founded in 2003 and headquartered in Shanghai, Supplier B is primarily engaged in the design, R&D and sales of CMOS image sensors and display driver chips.	25,622	6.1	Prepayment	2021	Sensor
4	Supplier A . . .	Founded in 2011 and headquartered in Guangdong province, Supplier A is primarily engaged in the R&D, production and sales of optoelectronic components and LED packaging products.	24,706	5.9	30 days after invoice date	2021	Lens, laser tube
5	Supplier F . . .	Founded in 2004 and headquartered in Sichuan province, Supplier F is primarily engaged in the R&D and sales of electronic components.	12,943	3.1	Prepayment	2021	Main control chip
Total			136,324	32.3			

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For the Year Ended December 31, 2025

Rank	Supplier	Background	Purchase Amount (RMB'000)	% of Total Purchase (%)	Credit Terms	Business Relationship Since	Products/ Services Supplied
1	Supplier C . . .	Founded in 2021 and headquartered in Anhui province, Supplier C is primarily engaged in the R&D and sales of optoelectronic devices.	45,274	8.6	30 days after invoice date	2023	Laser tube
2	Supplier B . . .	Founded in 2003 and headquartered in Shanghai, Supplier B is primarily engaged in the design, R&D and sales of CMOS image sensors and display driver chips.	27,585	5.2	Prepayment	2021	Sensor
3	Supplier D . . .	Founded in 2012 and headquartered in Guangdong province, Supplier D is primarily engaged in the provision of human resources services.	22,864	4.3	Monthly settlement	2021	Labor outsourcing services
4	Supplier G . . .	Founded in 2012, headquartered in Zhejiang province and listed on the STAR Market, Supplier G is primarily engaged in the R&D, production and sales of precision optical lenses.	22,003	4.2	60 days after invoice date	2023	Lens
5	Supplier H . . .	Founded in 2008 and headquartered in Guangdong province, Supplier H is primarily engaged in R&D and manufacturing of advanced printed circuit boards.	17,730	3.4	60 days after invoice date	2021	PCB
Total			135,456	25.7			

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

The typical salient terms of our standard agreements with our major suppliers include the following:

- *Product specifications.* We specify the product name, manufacturer or brand, specification, price, quantity, delivery timeline and other detailed items in each purchase order we send to our suppliers.
- *Payment and delivery.* We are responsible for timely payment to suppliers upon receipt of invoice. The supplier bears responsibility for delivery and associated costs.
- *Quality control.* Upon receipt, we inspect the products and have the right to reject or return any products that do not meet requirements. Quality inspection costs may be deducted from payment if quality issues arise.
- *Product change notification (PCN) requirements.* Suppliers must notify us in advance of any changes to product specifications, manufacturing processes, materials, or production locations through formal PCN procedures as agreed.
- *Transfer of risks.* The risk transfers to us after we complete inspection and confirm receipt of the products.
- *Product return.* We have the right to return or replace products for a variety of reasons, including non-conformity with product specifications or quantity with the order placed.
- *Termination.* The agreements will be terminated by mutual agreement, or by other means as set forth in the agreements.
- *Dispute resolution.* Any disputes arising from or in connection with the agreement shall typically be resolved through friendly negotiation, failing which they may be resolved through arbitration or litigation in accordance with the agreement.

Contract Manufacturers

During the Track Record Period, we engaged third-party contract manufacturers for the SMT of ICs on PCBs and the front-end focusing lens assembly processes to complement our in-house production. Our management of third-party contract manufacturers is consistent with our supplier management. The salient terms of our agreements with contract manufacturers are set forth as below:

- *Product specifications.* We specify requirements such as product name, model specifications, quantity and price in the orders we placed with the contract manufacturers. Contract manufacturers utilize the materials we provide for the SMT and assembly processes. Should additional materials be required, contract manufacturers must obtain our written consent prior to procuring them on our behalf.
- *Payment and delivery.* We are responsible for timely payment to contract manufacturers upon receipt of invoice in accordance with the agreements. The contract manufacturers are responsible for delivering the products to the locations specified by us.
- *Quality control.* We are responsible for providing the acceptance standards and methods, while the contract manufacturers are responsible for conducting incoming material inspections. During the production process, we are entitled to conduct on-site supervision and inspections at any time. Prior to shipment, the contract manufacturers will perform a comprehensive inspection and provide quality record documents for our acceptance of the finished products.
- *Warranty.* The contract manufacturers provide a warranty period for the products they produce. If quality issues arise within the warranty period, the contract manufacturers are responsible for performing free repairs within one week.

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- **Transfer of risks.** The risk transfers to us after we complete inspection and confirm receipt of the products.
- **Termination.** The agreements can be terminated by mutual agreement, or by other means as set forth in the agreements.
- **Dispute resolution.** Any disputes arising from or in connection with the agreement shall typically be resolved through friendly negotiation, failing which they may be resolved through arbitration or litigation in accordance with the agreement.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter material quality accidents or disputes in relation to the engagement of third-party contract manufacturers.

Supplier Management

We have established a comprehensive supplier management system that encompasses supplier engagement, daily management and periodic evaluation to ensure the quality of our products. During the supplier engagement process, we primarily consider several key factors, including product quality, qualifications and credentials, compliance with the safety standards, reputation and pricing. We require our raw material suppliers to obtain ISO 9001 certification for their quality management systems, which underscores our commitment to quality and consistency in our supply chain, enabling us to deliver reliable and high-quality products to our customers.

We maintain a qualified supplier list and formulate tailored evaluation plans based on the type of raw material supplied. After each evaluation, we communicate any required improvements to our suppliers, ensuring they take the necessary corrective actions. We are entitled to terminate collaboration with the supplier if it fails to meet our standards in two consecutive assessments.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any disruption of business as a result of shortages or delays in procurement from our suppliers.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We primarily engage reputable third-party logistics service providers to deliver our products from our production facilities and warehouses to the venue specified by our customers. To the best of our knowledge, such logistics service providers are Independent Third Parties.

Inventory Management

Our inventories primarily consist of raw materials, work in progress and finished goods. As of December 31, 2023, 2024 and 2025, our inventories amounted to RMB27.2 million, RMB52.9 million and RMB59.1 million, respectively. Our inventory turnover days for the same years were 33 days, 40 days and 39 days, which were in line with industry norms.

We operate an integrated inventory management system built around weekly cross-functional meetings, where representatives from sales, procurement, production, and quality control departments align on customer requirements and supply chain strategy. Our centralized raw material procurement management system serves as the backbone of this operation, continuously monitoring lead-time-critical components and triggering advance procurement alerts. For standard materials, procurement and production scheduling are directly aligned with customer orders and delivery requirements. Components with extended lead times follow a more structured process, where purchasing decisions are based on sales forecasts and undergo formal company review before order placement. Oversight is maintained through multiple channels: the finance department issues weekly inventory monitoring reports to ensure rigorous management across planning and production departments, while our warehouse management team regularly tracks slow-moving inventory and defective items. This multi-layered approach, supported by close coordination between

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quality control and other departments, enables us to maintain optimal stock turnover efficiency while ensuring supply chain continuity.

QUALITY CONTROL

We are committed to upholding the highest standards of quality across our products and solutions, recognizing that robust quality management is essential to our reputation and long-term competitiveness. To this end, we have established a comprehensive quality management system that provides the organizational framework and operational standards for the continuous improvement of our products, processes and customer service. Our production bases are certified under ISO 9001, ISO 45001 and ISO 14001, highlighting our dedication to effective quality control and management.

Our quality control measures include (i) the establishment of the quality control system, (ii) quality control throughout the production process and (iii) customer feedback analysis and quality improvement.

- *Establishment of the quality control system:* We have developed a range of internal policies, including a quality manual, document control procedures, record control procedures, internal audit procedures and management review procedures. These policies clearly define the responsibilities of each department in quality control and outline internal processes to ensure product quality, a safe production environment, employee health and safety, environmental protection and compliance with various health, safety and environmental regulations.
- *Quality control throughout the production process:* We implement tailored procurement procedures based on the specific types of raw materials. For materials utilized in the production process, our quality control department is responsible for the quality inspection, as well as tracking and archiving their quality status. We identify, record and separate raw materials, semi-finished products and finished products during the production process, enabling effective traceability through documented identifiers. In addition, we maintain strict controls to prevent the use of expired raw materials or the sale of expired finished goods. We have established specific storage conditions for different types of raw materials and finished products, along with designated procurement and storage cycles tailored to each category.
- *Customer feedback analysis and quality improvement:* Our quality control department is tasked with analyzing and addressing quality issues arising from customer feedback or complaints. The quality department collaborates with research and development, engineering, production and other relevant teams to investigate the root causes and develop appropriate countermeasures. While we prioritize the prompt resolution of these issues, we also implement preventive measures to mitigate potential causes of non-conformance and avert future occurrences. Additionally, we employ data analysis control procedures to assess the data generated during production and service processes, ensuring the suitability and effectiveness of our quality, environmental and occupational health and safety management systems while identifying opportunities for improvement.

Warranty, Product Returns and Recalls

We generally provide a one or two-year warranty period for our products, during which we provide rework and replacement services to our customers. To address any product that fails to meet customer requirements, we enforce a disciplined process for managing non-conforming products. Upon identification of such products, our engineering department formulates a detailed rework plan, while our quality control department conducts a comprehensive risk analysis, defines validated inspection standards, and performs a final product audit. For products that cannot be effectively improved after rework or do not meet shipping standards, we will proceed with scrapping them to ensure quality integrity.

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During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material product returns or recalls or received any material product quality complaints, reflecting the effectiveness of our quality control system and our commitment to product excellence. During the Track Record Period, we did not receive any claims for personal injury or property damage to consumers arising from product defects or deficiencies.

INTELLECTUAL PROPERTY RIGHTS

Our success and competitive advantages depend in part on our ability to develop and protect our core technologies and intellectual property. Since our inception, we have internally developed a variety of intellectual property rights. As of the Latest Practicable Date, we had 156 granted patents, including 47 invention patents and 16 granted patents in key overseas markets such as the U.S., EU, Japan, and South Korea. In addition, we had 40 patents under application worldwide. Our intellectual property portfolio strategically covers key technological aspects in the intelligent robotics industry, including 112 patents in precision optical systems, five patents in AI spatial sensing algorithms and six patents in AI spatial data processing chips. See “Appendix VI — Statutory and General Information — B. Further Information About Our Business — 2. Intellectual Property Rights of Our Group” for details of our material intellectual property rights.

We acquire patents and core technologies through self-development. We believe that our intellectual property portfolio is critical to strengthening our technological capabilities and maintaining substantial barriers to entry. We intend to continue expanding our intellectual property assets by developing more advanced algorithms for spatial sensing. See “Risk Factors — Risks Relating to Our Intellectual Property Rights — Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.”

The table below sets forth the key intellectual property rights corresponding to the core technologies applied in our products:

Product	Core Technology	Patent No.	Application Scenario	Features / Functions
Triangulation LiDAR	Belt Cover Plate	CN201922395373.4 EP3861915B1 US12072708B2 JP7177927B2 KR102575493B1 US20210247494A1	Ranging Module	China’s first tangle-prevention solution, preventing hair, dust, and debris from entering the LiDAR interior. Stops internal transmission wheels from jamming and causing LiDAR damage.
	Artificial Intelligence	CN116740581B CN117837987A CN118642085B CN117970350B	Recharging, Calibration, and Ranging Correction	Uses advanced models (deep learning, machine learning) for noise filtering, error elimination, and material identification.
	Area Array Sensor	CN107607960B US11675082B2 CN207457505U	Ranging Module	Replaces expensive linear sensors with area array sensors, enabling low-cost, high-precision ranging.
	Control and Signal Processing	CN213846342U CN113343839B CN114371483B CN114355321B CN115079128B CN115616522A CN115372933B CN115524684A	Signal analysis, shaping, and point cloud processing	Performs signal post-processing, multi-optical-path fusion, obstacle avoidance

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Product	Core Technology	Patent No.	Application Scenario	Features / Functions
	Optical Design	CN115840231B CN116501070B CN117381860A CN202411986966.7 CN202510028277.3 CN220141574U	Triangulation/TOF ranging	Improves ranging accuracy, reduces optical assembly complexity
dTOF LiDAR	One-Transmit-Multiple-Receive (LiDAR architecture)	JP7430886B2 EP4047388B1 DE202022003129U1 CN307678725S CN307637472S	TOF ranging/ Triangulation + TOF hybrid ranging	Combines triangulation + TOF advantages into hybrid LiDAR system, enhancing accuracy & range
	LiDAR Miniaturized Design	CN115213923B CN218247101U CN219225085U CN221841202U	Ranging module	Reduces LiDAR volume
3D Spatial Sensing Solution	Radar Component + RGB Component Joint Mapping and Obstacle Avoidance	CN202310550531.7 CN202311159762.1 CN222704932U CN222394162U	Through LiDAR + camera component interaction, enabling joint mapping and obstacle avoidance	China's first proposed LiDAR-camera tandem obstacle avoidance system
Line Laser	Module Design	CN218247127U CN218240394U CN220105293U CN220773263U	Obstacle Avoidance	Increases structural strength/stability
Robotics Testing Solution	Monocular Camera Array and High-Performance Tracking Algorithms	CN205981242U	SLAM Testing for Mobile Robots	Large-scale testing with submillimeter accuracy
XR Solution	Module Design, High-Performance Computer Vision and Multi-Sensor Fusion Algorithms	CN111614915B CN111752386B CN212112405U CN107564064B CN106372702B CN116540408A CN222882849U CN104436643B CN106372702B CN116540408A CN222882849U CN104436643B	Education, gaming and remote collaboration	6DOF hand motion interaction solution based on inside-out and VSLAM technology, featuring low power consumption, low latency and wireless connectivity.

As advised by our PRC Legal Advisor, pursuant to the Patent Law of the People's Republic of China (中華人民共和國專利法), an invention patent registered in China is valid for a term of 20 years from the date of filing of the application for the patent, an utility model patent registered in China is valid for a term of 10 years from the date of filing of the application for the patent, and since June 1, 2021, a design patent registered in China is valid for a term of 15 years from the date of filing of the application for the patent.

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We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with external consultants. We have entered into confidentiality and non-competition agreements with our employees who have access to trade secrets or confidential information about our business. Our standard employment contract, which we use to employ our employees, contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee’s work. These agreements may not provide sufficient protection of our trade secret and/or confidential information. These agreements may also be breached, resulting in the misappropriation of our trade secret and/or confidential information, and we may not have an adequate remedy for any such breach. In addition, our trade secret and/or confidential information may become known or be independently developed by a third party, or misused by any collaborator to whom we disclose such information. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. As a result, we may be unable to sufficiently protect our trade secrets and proprietary information. See “Risk Factors — Risks Relating to Our Intellectual Property Rights — We may be unable to protect the confidentiality of our trade secrets or other proprietary information, and we may be subject to claims that our employees or third parties have wrongfully used or disclosed alleged trade secrets or other proprietary information owned by others.”

As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we did not have any instances of infringement of third parties’ intellectual property rights. For risks related to intellectual property rights, see “Risk Factors — Risks Relating to Our Intellectual Property Rights.”

COMPETITION

The intelligent robot industry is undergoing a significant transformation, fundamentally reshaping global industries and redefining human lifestyles. As intelligent technologies achieve new levels of sophistication, intelligent robots are steadily evolving to master increasingly complex and nuanced tasks. As AI technology advances, intelligent robots are evolving beyond simple task execution toward “embodied intelligence,” which refers to a sophisticated integration of sensing, cognition, and action capabilities. At the core of this evolution, spatial sensing emerges as the fundamental competency, enabling robots to understand their environment, position, and task progress in real-time, with successful commercial applications already seen in intelligent robots such as robot vacuums, yard robots, and collaborative robots.

Driven by these factors, the global intelligent robot spatial sensing solutions market size grew from RMB11.8 billion in 2020 to RMB26.0 billion in 2024, representing a CAGR of 21.7%. From 2024 to 2030, the market size is expected to grow rapidly at a CAGR of 20.2%, reaching RMB78.6 billion by 2030. As one of the major global markets for intelligent robots, China demonstrates strong momentum in the intelligent robot spatial sensing solution sector. China’s intelligent robot spatial sensing solution market size grew from RMB4.7 billion in 2020 to RMB10.8 billion in 2024, representing a CAGR of 22.8%. From 2024 to 2030, the market size is expected to grow rapidly at a CAGR of 22.0%, reaching RMB35.7 billion by 2030.

Market participants in the global intelligent robot spatial sensing solution industry fall into two main categories: The first consists of robot companies with self-developed spatial sensing solutions. They primarily serve their own product ecosystems and maintain advantages in system coordination and specialized scenario adaptation. The second category comprises intelligent robot spatial sensing solution providers, ranging from smaller providers focusing on single components (algorithms, modules, sensors) to integrated providers offering comprehensive system-level solutions. These providers combine spatial sensing algorithms with integrated hardware software capabilities, utilizing open architecture and cross-platform compatibility to deliver scalable solutions across multiple brands and scenarios. Robot companies with self-developed spatial sensing solutions usually engage intelligent robot spatial sensing solution providers for their products, as these providers offer more specialized

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expertise, more cost-effective pricing, and the ability to support diverse product lines. This allows manufacturers to leverage external capabilities while maintaining flexibility across their product portfolio and optimizing development costs.

In the global market for intelligent robot spatial sensing solution providers, we rank the first by revenue from intelligent robot spatial sensing solutions. Few spatial sensing solution providers globally possess self-developed chip capabilities. Among these, the Company stands as the largest provider of intelligent robot spatial sensing solutions with proprietary chip technology. We are the No. 1 player in the global spatial sensing solutions for robot vacuums by 2024 revenue, and maintain our No. 1 position specifically in LiDAR products for robot vacuums across both revenue and shipment volume in 2024, with a shipment volume of approximately eight million units and a market share of over 50% by shipment volume.

Comparison of Key Performance Parameters of Spatial Sensing Solutions

Spatial sensing solutions are widely used across industries to improve awareness, precision and automation. One of the most prominent applications of spatial sensing solutions are intelligent robots. Intelligent robots leverage spatial sensing capabilities to navigate complex environments, manipulate objects with human-like dexterity, collaborate safely alongside human workers, and adapt autonomously to dynamic operational conditions. These capabilities are powered by various spatial sensing modalities, including triangular LiDAR and dTOF. The table below presents a comparative analysis of spatial sensing solutions provided by us and our key competitors in terms of key performance parameters.

Company	Ranging Method	Year of First Product Launch	Measurement Range	Accuracy	Angle Resolution ⁽¹⁾	Rotational Speed ⁽²⁾	Major Application
The Company	Triangulation ranging	2018	0.12-8m	≤5mm (0.125-0.35m) ≤2% (0.35-3m) ≤3% (3-4m) ≤4% (4-6m)	0.72°/0.9°	5.2Hz/6Hz	Robotic vacuums
	dTOF ranging	2024	0.06-12m	≤10mm (0.1-0.6m) ≤30mm (0.6-12m)	0.374° (at 4688 frames per second, 5.2 Hz)	5-8Hz	Robotic vacuums
Company A	Triangulation ranging	2009	0.26-5m	±1.5mm	/(³)	/(³)	Mapping robotics
	dTOF ranging	/(³)	0.5-14m		/(³)	/(³)	
Company B	Triangulation ranging	/(³)	0.16-8m at 70% reflectivity	±8mm (0.1-0.5m)/ ±45mm/	1°	210 Hz (typically at 6 Hz)	Robotic vacuums
	dTOF ranging	/(³)	0.03-25m/ 0.02-12m at 70% reflectivity	±10mm (0.03-0.5m)	1°	5-13Hz	
Company C	dTOF ranging	2019	90m at 10% reflectivity, 130m at 20% reflectivity and 260m at 80% reflectivity	2cm	0.28° (vertical) x 0.03° (horizontal)	N/A	Autonomous mobile robotics, logistics robotics and mapping robotics

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Company	Ranging Method	Year of First Product Launch	Measurement Range	Accuracy	Angle Resolution ⁽¹⁾	Rotational Speed ⁽²⁾	Major Application
Company D . . .	dTOF ranging	2020	100m (30m at 10% reflectivity)	±1cm	0.1~0.4°×2.81°	5/10/20Hz	Autonomous service and logistics robots

Notes:

- (1) Angle resolution refers to the minimum angular difference at which the LiDAR can distinguish two distinct objects.
- (2) Rotational speed refers to the rate at which a LiDAR sensor or its scanning mechanism rotates, determining how quickly it can scan its surroundings.
- (3) The information could not be obtained from public sources.

Our Value Proposition and Competitive Advantages

We are a leading provider of high-precision, cost-effective spatial sensing solutions, serving both consumer and specialized markets. Leveraging our proprietary ASIC chips and area-array image sensor solutions, we deliver outstanding ranging accuracy, ultra-compact product designs, low power consumption and substantial cost efficiencies across our triangulation and dTOF LiDAR product lines. Our competitive advantages are rooted in our comprehensive technology stack, which encompass proprietary AI spatial data processing chip design, comprehensive software development for spatial sensing solutions, system design with VCSEL laser solutions, and intelligent manufacturing technology. This technological leadership, combined with our application-specific designs for intelligent robotics, particularly robot vacuums and a scalable, highly replicable production process, enables us to offer products that are distinguished by their comprehensive features, technological innovation and competitive pricing. Collectively, these strengths create substantial competitive barriers and reinforce our leadership position within the industry.

The table below sets forth a summary table of the value proposition and competitive advantages of our products relative to our peers:

Our Value Proposition	Our Competitive Advantage
Proprietary AI Spatial Data Processing Chips	• <i>Submillimeter Computation:</i> Compared to general chips, our AI spatial data processing chips are optimized with enhanced processing speed and tailored for high-precision environmental measurement, supporting the processing of submillimeter computation. • <i>In-Depth Customization as a Catalyst for Product Innovation:</i> Our proprietary chips enable comprehensive customization tailored to specific product requirements, offering significant flexibility to meet each customer’s specific needs. This capability allows us to swiftly iterate and upgrade our products in response to evolving market demands, achieve distinctive functional differentiation, and effectively address the unique needs of diverse customers.

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Our Value Proposition

Our Competitive Advantage

- | | |
|---|---|
| <p>Ultra-Compact Design</p> | <ul style="list-style-type: none"> <p><i>Supply Chain Risk Management and Cost Optimization:</i> Dependence on external chip suppliers can expose us to challenges such as price volatility, supply chain disruptions and technological constraints. By developing our proprietary chips, we are able to exercise greater control over our BOM costs, minimize reliance on third-party supply chains, and strengthen our ability to manage and mitigate risks.</p> <p><i>Enhancement of Product Integrability and Applicability:</i> The adoption of ultra-compact design allows LiDAR and line laser sensor products to be seamlessly integrated into a wide range of devices and systems. In scenarios such as robot vacuums, where space is limited and strict requirements exist for sensor size and weight, ultra-compact products are particularly well-suited to meet these challenges. This capability significantly strengthens the market competitiveness of our product portfolio. As product dimensions continue to shrink, LiDAR and line laser sensors can also be deployed in emerging sectors with stringent spatial constraints, such as wearable devices, smart home solutions, and medical equipment. Expanding into these new application domains further enhances our growth potential.</p> <p><i>Reduction of Power Consumption and Cost:</i> Ultra-compact design is typically achieved through the optimization of circuitry and structural configuration, which leads to reductions in both material and manufacturing costs. Additionally, smaller product sizes contribute to lower power consumption, thereby extending the operational lifespan of devices. This is especially beneficial for mobile and portable applications where energy efficiency is critical. Together, these advantages enable us to provide cost-effective and energy-efficient solutions, further reinforcing our competitive position in the market.</p> |
| <p>Proven Product Reliability</p> | <ul style="list-style-type: none"> <p><i>Belt Dust-Proof Structure:</i> We have integrated a belt dust-proof structure into our products to significantly enhance their reliability and durability. This advanced design effectively prevents dust and foreign particles from entering, thereby minimizing the risk of malfunctions caused by dust accumulation. As a result, our products are capable of long-term stable operation with minimal maintenance requirements. The dust-proof structure also improves robustness and consistency, ensuring that our products maintain reliable spatial sensing and navigation performance even in complex and demanding environments. This is especially beneficial for applications requiring high operational stability. The adoption of the belt dust-proof structure underscores our commitment to delivering products with superior reliability, enhanced stability, and extended service life.</p> |

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DATA PRIVACY AND SECURITY

We attach great importance to data security and protection. We have established a series of internal policies and procedures, including the information security management measures and the information security incident grading standards, to govern matters related to our data management. To safeguard the overall security of our data and IT systems, we have formulated the policy for software Installation and designated the IT department as the sole executive and authorizing management body responsible for supervising and inspecting software installations on computers across all departments.

We have implemented comprehensive management protocols for data based on its level of confidentiality. These protocols ensure that the storage, transfer, duplication, backup, and destruction of data comply with our internal policies as well as applicable laws and regulations. We collect and store essential data integral to our business operations, which includes commercial and transactional information from our engagements with customers, suppliers, and other counterparties, as well as personal information of our employees, job applicants, and designated contacts within our partner organizations, primarily consisting of their names and contact information. We primarily collect the aforementioned personal, business, and transaction information through email correspondence, and such information is stored in our email and ERP systems. To safeguard information security and prevent unauthorized internal access, access to and management of the personal information database of employees and designated contact persons of our business partners are strictly limited to authorized personnel within the Group. We do not transfer data outside of the PRC, nor do we disclose any personal, business, or transaction information to unrelated third parties. Based on the terms of our agreements with customers and suppliers and in accordance with general commercial practice, the ownership of external business and transaction information we obtain belongs to the party providing such information.

Data backups are performed regularly, with access to backup files strictly restricted to authorized employees, following a rigorous approval process. All access is logged for accountability. Furthermore, confidential data and documents are encrypted using our advanced encryption system, with decryption permissions managed by department heads or designated confidentiality officers. The destruction of media containing confidential data requires approval from relevant management personnel, must be conducted under supervision, and ensures that the data is rendered irrecoverable.

Given that during the Track Record Period and up to the Latest Practicable Date, (i) we did not receive any complaints regarding our data privacy or security measures, (ii) to the best of our knowledge, there were no investigations, legal proceedings, or administrative penalties for violations of cybersecurity, data security, or personal information protection laws or regulations, nor were any such actions pending or threatened by competent authorities or third parties, and (iii) we have established and implemented comprehensive internal policies and protocols to govern our data management, our Directors are of the view that we have complied with the relevant laws and regulations on cybersecurity and data security and privacy in all jurisdictions where we operated during the Track Record Period and up to the Latest Practicable Date.

EMPLOYEES

As of December 31, 2025, we had a total number of 390 full-time employees, all of whom were based in the Chinese Mainland. The following table sets forth the number of our full-time employees by function as of December 31, 2025:

Function	Number of Employees
Production and Supply	231
Research and Development	106
General Administration	43
Sales and Marketing	10
Total	390

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Our success is underpinned by our ability to attract, retain and motivate highly qualified personnel, and we regard our talent pool as a core strength of our Company. We adopt high standards and rigorous procedures in our recruitment process to ensure the quality of new hires. We recruit employees primarily through on-campus job fairs, industry referrals, online recruitment channels, and, where appropriate, specialized talent agencies, in order to meet our evolving business needs. We offer competitive salaries, performance-based cash bonuses, and other incentives to our employees. In addition, we have adopted share-based incentive plans for eligible employees to further align individual performance with our Company’s long-term success. Our compensation and benefits packages are designed to attract and retain top talent in a highly competitive labor market.

We enter into standard employment contracts, confidentiality and non-compete agreements with all employees in accordance with market practice. To support the ongoing professional development of our employees, we provide new employee orientation programs as well as regular on-the-job training and continuing education opportunities. These programs are aimed at enhancing the skills and knowledge of our workforce, fostering a culture of innovation and excellence, and supporting the long-term growth of our business. Our employees have not formed any employee union or association. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material labor disputes, work stoppages, or significant difficulties in recruiting or retaining staff for our operations.

In line with PRC laws, we participate in government-mandated employee benefit plans, including social insurance for pensions, medical care, unemployment, work-related injury, maternity, and housing funds. We are required by PRC law to contribute to employee benefit plans at specific rates based on employee salaries, bonuses, and certain allowances, up to limits set by local regulations. During the Track Record Period, we engaged third-party human resource agencies to pay social insurance and housing provident fund for some of our employees at the request of the employees, because we did not have legal entities to pay social insurance premium or housing provident funds for them locally. In addition, we did not make social insurance contributions and housing provident funds in full for certain employees, although we did not incur any material administrative fines or penalties for such failure during the Track Record Period. See “Risk Factors — Risks Relating to Doing Business in Jurisdictions Associated with Our Operations — We may be subject to fines and penalties as a result of our non-compliance with certain PRC laws and regulations regarding the social insurance and housing provident fund during the Track Record Period.

INSURANCE

We believe that our insurance coverage is in line with the industry practice and adequate to cover our key assets, facilities and liabilities. Vehicle insurance, employer liability insurance, and executive travel insurance for U.S. business trips are maintained to cover daily operations and specific scenarios. In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. We also do not maintain key man life insurance, insurance policies covering damages to our network or information technology systems or any specialized insurance policies for our properties. See “Risk Factors — Risks Related to Our Business and Industry — We may not have sufficient insurance coverage to cover our business risks.” During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to strengthening the management of Environmental, Social, and Governance (ESG) issues by establishing a three-level ESG governance structure, as authorized by the Board of Directors, comprising the ESG Management Committee, the ESG Secretariat, and the ESG Working Group. The Board of Directors is responsible for overseeing and coordinating ESG issues, including setting the overall direction for sustainable development, ensuring disclosures comply with regulatory requirements, identifying and assessing ESG-related risks, and continuously monitoring sustainability performance. The ESG Management Committee is tasked with reviewing ESG-related laws, regulations, and policies, identifying and managing ESG risks and opportunities that may have a significant

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impact on our Company’s business, and evaluating performance. The ESG Secretariat serves as the coordinating body for ESG management, responsible for implementing the Committee’s work assignments, advancing the management and execution of ESG topics, and coordinating ESG-related information disclosure. The ESG Working Group, as the implementing body, is responsible for facilitating the execution of ESG topics, monitoring their progress, and regularly collecting, consolidating, and reporting updates, performance, and case studies from the respective responsible departments. The Board convenes at least one meeting annually to receive briefings from the ESG Management Committee and to review the progress of ESG issues and targets, thereby continuously enhancing our Company’s ESG management capabilities. Looking ahead, we will further improve our ESG governance mechanisms to ensure strong organizational support for the effective implementation of ESG issues.

Material ESG-related Risk Assessment Mechanism

We identify ESG-related risks that could adversely affect our Company’s business, results of operations and financial performances, as well as collect, analyze, prioritize and summarize key concerns of stakeholders to assess the materiality of each ESG-related risk and effectively manage material ESG-related risks of our Company. We have established and implemented the following materiality assessment process:

1. Identify potential material ESG-related risks that may impact our Company’s business or related parties, considering the business strategy, current international standards (such as the guidelines enacted by the Sustainability Accounting Standards Board (SASB)) and industry practices of our Company.
2. Invite key stakeholders to participate in surveys and express their understanding and concerns regarding material ESG-related risks.
3. Analyze the collected surveys and prioritize material ESG-related risks.

Material ESG-related Risk Management

Based on the nature of our business and future development direction, we have conducted a targeted identification and assessment of ESG risks through our risk assessment procedures. For multiple risk topics, we have already taken mitigation measures to reduce potential risks. We have identified, evaluated, and prioritized the following material ESG risk topics, together with their potential impacts and corresponding mitigation measures, key risk topics include:

Risk topics	Potential risk impact	Mitigation measures
Product quality and safety	Without quality reviews and risk assessments during product development or material inspection stages, product quality may not be adequately assured. This could result in declining customer satisfaction, product recalls, and, consequently, reduced revenue and increased production costs for our Company.	The Company has obtained ISO 9001:2015 quality management system certification and established production planning and operational control procedures. By implementing stringent controls over material management, production management, quality audits, non-conformance handling, and quality issue resolution, we ensure rigorous product quality management. At the same time, we comply with OEM safety standards and deliver certified products.

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Risk topics	Potential risk impact	Mitigation measures
Protection of intellectual property rights	Without the awareness of protecting intellectual property (such as patents, trademarks, and software copyrights), it may lead to the loss of intangible assets or trigger intellectual property litigation, resulting in increased operating costs for our Company.	The Company has established R&D project management mechanism to oversee R&D outcomes and intellectual property. From the outset, we identify and protect intellectual property rights, while implementing a patent incentive program to accelerate the accumulation of high-quality patent assets and strengthen employees’ awareness of intellectual property protection.
Employee health and safety	If our Company fails to provide a safe working environment and foster employee awareness of workplace safety and occupational health, it may face risks such as workplace injuries, declining employee well-being, and increased staff turnover, ultimately leading to higher operational costs.	The Company has obtained ISO 45001:2018 Occupational Health and Safety Management System certification and established a comprehensive safety management framework covering occupational health, labor protection, workplace injuries, and emergency response. Regular fire drills and safety training are conducted to further safeguard employees’ health and safety.
Information security and privacy protection	If our Company lacks sufficient controls over data security and personal privacy protection, confidential business information, such as operational data and customer details, may be exposed, creating risks of information leakage. This could negatively affect business operations and corporate reputation, potentially reducing revenue and increasing production or operational costs.	The Company has established information security, incident classification, and confidentiality management mechanisms. Through measures such as pre-approval, process control, and post-incident accountability, it systematically prevents information security breaches and privacy risks.
Customer relationship management	If our Company fails to capture customer needs and feedback through multiple channels in a timely manner, or if market sensitivity in areas such as design, R&D, and material procurement declines, it may adversely affect business operations and result in reduced revenue.	The Company has established product pricing, customer profile, and after-sales service management mechanisms to maintain effective communication with clients. By providing product training and technical support, our Company continuously enhances customer relationship management efficiency and better meets customer needs.

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Risk topics	Potential risk impact	Mitigation measures
Compliance risk control	Without a compliance management system, it becomes difficult to prevent and control improper behaviors such as corruption, bribery, and fraud in operational processes. Without effective risk control mechanisms, our Company may face operational and ESG-related risks, threatening business continuity and potentially leading to reduced revenue and increased operating costs.	The Company has established internal management policies such as the <i>Anti-Monopoly and Fair Competition Management Regulations</i> (《反壟斷與公平競爭管理規定》) and the <i>Anti-Bribery Management Regulations</i> (《預防商業賄賂管理規定》), and outlined employee integrity and ethics requirements in the <i>Social Responsibility Management Manual</i> . Reporting channels and whistleblower protection mechanisms have been set up to ensure compliance oversight of employees, customers, and suppliers. In addition, a clearly defined and well-functioning ESG risk management framework has been established to manage environmental, social, and governance-related risks, including climate-related risks.
Energy management . . .	If our Company does not manage energy consumption in its operations, such as electricity for air conditioning and lighting, it may contribute to the greenhouse effect and increase the likelihood of climate-related risks, including extreme weather events (see Addressing Climate Change section for details). In addition, under the ongoing energy transition, rising energy prices could lead to higher operational costs.	The Company has established internal management policies, including the <i>Energy and Resource Management Measures</i> (《能源資源管理辦法》) and the <i>Energy Conservation and Consumption Reduction Regulations</i> (《節能降耗管理規定》), to implement energy-saving practices across office operations, production, and daily activities, while promoting green office and operational practices.

We place strong emphasis on risk management and internal controls, and have formulated the *ESG Management Policy* (《ESG管理制度》) to establish an ESG risk management mechanism that integrates ESG practices into our corporate strategy and daily operations. We have developed methods and procedures for risk identification, assessment, management, and monitoring, covering strategic, financial, market, operational, legal, technological, and ESG-related risks. Targeted risk management strategies and solutions are proposed and implemented accordingly, while regular supervision and continuous improvement are carried out to ensure the effectiveness of our Company’s risk management and internal control.

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Intellectual Property Rights

We have established internal policies such as the *Intellectual Property Management Procedures* (《知識產權管理程序》) and the *Non-Disclosure Agreements* (《保密協議》), continuously strengthening our Company’s intellectual property (IP) management system and resolutely preventing any loss of IP arising from improper conduct. The Company upholds a principle of reciprocal and mutual IP protection: we are committed to the lawful use of third-party IP only upon authorization, while requiring our stakeholders to respect our IP in return. To ensure the implementation of these commitments, we have put in place an internal inquiry and whistleblowing mechanism, with the Human Resources Department responsible for investigating and addressing all cases of infringement.

Product Quality

We have established internal quality management systems, including the *Production Operation Control Procedures* (《生產作業控制程序》), *Quality Abnormality Handling Process* (《品質異常處理流程》), the *Nonconforming Product Control Procedures* (《不合格控制程序》), and the *Material Management Operation Procedures* (《物料管理作業程序》), to regulate quality control across product design, development, testing, and delivery and provide guidelines and methods for quality management. We have obtained ISO 9001 Quality Management System certification.

We enforce strict quality management for both products and raw materials, and conduct inspections and testing at the procurement, production, and after-sales stages to prevent the transfer or release of nonconforming products, thereby establishing a robust product safety management mechanism. At the procurement stage, we following the *Material Sample Approval Management Regulations* (《物料樣品承認管理規定》), all suppliers of electronic components, assemblies, and other raw materials must undergo material sample inspections, and materials without an approved *Sample Approval Certificate* (《樣品承認書》) are not permitted for direct use or processing. During the production stage, we conduct first-piece inspection, self-inspection, mutual inspection, reliability sampling, and final inspection before shipment to ensure compliance with quality standards at every stage. If nonconforming products are identified on the production line, they are subject to rework, repair, or scrapping.

Supplier Management

We have established internal supplier management systems, including the *Supplier Management Procedures* (《供應商管理程序》), *Procurement Control Procedures* (《採購控制程序》), and the *Anti-Commercial Bribery Management Regulations* (《預防商業賄賂管理規定》), to strengthen supplier classification and evaluation processes, as well as to standardize supplier development and review.

All qualified suppliers are subject to annual assessments across multiple dimensions such as material quality, pricing, delivery, and service. Based on assessment results, suppliers are categorized into four grades: A, B, C, or D. For suppliers graded C or D, we require the implementation of improvement plans and closely monitor corrective measures in areas such as production processes, quality systems, and key operations to ensure their effectiveness. Suppliers that receive a D grade for two consecutive years are disqualified and no longer eligible for further cooperation.

We sign the *Integrity and Fair Cooperation Agreement* (《誠信廉潔合作協議》) with all suppliers. Any supplier found to have engaged in improper practices, including business bribery during bidding, procurement, or contract fulfillment, will have its cooperation terminated immediately and be subject to legal action. At the same time, suppliers are also required to sign the *Social Responsibility Commitment Letter* (《社會責任承諾書》), pledging compliance with local labor laws as well as social responsibility standards such as RBA and SA8000. During supplier risk assessment and annual review period, suppliers must also provide ISO 9001, ISO 14001, and ISO 45001 certifications to ensure supply stability and compliance. To mitigate potential risks such as supply disruptions and quality fluctuations that may arise from reliance on a single supplier, we actively seek partnerships with a broader pool of high-quality suppliers and implement multi-sourcing strategies for critical raw material suppliers. This approach enhances resilience, ensuring both continuity and stability across our supply chain. As of December 31, 2025, we had a total of 496 suppliers, primarily comprising suppliers of electronics components, plastics, optical components and packaging materials.

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Employee Rights and Benefits

We have established internal recruitment management policies, including the Recruitment Management Policy (《招聘管理制度》), Employee Handbook (《員工手冊》), the Regulations on Prohibition of Forced Labor (《反強迫性勞工管理規定》), and the Regulations on Prohibition of Child Labor (《禁止使用童工管理規定》), to build a comprehensive and standardized talent acquisition system aligned with the Company’s development needs and strategic plans.

To enhance workforce diversity, we have established policies such as the Recruitment Management Policy and Performance Assessment and Incentive Program etc. These ensure strict adherence to the principles of fairness, justice, and non-discrimination in recruitment, compensation, promotion, and termination processes, strictly prohibiting discrimination based on gender, age, or any other factors. We utilize diverse recruitment channels, including online platforms, third-party agencies, employee referrals, and campus recruitment. We protect employees’ rights and provide benefits such as additional allowances and leave. Simultaneously, we support employees’ career development through a systematic training framework, thereby providing talent assurance for the company’s sustainable development.

The table below shows the breakdown of employee numbers by gender during the reporting period:

Indicator	Unit	As of December 31,		
		2025	2024	2023
Total number of employees	Person	390	377	345
Number of male employees	Person	252	246	197
Number of female employees	Person	138	131	148

Note:

The total number of employees includes full-time employees of the Company and its subsidiaries (excluding outsourced personnel).

We have established the Performance Assessment and Incentive Program (《績效考核與激勵方案》) and the Leave Management Policy (《假期管理制度》), and provide employees with full contributions to pension, maternity, medical, unemployment, and work-related injury insurance, as well as housing provident fund. Beyond statutory benefits, we also offer employees additional perks, including transportation and lunch allowances, annual leave, maternity-related leave (prenatal checkups, maternity leave, breastfeeding leave, childcare leave, and nursing leave), among others.

We have formulated internal policies such as the New Employee Onboarding and Confirmation Guidelines (《新員工培養和轉正流程指引》) and the Internal Trainer Management Policy (《內部講師管理制度》). Aligning with the Company’s development and strategic plans, we conduct onboarding training for new employees as well as specialized technical training. The Human Resources Department is responsible for conducting an annual evaluation of training programs and outcomes to ensure training effectiveness.

Occupational Health and Safety

We have established internal occupational health and safety management systems, including the *Occupational Health and Safety Management Measures* (《職業健康及勞動保護管理辦法》), the *Production Safety Accident Emergency Plan* (《生產安全事故應急預案》), and the *Fire Safety Management Measures* (《消防安全管理辦法》), to create a comprehensive production safety framework through cross-departmental coordination. Our health and safety programs are centrally developed and implemented by the Administration Department, ensuring employee occupational safety and well-being through regular safety and hygiene inspections, monitoring, and systematic risk assessments. We conduct company-wide safety training, new equipment operation training, and onboarding/role-change safety training semi-annually to ensure proper operation of equipment. In addition, we organize emergency drills, including first aid, fire response, and evacuation exercises, at least once every six months to enhance our emergency response capabilities.

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During the Track Record Period, there were no work-related fatalities, occupational injuries or lost workdays due to occupational injuries.

Environmental Protection

We are aware that climate change will bring risks to our Company’s business, and therefore we identify, evaluate and manage climate-related risks and opportunities, and take response measures to address global climate change.

Risk name	Risk description	Potential impact	Mitigation measures
Physical risks			
Extreme weather	Extreme weather events caused by climate change, including but not limited to typhoons, heavy rains, heat waves, cold waves, etc.	During extreme weather, the transportation of raw materials and products will be blocked, and risks such as power and water outages may also occur, resulting in risks such as interruption of enterprise production and operation, equipment failure, and personnel injuries, resulting in an increase in the Company’s operating costs; In addition, temperature changes may affect product storage conditions, battery life and performance, etc., resulting in an increase in product costs. Extreme weather events may affect raw material suppliers, production facilities, and logistics networks, potentially causing delays or shortages in the supply of key raw materials and increasing production costs.	➤ Formulate the Emergency Plan for Safety Production Accidents(《安全生產事故應急預案》), set up response measures for extreme environments (extreme high temperatures, typhoons, extreme rainfall, etc.) in the emergency plan, and clarify that outdoor high-altitude operations are not allowed in strong winds, heavy rains, and dense fog weather above level six. ➤ The Company has established a diversified supplier system. This system ensures multi-sourced supply of key raw materials, significantly enhancing the company’s ability to respond to supply disruptions or quality fluctuations.
Transition risks			
Policy and regulatory impact	Regulators have gradually increased their requirements for company information disclosure. For example, the implementation of “dual carbon” policies and supporting regulations has increased relevant information disclosure requirements (such as information on clean energy use, carbon emissions, ESG and environmental management).	With the higher regulatory requirements for information disclosure, the Company may face information disclosure compliance risks, and may be punished for violations, resulting in business suspension and reducing the Company’s revenue.	➤ Establish a sound ESG management system, regularly monitor and report the Company’s performance and management progress, pay attention to ESG-related risks and opportunities, and proactively disclose ESG-related information.

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Risk name	Risk description	Potential impact	Mitigation measures
Technical risks . . .	It may not be possible to follow the sustainable transformation trend of products, technologies or devices during product or technology development.	The Company’s demand for sustainable and environmentally friendly products or energy-saving technologies and equipment has expanded, resulting in an increase in product or technology costs.	➢ In terms of technology research and development, we will increase investment in energy-saving vision sensors and other fields, deploy next-generation green sensing technology, and continue to improve innovation capabilities. ➢ Optimize supply chain management, reduce procurement costs of key components, and actively strive for government green technology subsidies, tax incentives and green certification to reduce transformation costs.
Market risks	As people gain stronger awareness of climate change and environmental protection, more and more customers may tend to choose environmentally friendly/low-carbon products and companies that adopt sustainable production methods in the future. Changes in consumer behavior will cause potential consequences for enterprises. market risk.	Consumer and customer expectations for sustainable and low-carbon products are directly transmitted to the supply chain, requiring the Company and its upstream suppliers to meet increasingly stringent environmental standards. If we fail to meet consumer expectations for sustainable/low-carbon products in a timely manner, the demand for the Company’s products/services may decrease, resulting in a decrease in revenue.	➢ When technical capabilities and qualifications are comparable, we prioritize suppliers with stronger ESG performance, source greener and safer raw materials, and build a more sustainable supply chain. ➢ Introduce energy-saving design in the product design and development stage, and promote the application of green materials and environmentally friendly manufacturing processes to provide energy-saving products that are more in line with consumers’ preferences.
Reputational risks	Stakeholders’ attention to climate change and ESG-related information has increased.	Based on changes in the concerns of stakeholders, the Company may face changes in consumer preferences and capital market inquiries, which will have an impact on the overall operating business and lead to a decrease in revenue.	➢ Keep track of climate-related risks, ensure that risks are controllable, and avoid negative impacts on corporate image due to risks. ➢ Continue to identify major risk issues and listen to the opinions of external stakeholders including customers and investors.

Utilization of energy and resources

We have established internal management systems, including the *Energy and Resource Management Measures* (《能源資源管理辦法》) and the *Energy Conservation and Consumption Reduction Regulations* (《節能降耗管理規定》), to regulate the management and use of our Company’s energy and resources. Our key energy and resource inputs include electricity, diesel for power generation, machinery lubricants, water, and paper. Energy consumption primarily occurs across office and public areas, production facilities, warehouses, and employee dormitories.

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We take the following measures to reduce unnecessary energy and resource consumption in daily operations and production:

- ✓ When lighting levels allow, strictly control the number of production lights turned on, and post “Save Electricity” signs in visible locations.
- ✓ After using water, immediately turn off taps, and place “Save Water” signs at tap locations.
- ✓ Minimize oil spillage, drips, leaks, or overflows during use, and collect used or waste oil in designated waste oil barrels for centralized disposal.
- ✓ Promote energy conservation, environmental protection, and resource efficiency by placing scrap paper recycling bins near printers to reduce paper waste.

We have established the *Solid Waste Management Measures* (《固體廢棄物管理辦法》) to clearly define the categories, collection, and disposal methods for general and hazardous waste. General waste is classified into recyclable and non-recyclable categories, with designated collection points and containers established for each type. Employees receive training on proper waste sorting and are required to dispose of waste in accordance with these classification rules. Hazardous waste is centrally collected and processed by the property management company, and the relevant personnel is required to fill out the *Hazardous Waste Storage and Transfer Records*. During transportation, strict precautions are enforced to prevent rough handling and leakage.

The Company has established systematic processes for collecting and monitoring environmental data, tracking and disclosing data and intensity metrics related to key resource consumption (e.g., energy, water), emissions (e.g., greenhouse gases), and waste. During the Track Record Period, our intensity metrics were suitable for peer comparison, and we have provided explanations for any significant data fluctuations observed historically.

The following table presents the environmental quantitative indicators in terms of energy and resource waste in our offices and operating production facilities during the Track Record Period.

Indicator	Unit	As of December 31,		
		2025	2024	2023
Gasoline consumption	Liter	1,426.69	761.07	946.76
Purchased electricity ¹	KWh	6,466.76	4,770.37	2,355.93
Intensity of electricity consumption	KWh/RMB million of revenue	10.54	11.01	7.09
Water consumption	Tons	42,000	26,952	11,337
Water consumption density	Tons/RMB million of revenue	68.46	62.20	34.14
Total Non-Hazardous Waste Generated	Tonnes	0.30	0.10	0.09
Non-Hazardous Waste Intensity	Tonnes per million RMB of revenue	0.0005	0.0002	0.0003

Note:

In 2025, due to the increase in the company’s business volume, the use of vehicles will be further increased, resulting in an increase in the total consumption of gasoline. From 2023 to 2025, the expansion of the company’s plants and production lines led to increased consumption of purchased electricity, water, and total non-hazardous waste generation.

GHG Management

Our GHG emissions mainly come from direct emissions from the use of gasoline vehicles and indirect emissions from purchased electricity used for lighting and air conditioning in office operations and factory floors. We regularly collect, analyze and report data related to GHG emissions to set targeted emission reduction targets and measures.

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The following table sets forth the environmental quantitative indicators in terms of GHG emissions from our offices and operating production facilities in Shenzhen, Huizhou, Beijing, Suzhou and Hong Kong during the Track Record Period. During the track record period, our GHG emission intensity per RMB million of revenue is applicable to our peers for comparison, and the value of such indicator is lower than that of peer companies.

Indicator	Unit	2025	2024	2023
CO ₂ emissions (Scope 1)	tCO ₂ e	3.37	1.80	2.23
CO ₂ emissions (Scope 2)	tCO ₂ e	3.43	2.56	1.34
CO ₂ emissions (Scope 3)	tCO ₂ e	32.28	34.52	28.13
CO ₂ emissions (Scopes 1, 2, 3)	tCO ₂ e	39.08	38.88	31.71
CO ₂ emissions (Scope 1, 2, 3) intensity	tCO ₂ e/RMB million of revenue	0.06	0.09	0.10

Note:

The calculation of scope one includes the gasoline consumed by our gasoline vehicles. The Scope 2 calculations include the electricity consumption of our purchased electricity. Scope 3 includes Category 7-GHG emission data for employee commuting.

Setting of targets

We have set quantified ESG goals:

1. Carbon Emission Reduction Target: By 2029, reduce the company’s Scope 1 and Scope 2 greenhouse gas emission intensity (tonnes of CO₂e per million RMB revenue) by 5% compared to 2024.
2. Energy Target: By 2029, reduce the company’s electricity consumption intensity (kWh per million RMB revenue) by 4% compared to 2024.
3. Water Target: By 2029, reduce the company’s water consumption intensity (tonnes per million RMB revenue) by 6% compared to 2024.

We regularly record and analyze energy and resource consumption data, review the goals and their progress, and continuously refine energy-saving and emission-reduction measures based on operational realities. We implement measures to improve the efficiency of energy, water, and packaging material use in our daily operations and production activities, continually enhancing energy and resource management levels. The effective achievement of the goals is supported through internal energy conservation management, promotion of green office practices, and other means. Furthermore, we plan to increase future investment in R&D for energy-efficient products, actively adopting energy-efficient design in software product development and design to build a green and energy-efficient brand.

PROPERTIES

Our headquarter is located in Shenzhen, China. As of the Last Practicable Date, we operated our business operations through ten leased properties with an aggregate GFA of approximately 41,623.8 square meters. Our leased properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are principally used for offices, research and development, production and warehousing purposes.

Pursuant to the applicable PRC laws and regulations, property lease agreements are required to be registered with the relevant local land and real estate administration bureau. As of the Latest Practicable Date, five of our leased properties in China had not completed such lease registration procedures with the relevant PRC government authorities, primarily due to the lack of cooperation from the lessors, which has hindered the timely completion of the registration process. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of such leases or impede our use of the relevant properties but could result in the imposition of fines up to RMB10,000 for each leased property that is unregistered if we fail to rectify the non-compliance within the

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time frame prescribed by the relevant authorities. As of the Latest Practicable Date, we were not aware of any notice or allegation of penalty from PRC government authorities for our failure on the registration of lease agreements. We have not made provisions for potential penalties, given that the risk of significant administrative penalties is considered low and we are actively rectifying such non-registration.

To prevent similar incidents from recurring, we plan to conduct employee training to emphasize the legal requirements and risks associated with lease registration, strengthen internal review procedures, and include explicit lease registration compliance clauses in new lease agreements. In addition, alternative properties for relocation are available, and while the timeline and costs would depend on factors such as equipment transfer and installation requirements, we do not anticipate any material impact on our financial performance from such potential relocation activities. For a discussion of risks relating to property interest defects, see “Risk Factors — Risks Relating to Doing Business in the Jurisdictions Associated with Our Operations — We face certain risks relating to our leased properties, which may disrupt our operations and relocation costs.”

As of the Latest Practicable Date, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our Group’s interests in land or buildings.

LICENSES, PERMITS AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant governmental authorities that are material to our business operations in markets in which we operate. We renew all such material permits and licenses from time to time to comply in all material aspects with the relevant laws and regulations and we do not expect any material difficulties in such renewals so long as we comply with the applicable requirements and conditions set by the relevant laws and regulations.

The following table sets forth a summary of the key licenses, permits and certificates necessary for our business operations:

<u>License/Permit</u>	<u>Holder</u>	<u>Expiration Date</u>
Pollutant discharge permit	Camsense Intelligent	October 25, 2028
Pollutant discharge permit	Huizhou Camsense	August 12, 2030
Registration Certificate of Customs Declaration Entity	The Company	Valid for long term ⁽¹⁾
Registration of Enterprises for Entry-Exit Inspection and Quarantine Declaration	The Company	N/A ⁽²⁾

Notes:

- (1) As advised by our PRC Legal Advisor, the Registration Certificate of Customs Declaration Entity remains permanently valid.
- (2) As advised by our PRC Legal Advisor, the Registration of Enterprises for Entry-Exit Inspection and Quarantine Declaration does not have an exact expiration date on its certificate.

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LEGAL PROCEEDING AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. See “Risk Factors — Risks Relating to Our Business and Industry — We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.”

During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we have complied with the relevant laws and regulations in all material respects.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We have established and maintained risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continuously improving these systems. We have adopted and implemented risk management policies in various aspects of our business operations. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department.

To monitor the ongoing implementation of risk management policies and corporate governance measures after the [REDACTED], we have adopted or will continue to adopt, among other things, the following risk management measures:

- Our Board is responsible for overseeing and managing the overall risk management and internal control related to our business operations. Our Audit Committee is authorized by the Board to review and supervise financial reporting procedures, risk management system and internal control system of our Group. Our Audit Committee consists of three members, namely Mr. Liang Wenzhao (梁文昭), who serves as chairman of the committee, Mr. Dong Shengtang (董勝堂) and Ms. Li Shangran (李尚然). For the qualifications and experience of these audit committee members, see “Directors and Senior Management.”
- Our finance, legal, human resources and other relevant departments are primarily responsible for developing and implementing our risk management policy and conducting our daily risk management practice. In order to formalize risk management and set a common level of transparency and performance, these departments will (i) gather information on operational risks; (ii) conduct risk assessments to identify, prioritize, measure and categorize all key risks that could potentially affect their objectives; (iii) continuously monitor these key risks; (iv) implement appropriate risk responses where needed; and (v) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.
- We will adopt various policies to ensure compliance with the Listing Rules, including, among others, aspects related to conflict-of-interest management, connected transactions and information disclosure.
- We will continue to organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies [REDACTED] in Hong Kong.

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- We will regularly provide anti-corruption and anti-bribery compliance training to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations. Relevant policies against non-compliance will also be included in employee handbooks.

Internal Control

Our Board is responsible for establishing and overseeing our internal control system and evaluating its effectiveness. We have engaged an independent internal control consultant to assess the effectiveness of our internal controls associated with our major business processes, identify deficiencies, provide recommendations on remedial actions and review the implementation status of these remedial actions. Certain internal control matters were identified by our independent internal control consultant, and we have implemented corresponding remedial actions to improve on these matters. The follow-up reviews on our internal control system with regard to those remedial actions taken by us has been completed in September 2025. The internal control consultant performed follow-up procedures on our internal control system with regard to those remedial actions and has not identified any material deficiencies in our internal control system. As of the Latest Practicable Date, our Directors are of the view and nothing has come to the Joint Sponsors’ attention to cast doubt on such view that there were no material outstanding issues relating to our Group’s internal control.

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have implemented various measures and procedures in relation to our business operations, including related party transactions, risk management, intellectual property protection, environmental protection, and occupational health and safety. See “— Intellectual Property” and “— Environmental, Social and Governance” for more details. We regularly provide training on these measures and procedures to our employees.
- Our Directors, who are responsible for overseeing the corporate governance of our Group, with assistance from our legal advisers, will periodically review our compliance status with all relevant laws and regulations following the [REDACTED].
- We have established an audit committee, which will (i) recommend the appointment and removal of external auditors to our Directors; and (ii) review the financial statements and provide advice on financial reporting, and oversee the internal control procedures of our Group.
- We have appointed First Shanghai Capital Limited as our Compliance Advisor to advise our Directors and management team regarding matters relating to the Listing Rules until the end of the first fiscal year after the [REDACTED]. Our compliance advisor is expected to ensure our use of funding aligns with the section headed “Future Plans and [REDACTED]” in this document after the [REDACTED], as well as to provide timely support and advice regarding requirements of relevant regulatory authorities.

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AWARDS AND RECOGNITION

We have received various awards, honors and recognitions for our business and products, including:

Award/Recognition	Award Year	Awarding Institution/Authority
Single Champion Enterprise in the Manufacturing Industry in Shenzhen (深圳市製造業單項冠軍企業)	2025	Industry and Information Technology Bureau of Shenzhen Municipality (深圳市工業和信息化局)
Second Price of the Shenzhen Municipal Science and Technology Award (深圳市科技進步獎二等獎) . . .	2025	CPC Shenzhen Municipal Committee and People’s Government of Shenzhen Municipality
Shenzhen Gazelle Enterprise (深圳市瞪羚企業)	2025	Shenzhen Unicorn Enterprise Evaluation Committee (深圳市獨角獸企業評價委員會)
2022 Potential Tech Unicorn Enterprise of Shenzhen (2022年度深圳市潛在科技獨角獸企業)	2023	Shenzhen Unicorn Enterprise Evaluation Committee (深圳市獨角獸企業評價委員會)
Top 10 Most Innovative Enterprises in the 2022 Digital-Manufacturing Industry (2022數字製造產業最具創新TOP10企業)	2023	Foshan National Hi-tech Industrial Development Zone (佛山高新技術產業開發區) and Dark Horse (創業黑馬)
2022 VENTURE 50 in the Hard-Tech Sector (2022投資界硬科技VENTURE 50行業榜單50強)	2022	Zero2IPO (清科創業) and PE daily (投資界)
2021 Specialized, Sophisticated, Unique and Innovative Small and Medium-sized Enterprises in Shenzhen (2021深圳市專精特新中小企業)	2022	Industry and Information Technology Bureau of Shenzhen Municipality
National-level Specialized and Innovative “Little Giant” Enterprise (國家級專精特新“小巨人”企業)	2022	Ministry of Industry and Information Technology