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Application Proof of
Beijing Dynaflo Lab Solutions Co., Ltd.
北京戴納實驗科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Beijing Dynaflow Lab Solutions Co., Ltd.

北京戴納實驗科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] H Shares (subject to the [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation)
Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application and subject to [REDACTED])
Nominal value : RMB0.1 per H Share
[REDACTED] : [REDACTED]

Joint Sponsors, [REDACTED]



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The [REDACTED] (for themselves and on behalf [REDACTED]), may, with consent of our Company, reduce the number of [REDACTED] and/or the [REDACTED] below that stated in this document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the [REDACTED] will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.dynaflow.cn as soon as practicable but in any event not later than the morning of the day which is [REDACTED] under the [REDACTED]. For further information, please refer to the sections headed “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” in this document.

The obligations of the [REDACTED] under the [REDACTED] to [REDACTED], and to procure [REDACTED] for the [REDACTED], the [REDACTED], are subject to termination by the [REDACTED] (for themselves and on behalf [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. Further details of such circumstances are set out in the section headed “[REDACTED]” It is important that you refer to that section for further details.

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EXPECTED TIMETABLE

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document and should be read in conjunction with the full text of this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document, including our financial statements and the accompanying notes, before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a leading provider of full-lifecycle intelligent laboratory solutions in China. We ranked second in China’s intelligent laboratory solutions market and first among providers headquartered in China, each as measured by revenue in 2025, according to the F&S Report. We ranked first in China’s self-driving laboratory solutions segment, the most advanced form of intelligent laboratories, with a market share of approximately 34.2% in the same year, according to the same source. Leveraging our proprietary multimodal embodied intelligence technologies, industry-specific AI model platforms and integrated capabilities, we provide one-stop services for AI-enabled R&D, quality control and quality optimization across sectors including chemicals, new materials, new energy, and life sciences. Our full-lifecycle solutions encompass laboratory planning, embodied intelligence module manufacturing, algorithm and automation integration, and intelligent operation, all underpinned by an integrated design, manufacturing, deployment and self-iteration system powered by high-quality data. Our solutions serve as critical infrastructure for the “AI for Science” paradigm, liberating researchers from repetitive manual labor to focus on higher-value discovery, and innovation, advancing toward fully autonomous self-driving laboratories which continuously learn and evolve.

Driven by the global imperative to accelerate scientific discovery, the inherent constraints of manual experimentation are reaching a critical threshold. The insatiable demand of AI models for high-quality data collides with the finite output and irreproducibility of human-led research, creating a looming data scarcity. In response to these converging pressures, and the broader mission to liberate scientific creativity and productivity from the confines of repetitive manual labor, China’s intelligent laboratory solutions market is expanding rapidly. Since our establishment, we have focused on key areas including laboratory embodied intelligence, intelligent system integration, and experimental workflow automation. By integrating industry-specific AI models, robotics technology, and industry domain knowledge, we seek to transform scientific research and industrial quality control from their traditional reliance on manual labor and initiate a flywheel effect wherein accelerated AI advancements drive greater adoption of self-driving laboratories, which in turn generate substantial volumes of high-quality data to further refine AI models and amplify demand for autonomous experimentation.

Our solutions span the full project lifecycle, from initial planning to ongoing self-iteration. Specifically, we offer the following core services and products.

- **Master Planning and Lean Design.** We engage the earliest conceptual stages of our customers’ R&D and quality control systems. We provide full-process design services from concept consulting and feasibility studies to detailed engineering, creating laboratory environments purpose-built to accommodate AI capabilities and unmanned operation, thereby embedding efficiency, safety, and intelligence into the laboratory’s core design.
- **Modular Intelligent Manufacturing and Installation.** Utilizing a modular, standardized, and replicable building-block approach, we manufacture laboratory modules in a factory setting for rapid on-site assembly. This significantly shortens manufacturing and installation timelines and, more importantly, provides the physical foundation for upgrading laboratories from passive automated systems into perceptive, decision-making, and self-optimizing intelligent environments, ensuring the stable and reliable execution of complex experiments while adapting seamlessly to the environmental precision required by advanced AI systems.

SUMMARY

- ***Embodied Intelligence Module Manufacturing.*** We design and manufacture our proprietary embodied intelligence modules in-house, spanning a suite of 36 standardized modules and 14 specialized modules that automate a wide range of laboratory tasks from sample handling to instrument operation. By retaining full control over the design and production of these modules, we ensure consistent quality and precision, enable rapid iteration to respond to evolving customer requirements, and maintain both cost efficiency and supply chain reliability for the deployment of our self-driving laboratory solutions. This in-house manufacturing capability directly underpins the closed-loop automation that links our *Dyna Brain* decision-making with physical laboratory execution.
- ***Industry-specific AI Model Built on Deep Industry Process Knowledge.*** Our core competence extends beyond hardware integration to our continuously evolving library of industry-specific AI models. These models encode core process knowledge synthesized from scientific literature, domain-specific data repositories, and accumulated scientist expertise, capturing the specific logic and characteristics of industry R&D pathways across sectors including chemicals and new materials. They understand industry logics, quality control standards, and optimization goals, enabling them to reason through complex experimental scenarios and achieve intelligent judgment, process optimization, and predictive analysis. Furthermore, these models autonomously generate experimental formulations, select optimal reaction pathways, continuously refine procedural parameters, and predict formulation performance outcomes. In doing so, they effectively act as an AI co-researcher and quality control expert for our customers.
- ***High-quality Data Assets.*** Our self-driving laboratories are designed to serve as a premier production platform for high-quality industrial and research data, generating valuable industrial and research data assets. The full-process data automatically generated by our self-driving labs is produced without human intervention, with AI autonomously planning experimental workflows and ensuring every output is standardized, reliable and traceable, forming a foundational resource for training and iterating industry-specific AI models and driving scientific discovery.
- ***Integrated Self-driving Laboratory Delivery.*** Through our integrated delivery capability, we provide complete unmanned laboratory solutions. Using our embodied intelligence robotic modules, industry-specific AI models, intelligent laboratory systems, and high-quality data infrastructure, we automate the entire experimental workflow from sample handling and preparation to instrument operation, data collection and analysis, and report generation, enabling uninterrupted operation.
- ***Self-iteration.*** Post-delivery, we leverage the accumulated high-quality data and our proprietary industry-specific AI models to provide formulation prediction, process attribution analysis and real-time parameter tuning. This transforms the laboratory from a cost center into a value center that drives discovery and innovation in new materials, new products, and new formulations, ultimately advancing the “AI for Science” paradigm.

OUR CORE VALUES

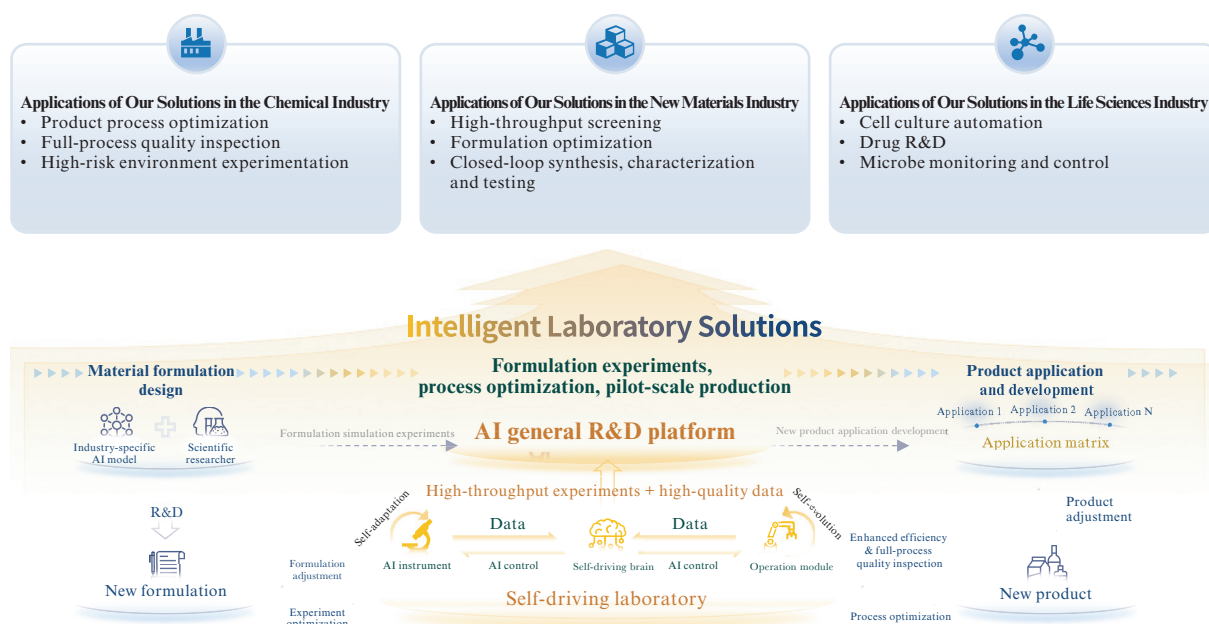
We deliver three core values to our customers through our solutions, in particular our self-driving laboratory solutions.

- ***Cost and Efficiency Optimization.*** By replacing manual trial and error with automated, standardized workflows, we reduce costs for labor, consumables, and time while compressing R&D cycles from weeks or months to days or hours. Leveraging high-quality operational data and industry-specific AI models, we further optimize R&D paths and production processes to drive continuous efficiency gains. Beyond direct cost reduction, our solutions liberate scientists and technicians from repetitive manual tasks, unlocking substantial gains in productivity and creativity. By shifting focus from labor-intensive manual work to creative problem-solving, our customers gain greater intellectual bandwidth for driving meaningful breakthroughs and accelerate innovation.

SUMMARY

- **High-quality and Predictable Outcomes.** Our self-driving laboratories function as the physical embodiment and operational infrastructure for scientific AI, translating algorithmic intelligence into precise, real-world experimental action. This AI-driven approach transforms R&D from a labor-intensive, trial-and-error process into an intelligent, data-driven paradigm with enhanced certainty and repeatability. The full-process data generated by our self-driving labs is standardized, structured and traceable, providing reliable inputs for training AI vertical models and ensuring consistent, reproducible experimental results.
- **Democratizing Scientific Discovery.** Our self-driving laboratory solutions leverage AI to codify complex domain expertise and automate intricate experimental workflows, effectively lowering the barriers to advanced research. By transforming trial-and-error processes reliant on scarce senior talent into standardized, data-driven operations, we empower a broader range of enterprises and institutions to conduct high-level R&D and quality control independent of specialized human experience, thereby promoting greater inclusivity and equity in scientific and industrial innovation.

The following graphic illustrates our business model.



OUR MARKET OPPORTUNITY

We operate in a rapidly expanding industry undergoing a fundamental paradigm shift. China’s intelligent laboratory solutions market increased from RMB2.5 billion in 2021 to RMB10.7 billion in 2025, at a CAGR of 43.8%, according to the F&S Report. This market is expected to reach RMB61.8 billion by 2030, at a projected CAGR of 42.1% from 2025 to 2030, driven by the urgent need to bridge the disconnect between highly automated production lines and manual, labor-dependent laboratory R&D and quality control, as well as the emergence of “AI for Science” as a national strategic priority. Within this market, the self-driving laboratory segment, representing the most advanced paradigm of intelligent laboratories, is projected to grow from RMB0.5 billion in 2025 to RMB10.6 billion in 2030, at a significantly higher CAGR of 81.3%, with its share of the overall intelligent laboratory solutions market expected to rise from 5.1% to 17.1% over the same period, according to the same source.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (1) integrated “AI for Science” infrastructure to unleash creativity and productivity; (2) proprietary industry-specific AI model architecture; (3) deep vertical industry process knowledge and validated data accumulation; (4) industry standard setting and policy

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engagement; (5) proprietary technology and integrated R&D system with academic collaboration; (6) first-mover advantage and established blue-chip customer base; and (7) experienced management team with industry and technical expertise.

OUR GROWTH STRATEGIES

We intend to further grow our business by pursuing the following strategies: (1) deepen market leadership through strategic national initiatives and enterprise partnerships; (2) advance core technology and build industry partnerships through R&D and investment; (3) diversify revenue models with distinct product platforms; (4) accelerate market expansion and drive cross-industry diversification; (5) expand computing infrastructure and build global service infrastructure; (6) build an agile matrix organization and cultivate interdisciplinary talent to support strategic upgrade; and (7) pursue strategic investments and acquisitions to expand our industry footprint.

OUR OFFERINGS

We provide one-stop services for AI-enabled R&D, quality control and quality optimization across sectors including chemicals, new materials, new energy, and life sciences. Our core offerings encompass (1) intelligent laboratory solutions, and (2) self-driving laboratory solutions. As of the Latest Practicable Date, we had provided laboratory solutions to over 800 companies and institutions.

We offer our intelligent laboratory solutions and self-driving laboratory solutions to serve customer segments across industries. Intelligent laboratory solutions provide an integrated IoT-enabled laboratory environment and instrument automation and coordination, while self-driving laboratory solutions, as the most advanced form of intelligent laboratories, add autonomous experimental decision-making capabilities. These two business lines address complementary stages of laboratory digital transformation. The availability of self-driving solutions expands our overall offering and attracts new customers who require higher autonomy, without reducing demand for our intelligent laboratory solutions.

The following table sets forth our total revenue by business line for the periods indicated, both in absolute amount and as a percentage of our total revenue.

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(RMB in thousands except for percentages)</i>						
Intelligent laboratory solutions (excluding SLS)	614,076	100.0	517,798	93.5	474,222	73.5
—Intelligent laboratory integrated solutions	501,416	81.7	249,056	45.0	334,701	51.9
—Modular laboratories and components	86,419	14.0	232,876	42.0	108,530	16.8
—Design, operation and maintenance	26,241	4.3	35,866	6.5	30,991	4.8
Self-driving laboratory solutions	—	—	36,229	6.5	170,691	26.5
Total	614,076	100.0	554,027	100.0	644,913	100.0

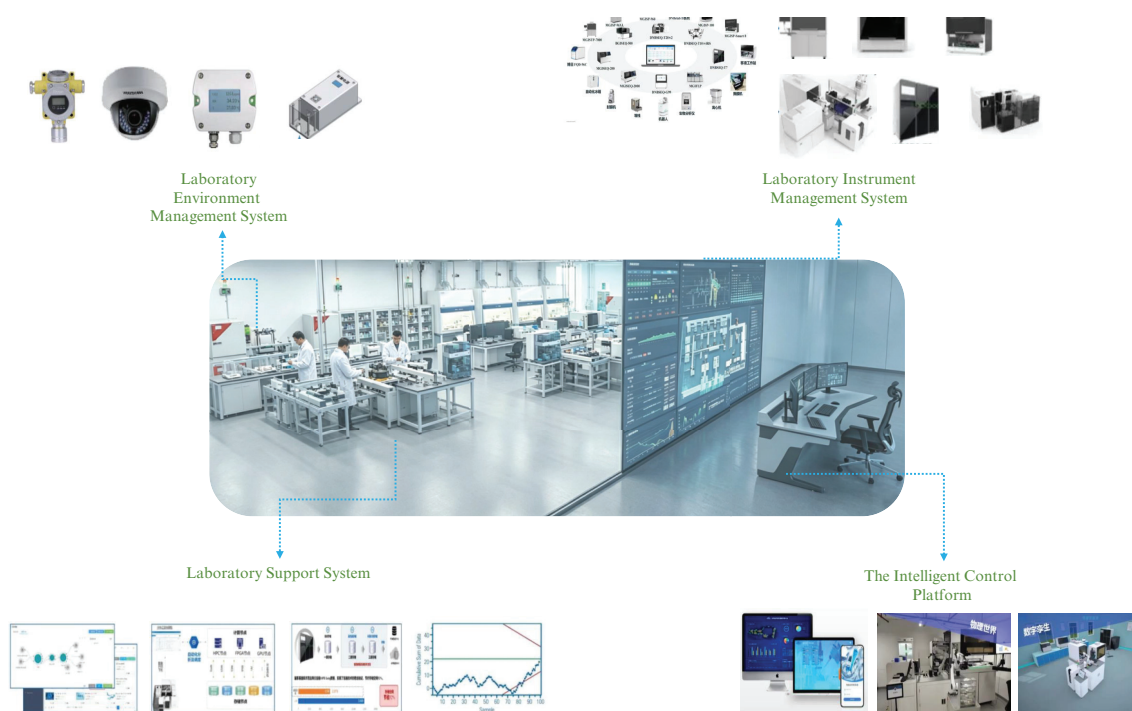
Intelligent Laboratory Solutions

We provide tailored design and implementation services for intelligent laboratories, delivered through the integration of four principal systems: (1) the intelligent laboratory environment management system, (2) the laboratory support system, (3) the laboratory instrument management system, and (4) the intelligent control platform. These four systems form the technological foundation of our intelligent laboratory solutions and may be deployed either in an integrated manner or on a modular basis, depending on customer needs. For customers seeking a fully integrated intelligent laboratory, we provide tailored design and implementation services that

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selectively integrate these principal systems into a unified and fully functional solution. We refer to such offering as our intelligent laboratory integrated solutions, for which we typically charge an all-in-one project-based fee payable in installments. In addition, we offer modular laboratories and components, which are modularized solutions derived from these principal systems. Unlike our intelligent laboratory integrated solutions, modular laboratories are delivered on a prefabricated and modular basis, whereby core functional units are assembled and manufactured in our facilities and subsequently transported and installed at the customer’s site. Such solutions are typically deployed to meet specific environmental control and automation requirements and are primarily applied in high-standard environments, such as clean rooms, negative-pressure wards and GMP-compliant cell production workshops. Before we start any integration, we often provide design services, and after we complete the integration, we also offer ongoing operation and maintenance services, which together constitute our design, operation and maintenance revenue. Accordingly, our intelligent laboratory solutions (excluding SLS) are categorized into three revenue streams: (1) intelligent laboratory integrated solutions, (2) modular laboratories and components, and (3) design, consulting and maintenance services.

The following image illustrates the four principal systems, which form the technological foundation of our offerings.



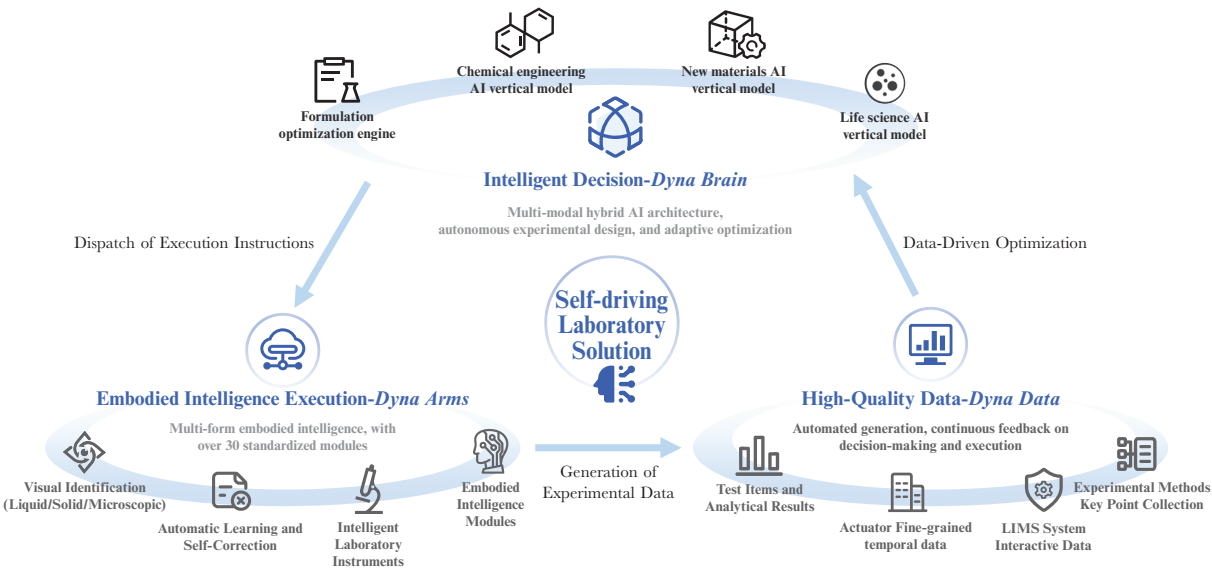
Self-driving Laboratory Solutions

Building upon our intelligent laboratory platform, we have achieved automated execution of experimental procedures by integrating artificial intelligence and incorporating diverse embodied intelligent robots. Coupled with the ability to self-learn and self-evolve through high-quality data, the system now possesses the capacity for proactive thinking and decision-making. This enables a fundamental shift in operational execution, from human-led operations to AI-driven robotics, elevating scientific research from the first paradigm of experimental science to the fourth paradigm of data-driven discovery.

This transformation from intelligent laboratory solutions to self-driving laboratory solutions delivers significant gains in efficiency, improves experimental accuracy, enhances safety protocols, and ensures stable continuous operation. While optimizing costs and conserving resources, our solutions continuously generate AI-ready, high-quality scientific data. This data can be further leveraged for broader scientific discovery, as well as for production optimization and quality prediction.

SUMMARY

The self-driving laboratory is composed of three key elements: the *Dyna Brain* for decision-making, the *Dyna Arms* for embodied intelligence execution, and the high quality *Dyna Data*. The following diagram illustrates the technology stack underpinning our self-driving laboratory solutions.



KEY OPERATING DATA

The table below sets forth key metrics of our solutions.

	Year ended December 31,		
	2023	2024	2025
Number of customers during the year	111	112	121
Number of new customers ⁽¹⁾	50	59	76
Average customer value ⁽²⁾ (RMB in millions)	5.5	4.9	5.3
Number of contracts that recognized revenue during the year	270	394	263
Order backlog as of the end of year (RMB in millions)	433.2	388.0	502.5

(1) Number of new customer equals to the number of customers in the current period who did not contribute revenue in the previous year.

(2) Average customer value for a given period is calculated by dividing revenue in that period by the number of customers for the same period.

OUR CUSTOMERS

Our customers primarily consist of enterprises across a variety of industry verticals, such as petrochemical and energy companies, biopharmaceutical companies and medical institutions, food companies, universities, research institutions, and industrial enterprises. In 2023, 2024 and 2025, revenue generated from our top five customers in each period during the Track Record Period accounted for 58.0%, 67.8% and 51.6% of our total revenue for such period, respectively, and revenue generated from our largest customer in each period during the Track Record Period accounted for 17.8%, 33.2% and 16.0% of our total revenue for such period, respectively. We typically settle payments with our top five customers by bank transfer and bank bills.

SUMMARY

OUR SUPPLIERS

Our suppliers primarily consist of providers of raw materials and various types of services. In 2023, 2024 and 2025, purchase from our top five suppliers in each period during the Track Record Period accounted for 23.8%, 29.3% and 16.1% of our total purchases for such period, respectively, and purchase from our largest supplier in each period during the Track Record Period accounted for 7.5%, 11.4% and 3.9% of our total purchases for such period, respectively. We typically settle payments with our top five suppliers by bank transfer and bank bills.

OUR RISKS AND CHALLENGES

Our business and operations involve certain risks and uncertainties including those set out in the “Risk Factors” section in this document. Some of the major risk factors that we face include: (1) the size of our addressable markets and the demand for China’s intelligent laboratory solutions may not increase as rapidly as we anticipate due to a variety of factors, which would materially and adversely affect our business, results of operations and financial condition; (2) our solutions are widely used across various downstream sectors and any slowdown in the growth of these sectors could adversely affect our business, results of operations and financial condition; (3) our limited operating history and evolving business portfolio make it difficult to evaluate our prospects and the risks and challenges we may encounter, and our historical growth may not be indicative of our future performance; (4) our business operation and financial performance may be adversely affected if we fail to timely introduce new solutions to adapt to customers’ needs and advancements in technology, or if our research and development investment does not yield the expected results; and (5) we have recorded net cash outflows from operating activities during the Track Record Period, and any failure to generate sufficient operating cash flows in the future could materially and adversely affect our liquidity and financial condition. As different [REDACTED] may have different interpretations and criteria when determining the significance of a risk, you should carefully read the “Risk Factors” section in its entirety before you decide to [REDACTED] in our Shares.

SUMMARY OF FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table set forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>% of Revenue</i>	<i>RMB</i>	<i>% of Revenue</i>	<i>RMB</i>	<i>% of Revenue</i>
	<i>(RMB in thousands except for percentages)</i>					
Revenue	614,076	100.0	554,027	100.0	644,913	100.0
Cost of sales	(515,513)	(83.9)	(423,097)	(76.4)	(463,721)	(71.9)
Gross profit	98,563	16.1	130,930	23.6	181,192	28.1
Other income and losses, net	22,464	3.7	3,114	0.6	5,677	0.9
(Loss)/profit before taxation	(1,925)	(0.3)	3,088	0.6	14,315	2.2
Income tax	4,283	0.7	1,808	0.3	2,082	0.3
Profit for the year	2,358	0.4	4,896	0.9	16,397	2.5

SUMMARY

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	104,834	105,781	106,603
Total current assets	702,886	531,406	667,076
Total current liabilities	624,722	441,673	487,989
Net current assets	78,164	89,733	179,087
Total assets less current liabilities	182,998	195,514	285,690
Total non-current liabilities	10,007	16,083	8,478
Net assets	172,991	179,431	277,212

Summary of Consolidated Cash Flow Statements

The following table sets forth a summary of our cash flows for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Operating cash flows before movements in working capital	31,812	39,416	65,931
Changes in working capital	(107,009)	(42,014)	(132,151)
Cash used in operations	(75,197)	(2,598)	(66,220)
Tax paid	(22,999)	(1,989)	(1,712)
Net cash used in operating activities	(98,196)	(4,587)	(67,932)
Net cash generated from/(used in) investing activities	12,490	(7,250)	(8,832)
Net cash (used in)/generated from financing activities	(2,568)	24,560	79,808
Net (decrease)/increase in cash and cash equivalents	(88,274)	12,723	3,044
Cash and cash equivalents at beginning of the period	150,721	62,447	75,165
Effect of foreign exchange rate changes	—	(5)	—
Cash and cash equivalents at end of the period	62,447	75,165	78,209

STATISTICS OF THE [REDACTED]

	Based on an [REDACTED] of HK\$[REDACTED]	Based on an [REDACTED] of HK\$[REDACTED]
[REDACTED] ⁽¹⁾	HK\$[REDACTED] million	HK\$[REDACTED] million
[REDACTED] adjusted [REDACTED] per Share ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

(1) The [REDACTED] of our Shares is calculated based on a total of [REDACTED] in issue and outstanding following the Share Subdivision, [REDACTED] and [REDACTED].

SUMMARY

- (2) The [REDACTED] adjusted [REDACTED] per Share is calculated after making the adjustments referred to in Appendix II to this document.

[REDACTED]

We recorded [REDACTED] of RMB[REDACTED] million in 2025. We expect to incur a total of approximately RMB[REDACTED] million (HK\$[REDACTED] million) of [REDACTED] in connection with the [REDACTED], representing approximately [REDACTED]% of the [REDACTED] from the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED], being the mid-point of the [REDACTED] between HK\$[REDACTED] and HK\$[REDACTED], and assuming that the [REDACTED] is not exercised), including (1) [REDACTED] fees and [REDACTED], [REDACTED], [REDACTED] fees and AFRC [REDACTED] for all [REDACTED] of approximately RMB[REDACTED] million (HK\$[REDACTED] million), and (2) non-[REDACTED] expenses of approximately RMB[REDACTED] million (HK\$[REDACTED] million), which consist of (a) fees and expenses of legal advisors and reporting accountants of approximately RMB[REDACTED] million (HK\$[REDACTED] million), and (b) other fees and expenses of approximately RMB[REDACTED] million (HK\$[REDACTED] million). Approximately RMB[REDACTED] million of our [REDACTED] is expected to be charged to profit or loss, and approximately RMB[REDACTED] million is expected to be deducted from equity. [REDACTED]

KEY FINANCIAL RATIOS

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin	16.1%	23.6%	28.1%
Net profit margin	0.4%	0.9%	2.5%
Adjusted net profit margin (Non-IFRS measure)	0.6%	1.1%	3.0%
Current ratio	1.1	1.2	1.4
Quick ratio	0.8	1.1	1.3
Gearing ratio	98.2%	118.1%	80.1%

See “Financial Information—Key Financial Ratios” for details.

NON-IFRS MEASURE

To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRS Accounting Standards. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items and provides useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit (non-IFRS measure) as profit for the period adjusted for equity-settled share-based payment expenses and [REDACTED]. Equity-settled share-based payment expenses are non-cash expenses arising from granting share options to employees. [REDACTED] represent the costs incurred in connection with our [REDACTED]. Such expenses in any specific period are not expected to result in future cash payments after completion of the

SUMMARY

[REDACTED] process. The following table sets out a reconciliation from adjusted net profit (non-IFRS measure) to profit for the period which is presented in accordance with IFRS Accounting Standards.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Profit for the year/period	2,358	4,896	16,397
Add:			
Equity-settled share-based payment expenses	1,323	1,466	2,308
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit (Non-IFRS measure)	3,681	6,362	19,306

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Chi, our chairman, executive Director and Chief Executive Officer, through himself and his controlled entities, Dynaflow No.1 LP, Dynaflow No.2 LP and Dynaflow No.3 LP, together with Mr. Zhang Huaidong, our executive Director, Ms. Jin Hui, spouse of Mr. Gong Changhua, our executive Director and vice president, Mr. Zhang Jingjun, our early shareholder, and Mr. Xing Xixue, our executive Director, all of whom concert in act with Mr. Chi, collectively owned and controlled approximately 72.63% of the total share capital of our Company, comprising (1) 19.53% held by Mr. Chi, and 9.50%, 2.35% and 2.84% held by Dynaflow No.1 LP, Dynaflow No.2 LP and Dynaflow No.3 LP, respectively, all of which are controlled by Mr. Chi; (2) 13.67% held by Mr. Zhang Huaidong, (3) 11.72% held by Ms. Jin Hui, (4) 9.11% held by Mr. Zhang Jingjun, and (5) 3.91% held by Mr. Xing Xixue. Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), our group of Controlling Shareholders will collectively own and control approximately [REDACTED]% of the total issued share capital of our Company. Accordingly, our Controlling Shareholders will remain as our Controlling Shareholders upon completion of the [REDACTED].

PRE-[REDACTED] INVESTMENTS

See “History, Development and Corporate Structure — Pre-[REDACTED] Investments” for details.

USE OF [REDACTED]

We estimate that the net [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED], will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]), without the exercise of the [REDACTED].

We currently intend to use the net [REDACTED] from the [REDACTED] for the purposes and in the amounts as following: (1) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for further strengthening our R&D capabilities; (2) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for establishing and developing a new materials CRO platform; (3) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for expanding our computing power clusters; (4) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for expanding our sales network and increasing customer coverage, both globally and domestically; (5) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for selectively pursuing strategic alliances, [REDACTED], and acquisition opportunities both domestically and internationally; and (6) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for working capital and general corporate purposes.

DIVIDEND

In 2023, 2024 and 2025, our Company paid cash dividends of RMB54.5 million, nil and nil, respectively. See Note 29(b) to the Accountants’ Report included in Appendix I of this document for details.

SUMMARY

PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, our Board may declare dividends by cash and/or by stock in the future after taking into account our profitability, cash flow conditions, corporate development and capital needs. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our PRC Legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

RECENT DEVELOPMENTS

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial position or prospects since December 31, 2025 (being the period end date on which the latest consolidated financial statements of our Group was prepared) and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountant’s Report in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the following meanings.

“Accountants’ Report”	the accountants’ report for Track Record Period prepared by KPMG, the text of which is set out in Appendix I to this document
“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles” or “Articles of Association”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix III to this document
“Audit Committee”	the audit committee of the Board
“Beijing Dynaflow”	Beijing Dynaflow Scientific and Innovations Co., Ltd. (北京戴納科創科技有限公司), a limited liability company established in the PRC, our wholly owned subsidiary
“Beijing Juhe”	Beijing Juhe No.1 Enterprise Management Co., Ltd. (北京聚合一號企業管理有限公司), a limited liability company established in the PRC on October 15, 2020, which is controlling our company through our shareholders, one of our controlling shareholders
“Board” or “Board of Directors”	the board of Directors of our Company
“business day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAGR”	compound annual growth rate
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this document, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company,” “our Company” or “the Company”	Beijing Dynaflow Lab Solutions Co., Ltd. (北京戴納實驗科技股份有限公司), formerly known as Beijing Dynaflow Lab Solutions Co., Ltd. (北京戴納實驗科技有限公司), Beijing Shanlinyuan Tourism Development Co., Ltd. (北京山林源旅遊開發有限公司), Rongsen Hongye (Beijing) Trading Co., Ltd. (榮森宏業(北京)貿易有限公司) and Beijing Rongsen Yinji International Investment Co., Ltd. (北京嶸森銀基國際投資有限公司), incorporated under the PRC laws as a limited liability company on October 14, 2005 and was converted into a joint stock company on March 29, 2024
“Company Law” or “PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Concert Party Agreement”	Concert party agreement entered into by each of Mr. Chi, Mr. Zhang Huaidong (張懷東), Mr. Zhang Jingjun (張京軍), Ms. Jin Hui (金慧) and Mr. Xing Xixue (邢希學) in March 2026, the details of which are set out in “Relationship with Our Controlling Shareholders” section
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Chi, Mr. Zhang Huaidong (張懷東), Ms. Jin Hui (金慧), Mr. Zhang Jingjun (張京軍), Mr. Xing Xixue (邢希學), Dynaflow No.1 LP, Dynaflow No.2 LP, and Dynaflow No.3 LP, and Beijing Juhe
[REDACTED]	[REDACTED]
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“Dynaflow No.1 LP”	Dynaflow Juhe No.1 (Tianjin) Enterprise Management Service Center (Limited Partnership) (戴納聚合一號(天津)企業管理服務中心(有限合夥)), a limited Partnership established in the PRC on October 30, 2020, one of our Controlling Shareholders
“Dynaflow No.2 LP”	Dynaflow Juhe No.2 (Tianjin) Enterprise Management Service Center (Limited Partnership) (戴納聚合二號(天津)企業管理服務中心(有限合夥)), a limited Partnership established in the PRC on November 30, 2020, one of our Controlling Shareholders
“Dynaflow No.3 LP”	Dynaflow Juhe No.3 (Tianjin) Enterprise Management Service Center (Limited Partnership) (戴納聚合三號(天津)企業管理服務中心(有限合夥)), a limited Partnership established in the PRC on November 30, 2020, one of our Controlling Shareholders
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

DEFINITIONS

[REDACTED]	[REDACTED]
“F&S”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company, our industry consultant
“F&S Report”	A commissioned industry report prepared by F&S
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Group,” “our Group,” “the Group,” “we” or “us”	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Guide”	the Guide for New Listing Applicants published by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Guidelines on Articles”	Guidelines for Articles of Association of Listed Companies (上市公司章程指引), as amended, supplemented or otherwise modified from time to time
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Hai’an Dynaflo”	Hai’an Dynaflo Technology Co., Ltd. (海安戴納科技有限公司), a limited liability company established in the PRC on July 16, 2025, our wholly owned subsidiary
“Hebei Dynaflo”	Dynaflo Smart Manufacturing and Industrial Equipment(Hebei) Co., Ltd. (戴納智造河北工業設備有限公司), a limited liability company established in the PRC on February 8, 2020, our wholly owned subsidiary
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars,” “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Huairou Dynaflow”	Beijing Huairou Dynaflow Technology Service Co., Ltd. (北京懷柔戴納科技服務有限公司), a limited liability company established in the PRC on May 21, 2025, our subsidiary
“IFRS Accounting Standards”	IFRS Accounting Standards as issued by the International Accounting Standards Board
“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Latest Practicable Date”	April 22, 2026, being the latest practicable date for ascertaining certain information in this document before its publication
[REDACTED]	[REDACTED]
“Listing Committee”	the Listing Committee of the Stock Exchange
[REDACTED]	[REDACTED]
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“MGI Dynaflow”	Hunan MGI Dynaflow Smart Manufacturing Technology Co., Ltd. (湖南華大戴納智造科技有限公司), a limited liability company established in the PRC on August 19, 2021, our subsidiary

DEFINITIONS

“Mr. Chi”	Mr. Chi Haipeng (遲海鵬), our executive Director, Chief Executive Officer and one of our Controlling Shareholders
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of the Board
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Overseas Listing Trial Measures”	The Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Legal Advisor”	Jingtian & Gongcheng, being the legal advisor to the Company as to the PRC laws
[REDACTED]	[REDACTED]
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Administration of Taxation (國家稅務總局)

DEFINITIONS

“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.1 each upon completion of the Share Subdivision and the [REDACTED]; before the [REDACTED] and the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each
“Share Subdivision”	the subdivision of the Shares by our Company where our Company subdivided its Share from one Share of RMB1.0 each into ten Shares of RMB0.1 each, which will become effective immediately prior to the [REDACTED]
“Shareholder(s)”	holder(s) of our Share(s)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period consisting of the year ended December 31, 2023, 2024 and 2025
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“United States” or the “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
[REDACTED]	[REDACTED]

DEFINITIONS

“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“VAT”	value-added tax

In this document, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” “controlling shareholder” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or entities have been included in this document in both the Chinese and English languages; the English versions are for identification purposes only and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document in connection with our Company and our business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“ADMET” or “absorption, distribution, metabolism, excretion, toxicity”	a set of pharmacokinetic and pharmacodynamic properties used to evaluate the behavior of a compound in a living organism
“AGV module” or “automated guided vehicle module”	a standardized embodied intelligence unit that uses SLAM navigation to transport samples or materials autonomously within a self-driving laboratory
“AI” or “artificial intelligence”	the technology that enables machines to perform tasks requiring human-like intelligence, such as learning, reasoning, and decision-making
“AI brain” or “artificial intelligence brain”	the decision-making component of a self-driving laboratory, comprising specialized industry-specific AI models built on a multi-modal hybrid architecture that enables autonomous experimental design, real-time analysis, and adaptive optimization
“bayesian optimization”	a sequential model-based optimization method that uses probabilistic models to efficiently search for optimal experimental conditions or parameters while minimizing the number of required trials
“BIM” or “building information modeling”	a digital process that creates an intelligent, data-rich 3D model of a building, containing both geometric information (shape, size, location) and non-geometric data (materials, costs, schedules, maintenance records), enabling all project stakeholders (architects, engineers, contractors, owners) to collaboratively plan, design, construct, and manage a building from a single, shared source of truth
“chromatographic-mass spectrometric fingerprinting”	an analytical technique that combines chromatography and mass spectrometry to generate characteristic profiles of samples for identification, detection, traceability and quality analysis
“cleanroom”	a controlled environment with low levels of airborne particles, used in laboratories and manufacturing to maintain strict cleanliness for sensitive experiments and production processes
“digital twin”	a virtual replica of a physical laboratory that mirrors real-time conditions, enabling simulation, monitoring, and remote control of laboratory systems and equipment
“digital twin management platform”	a software system that creates a virtual replica of a physical laboratory, enabling real-time monitoring and management of the laboratory’s layout, rooms, instruments, and environmental systems through a visual interface
“Dyna Arms”	the embodied intelligence execution component of our self-driving laboratory solution, comprising multi-form robotic modules that execute laboratory tasks such as visual recognition, sample handling, instrument operation, error correction, and data processing with precision and adaptability

GLOSSARY OF TECHNICAL TERMS

“ <i>Dyna Brain</i> ”	the decision-making component of our self-driving laboratory solution, built on specialized industry-specific AI models and a multi-modal hybrid AI architecture to enable autonomous experimental design, real-time analysis, intelligent scheduling, and adaptive optimization
“ <i>Dyna Data</i> ”	the high-quality data component of our self-driving laboratory solution, consisting of standardized, structured and traceable experimental, instrument, equipment operating condition and environmental data that are automatically generated and fed back to support AI model training, decision-making and closed-loop optimization
“edge computing”	a distributed computing paradigm that processes data near the source of generation, such as sensors or robots, reducing latency and enabling real-time responses in laboratory automation
“embodied intelligence”	the integration of AI with physical robotic systems that perceive, act, and adapt to the environment, enabling robots to perform laboratory tasks such as visual recognition, error correction, instrument operation, and sample handling
“embodied intelligence modules”	standardized, interchangeable robotic units that perform specific laboratory tasks, including automatic cap opening, liquid preparation, sample loading, mixing, detection, and transportation
“formulation optimization engine”	an AI-driven engine used to explore, test and optimize formulation and process parameter combinations to identify optimal solutions in self-driving laboratory workflows
“GB/T”	national standards of the People’s Republic of China (Guobiao/Tuijian), non-mandatory technical guidelines for product quality, testing methods, and system requirements
“Genesis Mission”	a national initiative in the United States that supports AI-driven scientific research across disciplines including materials science and new energy
“graph neural network”	a type of neural network that processes data structured as graphs, used in biopharmaceutical AI models to learn drug-target interaction mechanisms from molecular fingerprints and protein sequences
“high-fidelity datasets”	comprehensive experimental data that accurately capture process logs, outcome metrics, and interaction records, serving as the foundation for AI model training and closed-loop optimization
“high-throughput screening”	an automated experimental method that rapidly tests thousands of samples or compounds, used in new materials and catalyst development to identify promising candidates with minimal manual intervention
“HVAC” or “heating, ventilation and air conditioning”	the environmental control system that maintains temperature, humidity, and air quality within a laboratory
“industry-specific AI models”	tailored AI systems developed for sectors including new materials, catalysts, biopharmaceuticals, daily chemicals, and food safety, built on a multi-modal hybrid architecture that integrates domain scientific knowledge with data-driven learning

GLOSSARY OF TECHNICAL TERMS

“intelligent control platform”	a centralized software system that visualizes issues and resolution status from laboratory environment, support, and instrument management systems, generating aggregated reports to assist user decision-making
“intelligent laboratory solutions”	laboratory solutions that integrate intelligent environment management, support infrastructure, instrument connectivity, and centralized control platforms to optimize workflows and operational conditions. As the context may require, the term may specifically excludes self-driving laboratory solutions
“inverse design”	an AI-driven approach that starts with desired material properties and works backward to predict the optimal composition or structure, accelerating materials discovery
“IoT” or “internet of things”	a network of physical devices embedded with sensors and software that collect and exchange data, used in intelligent laboratories to monitor environmental parameters, equipment status, and resource consumption in real time
“ISO 14001”	an international standard for environmental management systems, certifying that an organization minimizes its environmental impact and complies with applicable regulations
“knowledge graph”	a structured representation of entities and their relationships
“LIMS” or “laboratory information management system”	a software platform that manages samples, associated data, and laboratory workflows, ensuring data integrity, traceability, and regulatory compliance
“machine-vision-guided intelligent operation”	a robotic operation technology that integrates high-resolution cameras and computer vision algorithms to recognize laboratory objects, achieve precise positioning, track movements and automatically correct posture
“micro pipettor”	a precision laboratory device used to aspirate and dispense small volumes of liquid samples in automated liquid transfer workflows
“microservice architecture”	a software design approach that structures an application as a collection of loosely coupled, independently deployable services, used in the unified software management and scheduling platform to enable flexible laboratory automation
“molecular dynamics simulations”	computer simulations that model the physical movements of atoms and molecules over time, used in new materials AI models to predict material properties and accelerate research cycles
“multi-modal data collectors”	data acquisition devices that collect different types of laboratory data, including instrument data, equipment operating condition data and environmental data, for standardized processing and analysis
“multi-modal hybrid AI architecture”	an AI framework that integrates multiple data types, such as text, images, and numerical data, combining data-driven learning with domain knowledge to enable autonomous experimental design and real-time analysis

GLOSSARY OF TECHNICAL TERMS

“multi-modal perception and fusion technology”	a technology that collects, standardizes and integrates laboratory data from different instruments, equipment, operating conditions and environmental sources to support self-driving laboratory operations
“multi-protocol compatible control platform”	a control platform capable of communicating with and controlling laboratory instruments or devices operating under different communication protocols
“multi-robot collaborative scheduling system”	a scheduling system that coordinates multiple robotic modules in laboratory environments, including task allocation, path planning and resource usage, to reduce conflicts and improve operating efficiency
“near-infrared spectroscopy”	an analytical technique using near-infrared light to identify or measure the composition and properties of samples, commonly used in quality inspection and food safety detection
“new materials CRO platform”	a contract research organization platform focusing on new materials, which translates academic synthetic chemistry research into reproducible, data-rich automated processes
“PLC” or “programmable logic controller”	an industrial computer that controls automation equipment such as robotic modules and conveyor systems in a self-driving laboratory
“PLC smart scheduling”	an intelligent task coordination system that integrates with programmable logic controllers to automate batch recognition, liquid preparation, and other laboratory workflows, improving efficiency and reducing manual intervention
“predictive maintenance monitoring”	an automated system that continuously tracks the operational status, runtime, and performance curves of laboratory instruments, automatically generating maintenance schedules and performing preventative maintenance before failures occur
“prefabricated functional modules”	pre-engineered, factory-assembled laboratory components or systems that can be transported and installed on-site, reducing construction time and ensuring consistent quality
“protocol conversion gateways”	devices or software components that convert data or commands between different communication protocols, enabling instruments and systems using different standards to connect and communicate
“reinforcement learning”	a machine learning method in which an AI model improves decision-making by learning from feedback generated through interaction with an environment or experimental process
“RFID” or “radio-frequency identification”	a wireless technology that uses electromagnetic fields to automatically identify and track tags attached to objects, used in sample loading modules for automated sample bottle identification and binding
“self-driving laboratory” or “SLS”	an automated laboratory solution that operates without any human presence, integrating embodied intelligence robots and an AI-powered operating system to autonomously design, execute, and optimize experiments
“SLAM” or “simultaneous localization and mapping”	a navigation technology used by AGVs to construct a map of an unknown environment while simultaneously tracking their position within it, enabling autonomous transportation in laboratories

GLOSSARY OF TECHNICAL TERMS

“smart doorplate”	an intelligent terminal installed at laboratory entrances that integrates access control, alarm display, and personnel information, triggering alerts upon detection of hazardous gas leaks or other safety events
“solenoid valves”	an electrically controlled valve used to regulate the flow of liquids or gases in automated laboratory systems
“stage-gate review”	a project management checkpoint that evaluates whether an R&D project meets predefined functional and performance benchmarks before advancing to the next development stage
“structure-activity relationship”	a modeling approach that analyzes the relationship between the chemical or structural characteristics of a substance and its biological, chemical or catalytic activity
“transfer learning”	a machine learning technique that applies knowledge gained from one task or domain to improve learning efficiency and performance in a related but different task or domain
“UDI stack”	our unified device interface protocol that enables laboratory instruments from different manufacturers and communication standards to connect through a single standardized interface
“unified software management and scheduling platform”	a central command hub built on microservice architecture that receives execution tasks from laboratory environment, support, and instrument management systems, monitoring and uniformly scheduling them through cloud-edge collaboration

FORWARD-LOOKING STATEMENTS

We have included in this document forward looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward looking statements.

This document contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this document. Forward-looking statements can be identified by words such as “may,” “will,” “should,” “would,” “could,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “continue,” “seek,” “estimate” or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following: (1) our business prospects; (2) our business strategies and plans to achieve these strategies; (3) future developments, trends and conditions in and competitive environment for the industries and markets in which we operate; (4) general economic, political and business conditions in locations where we operate; (5) our financial condition and performance; (6) our capital expenditure plans; (7) changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate; (8) our expectations with respect to our ability to acquire and maintain regulatory licenses or permits; (9) the amount and nature of, and potential for, future development of our business; (10) the actions of and developments affecting our competitors; the actions of and developments affecting our major customers and suppliers; and (11) certain statements in the sections headed “Risk Factors,” “Industry Overview,” “Regulatory Overview,” “Business,” “Financial Information,” “Relationship with Our Controlling Shareholders” and “Future Plans and Use of [REDACTED]” with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

Any forward-looking statement made by us in this document speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

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[REDACTED] in our [REDACTED] involves significant risks. You should carefully read and consider all of the information in this document, including the risks and uncertainties described below, before deciding to [REDACTED] in our [REDACTED]. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In any such case, the market price of our [REDACTED] could decline, and you may lose all or part of your [REDACTED]. The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, results of operations and financial condition.

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized into (1) risks relating to our business and industry, (2) risks relating to conducting business in China, and (3) risks relating to the [REDACTED].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The size of our addressable markets and the demand for China’s intelligent laboratory solutions may not increase as rapidly as we anticipate due to a variety of factors, which would materially and adversely affect our business, results of operations and financial condition.

China’s intelligent laboratory solutions industry has been developing rapidly. The future market size of the industry and the demand for China’s intelligent laboratory solutions may, however, be difficult to anticipate since it depends on a number of variables, most of which are beyond our control. For example, the market growth may depend on the application of intelligent laboratory solutions across various industry sectors and the performance and cost-efficiency of these solutions. If there is a reduction in customer demand as a result of alternative technologies, competing products or services, technological challenges, decreases in customer spending, weakening economic conditions or other causes, our business, results of operations and financial condition will be materially and adversely affected.

In addition, the market acceptance of intelligent laboratory solutions may vary across different industry sectors. As we aim to reach out to more customers across different industry sectors, we may face challenges brought by more diverse and complex use cases. We cannot assure you that the trend of adopting and utilizing intelligent laboratory solutions by potential customers will develop or continue in the future in any given industry sector, which in turn would hinder our ability to achieve the desired level of adoption of our solutions.

Our solutions are widely used across various downstream sectors. Any slowdown in the growth of these sectors could adversely affect our business, results of operations and financial condition.

As of the Latest Practicable Date, we had developed solutions featuring full-process automation and AI-enabled optimization for several major industry verticals, including chemicals, new materials, new energy, and life sciences. See “Business—Our Offerings.” Accordingly, the demand for our intelligent laboratory solutions is closely tied to the market growth and downstream demand within these sectors. Any slowdown in the growth of these sectors could materially and adversely affect the adoption of our solutions.

The market growth and downstream demand for our customers’ products, which drive demand for our various solutions, are subject to various factors beyond our control, including macroeconomic conditions, rapid technological developments, evolving industry standards, shifting consumer preferences, regulatory changes, production cycles and supply chain constraints. Any delay or slowdown in technological advancements, disruptions in supply chains or changes in

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regulatory policies may hinder the growth of downstream sectors. For example, for chemicals and new materials industries, fluctuations in technological roadmaps, market competition or industry technical standards in specific product categories could in turn reduce orders for our solutions. Similarly, the future prospects of the new energy sector, are subject to factors beyond our control, such as the pace of energy transition policies, technological breakthroughs in battery materials, and the level of capital investment in clean energy infrastructure, their ease of use, pricing, and the availability of alternative products. As for the life sciences sector, they are heavily influenced by consumer awareness and interest, technological advancements, economic conditions and disposable income, and government policies and incentives. Any stagnation or contraction in these factors could impact the demand for our solutions. In addition, we cannot assure you that technological innovation will result in increased customer demand or broader adoption of our solutions. Any delay in technological advancements or failure of emerging technologies to drive expected downstream market growth could materially and adversely affect our business, results of operations and financial condition. Furthermore, we cannot guarantee that the market trends of downstream sectors where our solutions are deployed will remain favorable in the future. There is no assurance that the demand for product offerings in these downstream sectors will remain at the levels experienced during the Track Record Period or continue to grow. Any decline in the customer demand in these downstream sectors or stagnation in the growth of downstream sectors could materially and adversely affect our business, results of operations and financial condition.

Our limited operating history and evolving business portfolio make it difficult to evaluate our prospects and the risks and challenges we may encounter. Our historical growth may not be indicative of our future performance.

We have continued to expand our business. We have innovated, and will continue to innovate, intelligent laboratory solutions across diversified industry verticals. Our new business initiatives, such as self-driving laboratory solutions which began to generate meaningful revenue in 2025, have not been fully proven given our limited operating history, which may subject us to a number of uncertainties and additional costs and expenses, and adversely affect our ability to project and plan for our future growth.

In 2023, 2024 and 2025, our revenue was RMB614.1 million, RMB554.0 million and RMB644.9 million, respectively, and our gross profit was RMB98.6 million, RMB130.9 million and RMB181.2 million, respectively. However, you should not consider our historical performance as indicative of our future financial performance. As a result of our limited operating history and evolving business portfolio, it is difficult to draw an exact period-over-period comparison of our business, results of operations and financial condition as a whole. Furthermore, as our business further develops, we may modify our business model or continue to change our business portfolio. We may launch new solutions or discontinue any existing ones for strategic purposes. Any of such changes may have a material adverse effect on our business, results of operations, financial condition and prospects.

Our prospects should be considered in light of the risks and uncertainties that we, as a fast-growing company with a limited operating history, may encounter, including the following ones, some of which are beyond our control: (1) China’s overall economic growth; (2) the level of digital intelligentization in China; (3) the evolving regulatory environment and government policies and initiatives, in particular those relating to the industries that we operate in; (4) awareness and widespread adoption of intelligent laboratory solutions across various industry sectors; (5) our ability to advance our technologies and develop new ones; (6) our ability to develop and deliver solutions to efficiently address our customers’ needs; (7) our ability to retain and expand our customer base; (8) our ability to increase brand recognition through marketing and promotional activities; (9) our ability to successfully compete with other companies that are currently in, or may in the future enter, our industries; and (10) our ability to manage our costs and expenses and enhance operating efficiency.

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Our business operation and financial performance may be adversely affected if we fail to timely introduce new solutions to adapt to customers’ needs and advancements in technology, or if our research and development investment does not yield the expected results.

The industry in which we operate is characterized by rapid technological advancement, frequent introductions of new solutions, continual shifts in customer demands and expansion into new application scenarios. In addition, the continuous emergence of new solutions has intensified the need for innovation. Accordingly, our business success depends substantially on our ability to continuously introduce new solutions and upgrade existing solutions in a timely manner. In particular, the timely introduction of new solutions and upgrading of existing solutions requires us to (1) adapt quickly and cost-effectively to changing customer specifications, market conditions and regulatory standards; (2) cooperate effectively with customers, suppliers and other partners to meet customization requirements; (3) continuously improve the reliability, scalability and intelligence of our solutions; (4) design performance-enhancing functions that differentiate our solutions from competitors; and (5) respond promptly to technological changes and solution announcements by our competitors.

If we fail to meet any of these requirements, our solutions may become less competitive or even obsolete. Any delays or inefficiencies in upgrading our solutions may impact our ability to capitalize on emerging application scenarios or address evolving market demands, further diminishing our market position.

Additionally, developing and commercializing new or upgraded solutions require substantial investment in R&D, production capabilities and skilled personnel. In 2023, 2024 and 2025, our research and development costs were RMB45.4 million, RMB44.6 million and RMB59.4 million, respectively. However, as R&D activities are inherently uncertain, we cannot guarantee that all our R&D efforts can deliver benefits that we anticipate. We may also not be able to obtain and retain sufficient resources, including qualified R&D personnel. Even if we succeed in our R&D efforts and generate the results we expect, such results may not arrive in a timely manner as anticipated, and we may still encounter practical difficulties in commercializing our R&D efforts. Given the fast pace with technology that has been and will continue to be developed, we may not be able to timely upgrade our technology in an efficient and cost-effective manner, or at all. Despite our R&D expenditures, new technologies in AI, laboratory automation, or robotics could render the solutions that we develop or expect to develop in the future obsolete or commercially nonviable, thereby limiting our ability to recover related research and development costs, which could result in a decline in our revenue, profitability and market share.

We have recorded net cash outflows from operating activities during the Track Record Period, and any failure to generate sufficient operating cash flows in the future could materially and adversely affect our liquidity and financial condition.

We recorded net cash used in operating activities of RMB98.2 million, RMB4.6 million and RMB67.9 million in 2023, 2024 and 2025, respectively. Our operations require significant working capital, including expenditures related to project execution, R&D, and sales and marketing activities. Our ability to generate positive operating cash flows depends on various factors, including the timing of revenue recognition under our project-based contracts, the payment cycles of our customers, and our ability to manage costs and inventories effectively. We cannot assure you that our operating cash flows will turn positive in any future period or that we will be able to maintain adequate cash reserves to fund our operations.

If we fail to generate sufficient cash flows from operations, we may need to obtain additional financing through bank borrowings or equity offerings, which may not be available on favorable terms, or at all. Any constraints on our liquidity could limit our ability to invest in growth initiatives, meet our obligations as they become due, or respond to market changes in a timely manner. These circumstances could materially and adversely affect our business, financial condition and results of operations.

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If we fail to retain existing customers, attract new customers or increase their spending, our business, results of operations and financial condition may be materially and adversely affected.

Our ability to generate and increase our revenue depends largely on our ability to retain existing customers, attract new customers or increase their spending with us. This in turn would depend on a number of factors, including our ability to offer high-quality solutions that address the needs of our customers at competitive prices, roll out new and enhanced features and functionalities of our products, strengthen our technological capabilities and adapt to the evolving industry trends and competitive landscape.

Furthermore, our customer base and customer spending with us may decline or fluctuate due to many factors, including customer satisfaction, customer budget levels, changes in our customers’ underlying businesses, changes in the type and size of our customers, pricing, competitive landscape and general economic conditions. We may also fail to execute our sales and marketing strategies in a cost-effective manner or our efforts to cross-sell and up-sell may not be as successful as we anticipate. Moreover, failure to maintain high-quality customer support may also have an adverse effect on customer retention. Such failures could result in customer dissatisfaction and decrease in the overall demand for our solutions, which would materially and adversely affect our business, results of operations and financial condition.

As we have been and will continue expanding our customer base and diversifying industry sectors that we cover, the demands of our customers may differ from each other and evolve over time. As such, we need to upgrade, expand and modify our solutions to satisfy their requirements. We also need to develop expertise and insights to serve customers across industry sectors and adapt our solutions accordingly to ensure the degree of our market acceptance. We cannot assure you that we can always provide solutions that meet our customers’ anticipations. As a result, we may not be able to retain and expand our customer base, and our business, results of operations and financial condition may be materially and adversely affected.

If our expansion into new industry verticals and application scenarios is not successful, our business, prospects and growth momentum may be materially and adversely affected.

We provide intelligent laboratory solutions to address the diversified needs of our customers across various industry sectors in different application scenarios. We have a track record of successfully expanding into new industry sectors. We cannot assure you, however, that we will be able to maintain this momentum in the future. Expanding into new industry sectors and application scenarios involves new risks and challenges, such as the difficulty in keeping pace with evolving customer demands and preferences that we may be unfamiliar with. In addition, there may be one or more existing market leaders in such areas. Such companies may be able to compete more effectively than us by leveraging their experience in addressing customer needs in those sectors, as well as their deeper industry insights, greater brand recognition, more advanced technologies and better access to customer base and business opportunities. We could also be subject to additional regulations relating to new industry sectors that we enter into, and we may not have sufficient experience or resources in dealing with those enhanced requirements and could incur additional compliance costs as a result. Expansion into any new industry sectors may place significant strains on our management and resources, and failure to expand successfully could have a material adverse effect on our business, results of operations and financial condition.

We are subject to credit risks related to our customers, and any significant default or delay in settlement of our trade and bills receivables may affect our business, prospects, results of operations and financial condition.

We are exposed to credit risks related to our customers. As of December 31, 2023, 2024 and 2025, our trade and bills receivables were RMB272.2 million, RMB244.2 million and RMB294.7 million, respectively. Our impairment losses on trade and other receivables and contract assets for 2023, 2024 and 2025 were RMB9.5 million, RMB7.6 million and RMB28.6 million, respectively. See “Financial Information—Discussion of Major Balance Sheet Items—Trade and Bills Receivables”

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and “Financial Information—Key Components of Our Results of Operations—Impairment Loss on Trade and Other Receivables and Contract Assets.” Despite the fact that we have taken stringent internal measures to enhance the management and collection of trade and bills receivables, if any of our customers experience financial difficulties in settling the trade and bills receivables due to factors beyond their control such as adverse changes in the competitive landscape and government policies of the industries in which they operate, our corresponding trade and bills receivables recoverability might be adversely affected. Our trade and bills receivable balance may continue to grow alongside our normal course of business, which may increase our risks for uncollectible receivables. If we are unable to collect our trade and bills receivables from our customers in a timely manner per contractual terms or at all, or if there are any material delays in payment by our customers, our liquidity and cash management will be materially and adversely affected, which, in turn, might affect our business, results of operations and financial condition.

Our ability to meet our financial obligations largely depends on the ability of our customers to fulfill their payment obligations to us. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we encounter difficulties in generating sufficient cash to repay our outstanding financial liabilities, our liquidity, business, results of operations and financial condition may be adversely affected, and we may not be able to expand our business.

Our success depends in part on our ability to enhance our manufacturing capabilities and to produce high quality products.

Our success depends in part on our ability to enhance our manufacturing capabilities, which include expanding our manufacturing capacity, improving our manufacturing efficiency or modifying our manufacturing lines to meet the varying demands for our products. If we are unable to do so, we may not be able to achieve the desired level of economies of scale in our operations to reduce manufacturing costs to the level that will allow us to compete effectively or to maintain our pricing and other competitive advantages. Our ability and efforts to enhance our manufacturing capabilities are subject to significant risks and uncertainties, including: (1) our ability to obtain funding for the additional capital expenditures, working capital and other corporate requirements to be used to enhance our manufacturing capabilities. We may be unable to obtain such funds in a timely manner or on commercially reasonable terms or at all; (2) unexpected delays and cost overruns resulting from a number of factors, many of which may be beyond our control. These include increases in the prices of raw materials, parts, components and utilities, shortages of workers, transportation constraints, disputes with contractors, engineering firms and equipment vendors, as well as equipment malfunctions and breakdowns; (3) availability of the necessary technology or equipment from third parties or our internal research and development department; (4) diversion of management attention and other resources; and (5) manufacturing interruption caused by natural disasters or other unforeseen events.

Construction of new manufacturing facilities or the expansion of existing facilities also requires significant capital investment upfront, and it may take considerable time before such facilities achieve their expected capacity or breakeven point. Failure to construct or expand our manufacturing facilities in time or at all may drain our financial resources and adversely affect our business, results of operations and financial condition.

If our production capacity is not adequate, our capability to satisfy customer demand could be hindered.

During the Track Record Period, our existing manufacturing facilities generally maintained a reasonable utilization rate. If our production capacity is not adequate to meet the overall market demand for our products, especially if we experience increased demand for our products as we grow our customer base and expand our solution offerings, our ability to deliver products to our customers on a timely basis will be affected. Under such circumstances, our business, results of operations and financial condition may be materially and adversely affected. In the future, as our business grows, we may need to expand our production capacity through various measures, but we

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cannot assure you that our new premises will be ready in time or our production capacity will otherwise be successfully expanded. A number of factors could delay our expansion plans or increase our costs, including: (1) failure to raise sufficient funds to establish and maintain working capital to operate our business at the new premises, (2) failure to obtain environmental and regulatory approvals, permits or licenses from the relevant government authorities in a timely manner, (3) failure to find new sites for our production centers, (4) shortage or late delivery of building materials and production equipment resulting in late delivery of the premises for occupancy and use, (5) various factors affecting construction progress and resulting in late delivery of the premises for occupancy and use, and (6) technological changes, capacity expansion or other changes to our plans for the new premises necessitated by changes in market conditions.

Failure to expand our production capacity could hinder our capacity to satisfy customer demand and impair our growth prospects. Furthermore, if market demand declines in the future, we may not be able to recoup the costs incurred for the construction of new premises and the maintenance of expanded production capacity. A delay or cancellation of our expansion plans could also subject us to disputes with various counterparties, including general contractors and sub-contractors, equipment suppliers, financiers and relevant government authorities. As a result, our business, results of operations and financial condition may be materially and adversely affected.

If we experience operational disruption or machinery breakdown in our production facilities, our inventory level and production schedule may be adversely affected.

Our success and reputation depend on our ability to deliver quality products to our customers on time and in required quantities, which in turn relies on the proper and reliable functioning of our production processes. Our production processes rely on the stable operation of our production facilities, particularly machinery and equipment for key processes. Any operational disruption or machinery breakdown could directly impact our production schedules and stock levels, hindering our ability to meet customer orders in a timely manner, thus affecting customer satisfaction.

Operational disruptions or machinery breakdowns in our production facilities may arise from unexpected incidents or catastrophic events, including natural disasters, fires, technical or mechanical failures, power shortages, explosions, labor strikes, epidemics, loss of licenses, certifications or permits, changes in governmental planning for the underlying land, and regulatory developments. Additionally, instability or shortages in electricity supply could halt production activities, causing delays in fulfilling customer orders. In the event of such disruptions, maintaining production volumes and ensuring sufficient stock levels to meet customer demands could be challenging. Identifying and securing alternative facilities or machinery in a timely and cost-effective manner may not always be feasible. Delays in resuming normal operations could also affect the quality and schedule of product deliveries, potentially impacting customer satisfaction and damaging our reputation. Any prolonged suspension of operations or significant disruptions in our production processes could materially and adversely affect our business operations.

We may fail to maintain or improve our market position or respond successfully to changes in the competitive landscape.

We may face competition both in China and internationally for our intelligent laboratory solutions across various industry verticals. Additional competitors with significant market presence and financial resources may enter the markets in which we operate, and thereby intensify competition. These competitors may be able to reduce our market share by adopting more aggressive pricing policies than we can or by developing technologies and services that gain wider market acceptance than our products. Existing and potential competitors may also develop relationships with our customers in a manner that could significantly harm our ability to sell, market and develop our products. If we fail to maintain or improve our market position or fail to respond successfully to changes in the competitive landscape, our business, results of operations and financial condition may be materially and adversely affected.

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Failure to enhance our brand recognition and sales and marketing capabilities could harm our ability to expand our business operations and increase our customer base, and adversely affect our business, results of operations and financial condition.

We believe that maintaining and enhancing our brand is important to continued market acceptance of our existing and future solutions, attracting new customers, retaining existing customers, and successfully executing our dual-pronged growth engines. We also believe that the importance of brand recognition will increase as competition in our market increases. Successfully maintaining and enhancing our brand recognition will depend largely on the effectiveness of our marketing efforts, our ability to provide reliable products and solutions that continue to meet the needs of our customers at competitive prices, our ability to maintain our customers’ trust, and our ability to successfully differentiate our products and services from competitive ones. However, our efforts may not always be successful or yield increased revenue.

Moreover, the promotion of our brand also requires us to make expenditures, and we expect that the absolute amount of these expenditures will increase as the market becomes more competitive. Our selling and marketing expenses were RMB19.6 million, RMB25.0 million and RMB32.5 million in 2023, 2024 and 2025, accounting for 3.2%, 4.5% and 5.0% of our revenue for the same periods, respectively. To the extent that our sales and marketing activities increase revenue, the increase in revenue still may not necessarily be sufficient to offset the expenditures we incur. We may also be unable to hire and train sufficient numbers of qualified sales personnel or ensure the productivity of our sales personnel in acquiring new customers or cross-selling to our existing customers. If we do not successfully maintain and enhance our brand and ensure the effectiveness of our sales and marketing efforts, our ability to expand our customer base may be impaired, which would then adversely affect our business, results of operations and financial condition.

We are exposed to risks associated with U.S. and other international sanctions, export control laws and outbound investment regulations, and any actual or alleged non-compliance could materially and adversely affect our business, reputation and results of operations.

We are subject to various U.S. and other international economic sanctions and export control laws that may affect our business operations. Any actual or alleged violation of U.S. or other applicable sanctions or export control laws could result in significant consequences, including government investigations, enforcement actions, monetary penalties, restrictions on our ability to export or procure certain products or technologies, reputational harm, and limitations on our ability to access international capital markets. In addition, the regulatory landscape with respect to sanctions and export controls continues to evolve, and new laws, regulations or interpretations could expand the scope of restrictions applicable to our business.

We are also subject to evolving outbound investment regulatory regimes, including the U.S. Outbound Investment Regulations (“OIR”), which became effective on January 2, 2025, impose notification and prohibition requirements on certain investments by U.S. persons in covered foreign persons engaged in specified technology sectors, including artificial intelligence. We may be deemed to be a “covered foreign person” under the OIR. Accordingly, investments in us by U.S. investors may constitute notifiable transactions under the OIR, and such U.S. investors may be required to file notifications in accordance with the applicable requirements. Although we currently have no U.S. investors, and OIR excepts an investment by U.S. investors in a publicly traded security, provided that such investment does not afford the U.S. investors rights beyond standard minority shareholder protections with respect to the relevant covered foreign person. We cannot assure you that future changes in our shareholder base or business activities will not subject us or our [REDACTED] to additional compliance obligations. In particular, the America First Investments Policy states that the administration will consider new or expanded restrictions on United States outbound investment in the PRC, which may increase regulatory uncertainty for U.S. investors [REDACTED] in us.

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Furthermore, the international sanctions and export control environment is subject to geopolitical developments and may become more restrictive over time. Additional counterparties with which we do business may be designated on restricted party lists, or new restrictions may be imposed on the export or reexport of items that we procure or resell. If we fail to maintain effective compliance policies and procedures, or if we are unable to adapt to evolving regulatory requirements, our business, financial condition and results of operations could be materially and adversely affected.

We have implemented internal compliance policies to screen our customers and transactions against applicable restricted party lists and to monitor sanctions and export control risks. We will continue to evaluate and enhance our compliance measures as appropriate. However, there can be no assurance that such measures will be fully effective in preventing all potential violations or that we will not be subject to regulatory scrutiny in the future. Our Directors are of the view that the risk of us engaging in any Primary Sanctionable Activity or Secondary Sanctionable Activity, each as defined under the Guide, or any activity in violation of export control laws is remote, and has no material adverse effect on our business, results of operations or financial condition. However, we cannot guarantee that this assessment will remain accurate if circumstances change or if regulatory enforcement priorities shift.

We may be unable to execute our strategies effectively.

Our business, results of operations and financial condition depend in part on our ability to effectively implement our growth strategies. For example, our strategy to expand into new industry verticals depends on our ability to adapt our solutions to unfamiliar regulatory requirements and technical specifications. Any failure to successfully enter these markets could limit our growth potential and adversely affect our financial condition. If we encounter any issue during our international expansion or if we fail to manage our products portfolio expansion, our business, results of operations and financial condition may be materially and adversely affected. Despite the fact that we have secured orders from leading customers in certain emerging industry verticals during the Track Record Period, such products may not gain sufficient market acceptance or realize revenue as predicted. In addition, we must continue to hire, train and effectively manage new employees. If newly hired employees perform poorly or if we are unsuccessful in hiring, training, managing and integrating new employees, our business, results of operations and financial condition may be materially and adversely affected. To effectively manage the expected growth of our operations and personnel, we will need to continue to improve our technological, operational and financial systems, policies, procedures and controls. All of these endeavors involve risks and will require significant managerial, financial and human resources. There is no assurance that we will be able to effectively manage our growth or to implement all these systems, procedures and control measures successfully or that our new business initiatives will be successful. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful and our business and prospects may be materially and adversely affected.

If the data collected or used by us are out of date, inaccurate, lacking credible information, or no longer available to us, the performance of our offerings will be adversely affected, which could adversely impact our business.

The quality and availability of the data we use are critical to the performance of our offerings. If the data we collect or utilize becomes outdated, inaccurate, lacks credibility, or is no longer accessible, the effectiveness of our offerings could be severely compromised, which may, in turn, adversely impact our business operations and financial performance.

Our products and solutions rely on data collected from a variety of sources, including data obtained directly from our customers, data from authorized third-party vendors, and data acquired from the public domain. While we make every effort to ensure the data we use is accurate and reliable, we cannot fully guarantee the quality and completeness of the data collected or provided by these sources. For instance, data collected by our customers or provided by our partners may be

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limited in scope or outdated, or it may lack the necessary labels or credible information required for accurate analysis. When such data is used in our AI models and algorithms, it could lead to suboptimal results, negatively affecting the perceived effectiveness of our offerings.

To maintain the quality and reliability of our offerings, we also depend on continuous collaboration with business partners and suppliers. If we are unable to sustain these relationships or if we face difficulties in obtaining new sources of data, our capacity to collect and analyze data will be compromised. This could limit our ability to enhance our products and solutions or develop new data-based products and solutions, potentially leading to a decline in client trust and market reputation.

Our future growth and success, therefore, depend on our ability to continuously source, collect, and process high-quality data, maintain our business relationships with partners and suppliers, and respond to any challenges that may arise in our data acquisition or processing practices. Failure to do so could materially and adversely affect our business operations and financial condition.

We may face risks associated with defective products and the unsatisfactory performance of our products.

Our products may expose us to potential product quality claims if they fail to perform as expected, are proven to be defective, or if their use causes, results in or is alleged to have caused or resulted in project delays or damages or other adverse effects. If our products do not meet specifications or requirements enforced by domestic or overseas regulators or requested by our customers (as the case maybe), we may be subject to product quality claims or litigation. Any product quality claim, regardless of whether relating to project delays or damages, or related regulatory actions could prove costly and time-consuming to defend and could potentially prejudice our brand reputation and our relationship with our customers. If successful, product quality claims may require us to pay substantial damages. Furthermore, certain product quality claims may be the result of defects from parts and components purchased from third-party suppliers. Such third-party suppliers may not indemnify us for defects as to such parts and components or would only provide us with limited indemnification that is insufficient to cover our damages resulting from the product quality claim. Any product quality claim, either with or without merit, may also result in significant negative publicity and thus materially and adversely affect the marketability of our products and our reputation, our relationship with customers, as well as our business, results of operations and financial condition.

We are subject to various regulatory and customer requirements and may not be successful in maintaining an effective quality control system.

The performance, quality and safety of our products are critical to our customers and our success. We have established and maintained stringent quality assurance standards and inspection procedures, including quality control with respect to the raw materials and components purchased from suppliers.

Our quality control system has been certified to meet various quality standards in China and overseas. See “Business—Quality Control.” However, the effectiveness of our quality control system is determined by various factors, including the design of the system, implementation of quality standards, quality of training programs and our employees’ adherence to our quality control policies and guidelines, and should cover all stages of manufacturing processes, including raw material and component procurement and both semi-finished and finished products. If we fail to maintain an effective or adequate quality control system, we may manufacture defective products that would expose us to warranty claims which may include return, replacement or recall of our products and other compensation and product liability. Any such claim, regardless of whether it is ultimately successful, could cause us to incur significant costs, prejudice our business reputation and result in significant disruption to our operations. Furthermore, if any such claim is ultimately successful, we could be required to pay substantial monetary damages or penalties, which could have a material adverse effect on our results of operations and financial condition.

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If we experience increases in labor costs, shortage of labor or deterioration in labor relations, our production costs may be affected.

Labor costs have been fluctuating and may rise in the future. Our direct labor costs accounted for 35.3%, 24.8% and 30.7% of our total cost of sales in 2023, 2024 and 2025. Labor cost increases may cause our production costs to increase, and we may not be able to pass on such increase to our customers. We also cannot assure you that we will not experience any shortage of labor. Any such shortage could hinder our ability to maintain our production schedules and to sustain or expand our business operations, which could materially and adversely affect our business, results of operations and financial condition.

We seek to maintain favorable labor relations with our employees as we believe that our long-term growth depends on the expertise, experience and development of our employees. For details of our employee training efforts and welfare, see “Business—Employees.” However, we cannot assure you that we will not have any labor disputes in the future. Any deterioration of our labor relations could result in disputes, strikes, claims, legal proceedings and reputational damage, labor shortages that disrupt our business operations, as well as loss of experience, know-how and trade secrets.

Future operating results depend upon our ability to obtain raw materials in sufficient quantities on commercially reasonable terms from third-party suppliers.

Raw materials are the major component of our total cost of sales. The raw materials that we mainly use in the manufacturing of our products are mechanical parts, robotic parts, and electrical and electronic components. We procure certain of these raw materials from third-party suppliers. The prices of these materials are susceptible to significant fluctuations due to supply and demand trends in the commodities markets, transportation costs and government regulations, geopolitical events, changes in currency exchange rates, price controls, the economic climate and other unforeseen circumstances. Our results of operations could be adversely affected if we are unable to obtain adequate supplies of high-quality raw materials in a timely manner at reasonable prices, or if there are significant increases in the costs of raw materials that we could not pass on in full to our customers.

We rely on the timely supply of raw materials in order to carry out our production plans as scheduled. Any delays or disruptions in such supplies from our suppliers may have a material and adverse impact on our ability to meet our customers’ demands for our products on time. In addition, any natural or man-made disasters or other unanticipated catastrophic events, including adverse weather, fires, technical or mechanical difficulties, storms, explosions, earthquakes, strikes, acts of terrorism, wars and outbreaks of pandemics could impair the operations of our suppliers and impede our ability to manufacture and deliver our products to our customers in a timely manner.

Some raw materials, including those that are available from multiple sources, are at times subject to industry-wide shortages and significant commodity pricing fluctuations. We cannot assure you that we will be able to extend or renew the agreements that we have entered into for the supply of raw materials on similar terms, or at all. The effects of global or regional economic conditions on our suppliers could also affect our ability to obtain raw materials, and we remain subject to significant risks of supply shortages and price increases, which may adversely affect our business, results of operations and financial condition.

We have derived a substantial portion of our revenue from sales to a limited number of customers, which may expose us to risks relating to customer concentration.

Revenue generated from our largest customer in each period during the Track Record Period accounted for 17.8%, 33.2% and 16.0% of our total revenue for such period, respectively, and revenue generated from our top five customers in each period during the Track Record Period accounted for 58.0%, 67.8% and 51.6% of our total revenue for such period, respectively. See “Business—Our Customers.”

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There are inherent risks whenever a large percentage of total revenue is concentrated with a limited number of customers. Actions taken by our largest customers to exploit their comparably superior bargaining position in negotiating the terms of contracts or otherwise could also have an adverse effect on our operating results. In the event that the existing largest customers cease to engage our solutions, and we are unable to find new customers with similar attributable revenue within a reasonable period of time or at all, our business and profitability may be adversely affected. In addition, if any of such customers delays in their payments or even default, our results of operations, financial condition and liquidity may be materially and adversely affected. As such, should there be any adverse development related to our largest customers’ operations or any other reasons resulting in any deterioration or termination of our business relationship with one or more of our major customers, our business, results of operations and financial condition could be materially and adversely affected.

Our business is subject to seasonal fluctuation.

Our business activity is subject to seasonal patterns due to the procurement cycles of our customers. We typically observe a concentration of business development and customer engagement activities in the first half of a year, reflecting the budgeting processes of our customers. The timing of contract execution and project delivery may be influenced by these cycles, which could result in seasonal fluctuations in our financial performance. However, the actual timing of revenue recognition can vary significantly from period to period depending on the progress and completion of individual large-scale projects. See “Financial Information—Key Factors Affecting Our Results of Operations—Seasonality.” The degree of seasonality in our financial results may vary from year to year due to conditions in the industry and other factors, which makes it difficult for us to predict quarterly performance with precision. To the extent that we experience fluctuations in business activity, if demand exceeds our expectation in a given period, we may not have sufficient capacity or be able to arrange for timely delivery. Conversely, if demand is lower than our expectation, we may face increased working capital and liquidity needs. Furthermore, our operating and financial results for an interim period may not be representative of our overall performance for a year. Our financial results may fluctuate from period to period, which could result in volatility and adversely affect the price of our H Shares.

We are exposed to risks associated with our investments, such as fair value changes, valuation uncertainties and counterparty risks.

During the Track Record Period, we made certain financial investments to preserve and increase the return on our funds, as well as strategic investments that synergize with our business. Our strategic investments during the Track Record Period primarily consisted of our interests in joint ventures, which are accounted for using the equity method and amounted to RMB9.7 million, RMB5.8 million and RMB4.0 million as of December 31, 2023, 2024 and 2025, respectively. For details of each of the investments, see “Financial Information—Discussion of Major Consolidated Statement of Financial Position Items.” Our investments are subject to the risks that any of our counterparties may not perform their contractual obligations, such as in the event that any such counterparty becomes insolvent or declares bankruptcy, which could materially and adversely affect our financial position and cash flow. Furthermore, for those investments measured at fair value, we cannot assure you that market conditions and regulatory environment will create fair value gains on such products we invest in or we will not incur any fair value losses on such investments in the future. If we incur fair value losses, our results of operations and financial condition may be adversely affected.

The fair value measurement of our relevant investments involves the exercise of professional judgment and the use of certain bases, assumptions and observable or unobservable inputs, which, by their nature, could be uncertain. Changes in estimates and judgments could affect their fair value, which in turn may adversely affect our results of operations and financial condition.

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We have granted and may continue to grant share awards, which could result in share-based payment that may affect our financial performance, and potentially dilute existing Shareholders’ ownership.

We granted share awards in the past. We believe the granting of such share awards is important to our ability to attract, retain and motivate our management team and qualified employees. We are required to recognize share-based payment expenses based on the fair value of granted share awards. We recorded share-based payment expenses of RMB1.3 million, RMB1.5 million and RMB2.3 million in 2023, 2024 and 2025, respectively. Any additional grant of share awards by us will further increase our share-based payment, which may adversely affect on our results of operations and financial condition, and potentially dilute existing Shareholders’ ownership.

The discontinuation of any preferential tax treatment available to us in China could adversely affect our results of operations and financial condition.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our business, financial condition and results of operations, as well as our reputation.

Pursuant to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the “EIT Law”) and its implementation regulations, enterprises which operate in China are generally subject to enterprise income tax at a statutory rate of 25% on the taxable profit, while enterprises recognized as a “high and new technology enterprise” (高新技術企業) (“HNTE”) are entitled to a preferential tax rate of 15%. Our Company, including certain of our subsidiaries, enjoyed a preferential income tax rate of 15% as an HNTE during the Track Record Period. Continued qualification as an HNTE is subject to a three-year review by the relevant government authorities in China, and in practice certain local tax authorities also require annual evaluation of the qualification. In the event the preferential tax treatments are discontinued or not verified by the local tax authorities, and the affected entity fails to obtain preferential tax treatments based on other qualifications, it will become subject to the standard PRC enterprise income tax rate of 25%. There is no assurance that we will continue to be qualified to enjoy the above-mentioned preferential tax treatments, or such treatments will not change in the future, which may have a negative impact on our business, results of operations and financial condition.

We historically received government grants and we may not receive such grants or subsidies in the future.

We have received government grants in relation to incentives and awards granted for our research and development initiatives and manufacturing upgrades. We recognized government grants of RMB1.6 million, RMB3.0 million and RMB5.3 million in 2023, 2024 and 2025, respectively. However, these policies may be subject to changes that are beyond our control. We cannot assure you that favorable government policies will continue. In addition, the timing, amount and conditions of government grants are within the sole discretion of the governmental authorities. Governmental authorities may require us to perform certain contractual obligations before we could receive such grants, and we cannot assure you that we could always fully satisfy these conditions or perform the obligations. In such cases, the governmental authorities may cease providing subsidies to us or even require us to repay part or all of the government subsidies we previously received. Any reduction, elimination, repayment or other negative trends in government grants could adversely affect our business, results of operations and financial condition.

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We may fail to obtain or maintain all required licenses, permits and approvals to operate our business.

Our business and operations have been subject to extensive regulations. We are required to obtain and maintain applicable licenses, permits and approvals from different regulatory authorities in order to conduct our existing or future business. As considerable uncertainties could exist with respect to the interpretation and implementation of existing and future laws and regulations governing our business activities, we cannot assure you that we have obtained all the approvals, permits or licenses required for conducting our business in China, or will be able to maintain our existing approvals, permits or licenses or obtain new ones. The government authorities may require us to obtain additional licenses, permits or approvals so that we can continue to operate our existing or future businesses or otherwise prohibit our operations of the types of businesses to which the new requirements apply. In addition, new regulations or new interpretations of existing regulations may increase our costs of doing business and prevent us from efficiently delivering services and expose us to potential penalties and fines. Lastly, our existing licenses may expire without proper renewal or be revoked due to violations of relevant licensure maintenance requirements. If any of our entities is deemed by governmental authorities to be operating without appropriate permits and licenses or outside of their authorized scopes of business or otherwise fail to comply with relevant laws and regulations, we may be subject to penalties and our business, results of operation and financial condition may be materially and adversely affected.

We face certain legal and regulatory risks relating to labor-related laws and regulations, which may adversely affect our business, results of operations and financial condition.

Pursuant to the relevant PRC laws and regulations, employers are obligated to contribute to the social insurance and housing provident funds for their employees. During the Track Record Period, we did not make adequate social insurances and housing provident fund contributions for certain employees. We estimate that the shortfall of social insurance contributions and housing provident fund in 2023, 2024 and 2025 was nil, RMB0.1 million and RMB0.4 million, respectively. As advised by our PRC Legal Advisor, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee of 0.05% of the total outstanding balance per day. If we fail to do so within the prescribed period as requested by the relevant social insurance authorities, we may be subject to a fine ranging between one to three times of the total outstanding balance. In addition, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident funds do not satisfy the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed period. If we fail to do so within the prescribed period, the relevant housing provident fund authority may apply to a PRC court for an order of mandatory payment.

During the Track Record Period, no administrative action, fine or penalty had been imposed by relevant regulatory authorities with respect to our social insurance or housing provident fund contributions. In addition, we did not receive any notice from judicial or administrative authorities on any claim from our current and former employees regarding any inadequate contributions. We cannot assure you that the relevant government authorities will not require us to pay the shortfall and late fees or impose fines on us, in which case our business, results of operations and financial condition could be adversely affected.

Failure to protect our leasehold interests could adversely affect our business operations.

As of the Latest Practicable Date, we were unable to file the lease agreements for registration with respect to three of our leased properties in China due to the difficulty of procuring our lessors' cooperation to register such leases. If these lessors are not the legal owners or have not obtained the proper authorization from the legal owners of such premises, the legal owners of such premises or third-party tenants that have leased from the legal owners will have ground to challenge the validity of our leasehold interest in the affected premises. Under the relevant PRC laws and regulations, the

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parties to a lease agreement have the obligation to register and file the executed lease agreement. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to comply. The maximum potential penalty is RMB30,000. If any of our leases are terminated or voided as a result of challenges from third parties or government agencies, we would need to seek alternative premises and incur relocation costs.

Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose customers or otherwise harm our business.

Our business is subject to regulation by various governmental agencies in China, including agencies responsible for monitoring and enforcing compliance with various legal obligations, such as environment-related laws and regulations, intellectual property laws, employment and labor laws, trade laws, import and export controls, anti-corruption and anti-bribery laws, and tax laws and regulations. In certain jurisdictions, these regulatory requirements may be different or more stringent than in China. These laws and regulations may increase our compliance costs. Non-compliance with applicable regulations or requirements may subject us to negative consequences, including: (1) investigations, enforcement actions, and sanctions; (2) mandatory changes to our offerings; (3) monetary damages and fines; (4) civil and criminal penalties or injunctions; (5) termination of contracts; (6) loss of intellectual property rights; and (7) failure to obtain, maintain or renew certain licenses, approvals and permits.

Responding to any action will likely result in a significant diversion of our management’s attention and resources and incur significant costs. If we fail to comply with relevant laws and regulations, or if we fail to defend ourselves in relevant legal or administrative proceedings, our business, results of operations and financial condition could be adversely affected.

We are exposed to risks relating to the retention of our senior management, as well as our ability to attract and retain qualified and experienced employees.

Our continued success is highly dependent upon the efforts of our senior management and other key employees. If either of them or any of our other key employees leaves and we are unable to promptly hire and integrate a qualified replacement, our business, results of operations and financial position may be adversely affected. In addition, the future growth of our business will depend in part on our ability to attract and retain qualified personnel in all aspects of our business. However, competition to hire highly qualified personnel is intense and we cannot guarantee that we will be able to meet our staffing needs in the future. If we are unable to attract and retain these qualified personnel, our growth may be limited and our business, financial position and operating results could be adversely affected.

We may need additional capital for business growth, product development and technology R&D programs and marketing efforts. If we are unable to raise capital in a timely manner or on acceptable terms, or at all, we could incur losses and be forced to delay, reduce or eliminate such efforts.

We may require additional capital beyond that generated by the operating activities from time to time to carry out R&D activities for developing and enhancing our products and technologies, grow our business and better serve our customers, among other things. Accordingly, we may need to issue additional equity or debt securities or obtain a credit facility. Future issuances of equity or equity-linked securities could significantly dilute our existing shareholders, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our H Shares. The incurrence of debt financing would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our shareholders. Our ability to maintain or obtain additional capital in a timely manner or on commercially acceptable terms is subject to various factors, including general market

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conditions for capital raising activities by our peers as well as economic, political and other conditions in China, Hong Kong and globally. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our research and development and business growth could be significantly impaired, and our business and prospects may be adversely affected.

We may not be able to adequately protect our intellectual property rights and may be subject to intellectual property infringement claims, which could be time-consuming or costly to defend. These claims could harm the value of our brands and adversely affect our business, and may result in a diversion of our financial and management resources and have a material adverse effect on our business, results of operations and financial condition.

Our success depends significantly on our ability to protect our proprietary ingredients, technologies, formulations, and product designs from intellectual property infringement through the establishment, maintenance, and enforcement of our intellectual property rights, including patents, trademarks, copyrights, and trade secrets. We rely on a combination of patents, trademarks, copyrights, trade secrets and confidentiality agreements or other similar provisions to safeguard our intellectual property. However, obtaining and maintaining such protection is costly and time-consuming, and there is no assurance that we will be able to secure or enforce all patents, trademarks or other rights in a timely or cost-effective manner. We may fail to identify patentable aspects of our R&D output promptly, or our applications may not result in granted patents or may be challenged, invalidated, or circumvented by competitors. If we are unable to maintain effective protection of our intellectual property, competitors may develop similar or substitute formulations or technologies, which could weaken our competitive advantage and adversely affect our business and results of operations. As of December 31, 2025, we had registered 139 trademarks, 302 patents, including 148 patents for invention, and 40 software copyrights in China, together with 166 pending patent applications. For details, see “Statutory and General Information—Further Information about Our Business—Intellectual Property Rights” in Appendix IV to this document. The validity, enforceability, and scope of intellectual property rights, however, depend on compliance with procedural and regulatory requirements, which may change in the future. Any failure to comply with such requirements, or changes in relevant laws or administrative practices, could result in the lapse, invalidation, or reduction of our intellectual property protection, thereby allowing competitors to enter the market with similar technologies or products.

We rely on trade secrets, proprietary know-how and confidential business information to maintain our competitive advantage, and we have on a combination of contractual restrictions, confidentiality procedures, and intellectual property registration to establish and protect our proprietary technologies. However, these measures may not provide absolute protection. Parties may intentionally or inadvertently disclose our proprietary information, and legal remedies for breach of confidentiality or misappropriation of trade secrets may be insufficient, uncertain, costly, and time-consuming. Any loss of trade secrets or unauthorized use of our proprietary information may limit our ability to compete in our market, potentially leading to a decline in our market share and revenue.

We cannot assure you that our operations or any aspects of our business do not or would not infringe upon or otherwise violate the trademarks, patents, copyrights or other intellectual property rights held by third parties. While we had not been subject to any material intellectual infringement proceedings and claims during the Track Record Period and up to the Latest Practicable Date, we could be subject to such proceedings and claims in the future. There could also be patents or other intellectual property rights of third parties which we are not aware that our technologies or products may inadvertently infringe. We also cannot assure you that holders of patents purportedly relating to some aspect of our technologies and products, if any such holders exist, would not seek to enforce such patents against us in the PRC or any other jurisdictions, as applicable. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. In addition, we may incur significant expenses and

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may be forced to divert management’s time and other resources from our business and operations to defend against these third-party infringement claims, regardless of their merits, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief was issued against us, it may result in significant liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, results of operations and financial position could be materially and adversely affected.

The insurance coverage we have may not adequately protect us against all operating risks.

Our business is subject to a variety of operational risks, including but not limited to production disruptions due to operational errors, power outages, equipment failures and suspension due to other risks; operational restrictions imposed by environmental or other regulatory requirements; social, political and labor unrest, environmental or industrial accidents and catastrophic incidents such as fires, earthquakes, explosions, floods or other natural disasters. In addition, as we may further expand our operations in overseas markets in the future, we may be exposed to risks related to geopolitical tensions, policy changes and intellectual property and technology protection. These aforementioned risks may result in, including but not limited to, damage to or destruction of production facilities, personal injury or casualties, environmental damage, monetary loss and legal liability. The occurrence of any of these events may result in disruption of our operations and cause us to suffer substantial losses or incur significant liabilities.

Despite the fact that we purchase statutory social insurance and the necessary insurance types in accordance with relevant laws and our assets (including fixed assets, vehicles and overseas investments), employee safety, cargo transportation and other applicable items/risks are covered by commercial insurance after risk assessment and management team approval, we may not have adequate or full business liability, interruption or litigation insurance coverage for our operational risks in China and overseas. If we incur material losses or liabilities, and insurance is not adequate to cover such losses or liabilities, our business, results of operations and financial condition may be materially and adversely affected.

We may be involved in legal and other disputes and claims from time to time arising from our operations and any litigation, legal and contractual disputes, claims or administrative proceedings against us and any failure to comply with relevant laws and regulations may expose us to legal risks.

We may be, from time to time, involved in litigation, other legal proceedings or disputes with our employees, suppliers or customers during the ordinary course of business operations related to, among other things, products and other types of liability, labor disputes or contractual disputes. All of these disputes and claims may lead to legal or other proceedings or cause negative publicity against us, thereby resulting in damage to our reputation, substantial costs and diversion of resources and management’s attention from our business activities. In addition, we may encounter additional compliance issues in the course of our operations, which may subject us to administrative proceedings and unfavorable results, and result in liabilities and delays relating to our production schedules. We cannot assure you as to the outcome of such legal proceedings, and any negative outcome may materially and adversely affect our reputation, business, results of operations and financial condition.

We are subject to various risks relating to third-party payments.

During the Track Record Period, certain of our customers settled their payments with us through third-party payors (the “Third-Party Payment Arrangements”). In 2023, 2024 and 2025, the aggregate amount of third-party payments accounted for approximately nil, 0.02% and 0.07% of the total revenue we received from all customers for the relevant periods, respectively. See “Business—Third-Party Payment Arrangements.” We are, nonetheless, subject to various risks relating to such Third-Party Payment Arrangements during the Track Record Period, including possible claims from third-party payors for return of funds as they were not contractually indebted to us, and possible claims from liquidators of third-party payors. In the event of any claims from

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third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of third-party payments, we will have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and our financial condition and results of operations may, as a result, be adversely affected.

Future acquisitions, strategic investments, partnerships or alliances could be difficult to identify and integrate, divert management resources, result in unanticipated costs or dilute our Shareholders.

We intend to selectively pursue strategic alliance, investment and acquisition opportunities to strengthen our global competitiveness in the China’s intelligent laboratory solutions market, particularly with respect to high-growth industry verticals. We will evaluate and execute alliance, investment and acquisition opportunities that complement and scale up our business, optimize our profitability, help us penetrate high-growing sectors, and add new capabilities to our company. However, we may have limited experience in making such acquisitions and we may not be able to find suitable acquisition candidates or complete acquisitions on favourable terms, if at all. Even if we complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisition we complete could be viewed negatively by customers or investors. We may also engage in other forms of business collaborations and relationships in the future, including strategic investments, partnerships and alliances. Negotiating such transactions can be time-consuming, difficult and costly, and our ability to close these transactions may be subject to third-party approvals, such as government regulatory approvals. We cannot assure you that these transactions will close or will lead to commercial benefit for us.

In addition, we may not be able to integrate acquired businesses successfully or effectively manage the combined company or our collaborations. If we fail to successfully integrate our acquisitions, or the people or technologies associated with those acquisitions, into our company, the results of operations of the combined company could be adversely affected. Any integration process will require significant time and resources, require significant attention from management, and disrupt the ordinary functioning of our business. We may ultimately fail to realize the potential cost savings or other financial benefits or the strategic benefits of the acquisitions. Furthermore, an acquisition could also materially impair our results of operations by causing us to incur debt or requiring us to amortize acquired intangible assets. We may also discover deficiencies in internal controls, data adequacy and integrity and regulatory compliance, as well as legal or contractual liabilities in businesses we acquire which we did not uncover prior to such acquisition. Therefore, we may become subject to penalties, lawsuits or other liabilities. Any difficulties in the integration of acquired businesses or technologies or unexpected penalties, lawsuits or liabilities in connection with such businesses or technologies could have a material adverse effect on our business, results of operations and financial condition.

In connection with the foregoing strategic transactions, we may issue additional equity securities that would dilute our Shareholders, use cash that we may need in the future to operate our business and incur substantial debts and liabilities. Such strategic transactions may also subject us to legal and regulatory scrutiny and increase our compliance costs. As a result, our business, results of operations and financial condition may be adversely affected.

We may be the subject of unfair competition, harassing or other detrimental conduct by third parties including complaints to regulatory authorities, negative social media postings and the public dissemination of malicious statements related to us that could harm our reputation and affect our business operations.

As an established brand, our image is sensitive to the clients’ perception of us as a business in entirety, which includes not only the quality our products, but also our corporate management and culture. We cannot guarantee that we may not be the subject of unfair competition, harassment, or other detrimental conduct by third parties. Such conduct includes complaints to regulatory authorities, negative social media postings, and malicious assessments against us. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be

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required to spend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time. Additionally, allegations against us, may be disseminated by anyone, whether or not related to us. Social media often publish such content without verifying the accuracy of the content posted and without affording us an opportunity for redress or correction. Although we had promptly taken clarification or rectification measures when we faced negative publicity in the past, it cannot be assured that such measures will always be effective in the future. Any such detrimental conduct against our Company, Directors, employees, spokespersons or business operations, regardless of veracity, could harm our reputation, or lead to potential loss of consumer confidence or difficulty in retaining or recruiting talents that are essential to our business operations. As a result, our business, results of operations and financial condition may be materially and adversely affected.

If we are not able to fully comply with present or future environmental, safety and occupational health laws and regulations, our business, results of operations and financial condition may be adversely affected.

Our business is subject to certain laws and regulations relating to environmental, safety and occupational health matters. See “Business—Environmental, Social and Corporate Governance.” Under these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. However, we cannot assure you that we will not experience any material accidents or worker injuries in the course of our production process in the future, or that our risk management measures could effectively mitigate the relevant risks and help us navigate the complex and evolving regulatory environment. Changes in existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs, and if we fail to comply with such ESG-related laws and regulations, our business, results of operations and financial condition may be adversely affected.

In addition, our production process produces hazardous wastes and wastewater. The disposal of hazardous waste and the discharge of pollutants from our production operations into the environment may give rise to liabilities that may require us to incur costs to remedy such discharge. We cannot assure you that all situations that will give rise to material environmental liabilities will be discovered, or any environmental laws adopted in the future will not materially increase our operating costs and other expenses. Should the authorities impose stricter environmental protection standards and regulations in the future, we cannot assure you that we will be able to comply with such new regulations at reasonable costs, or at all. Any increase in production costs resulting from the implementation of additional environmental protection measures or failure to comply with new environmental laws or regulations may have a material adverse effect on our business, results of operations and financial condition.

Any future occurrence of natural disasters, outbreaks of contagious diseases or other force majeure events may materially and adversely affect our business, results of operations and financial condition.

Our business is subject to general economic and social conditions in China and other countries and regions where we operate. Natural and man-made disasters and other force majeure events which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people there. For instance, typhoons, sandstorms, snowstorms, fires and droughts pose significant risks to the regions, including the cities where we conduct our operations. The potential occurrence or recurrence of any of these events could result in a slowdown of global economy or cause substantial disruptions to our operations, which could materially and adversely affect our business, results of operations, financial condition and prospects. Additionally, acts of war and terrorism may also injure our employees, cause loss of lives, damage our facilities, disrupt our distribution channels and destroy our markets. The potential for war or terrorist attacks may also harm or cause uncertainty to our business in ways that we cannot predict.

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Our Controlling Shareholders have substantial influence over our Company.

Our Controlling Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately after the completion of the [REDACTED], without taking into account any H Shares which may be issued pursuant to the exercise of the [REDACTED], our Controlling Shareholders will collectively hold approximately [REDACTED]% of the enlarged share capital of our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and might reduce the price of our Shares. In addition, our Controlling Shareholders may exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

RISKS RELATING TO CONDUCTING BUSINESS IN CHINA

The economic and social conditions in China could affect our business, results of operations, financial conditions and prospects.

During the Track Record Period, majority of our revenue was derived from our businesses in China. Accordingly, our business, results of operations, financial condition and prospects are, to a material extent, subject to economic, political and legal developments in China. In particular, factors such as consumer, corporate and government spending, business investment, level of economic development, and resource allocation could affect the growth of our business.

The PRC economy has experienced significant growth over the past decades since the implementation of China’s reform and opening-up policy. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. If the business environment in China changes, our business in China may also be affected.

Any uncertainties embedded in the legal systems of certain jurisdictions where we operate could adversely affect our business, results of operations and financial condition, and our [REDACTED] could be affected as a result.

The legal systems of the jurisdictions where we operate vary significantly. Some jurisdictions have a civil law system based on written statutes and others are largely based on common law. Unlike common law systems where the case laws have binding effects, prior court decisions under civil law systems may be cited for reference but have limited precedential value. We are based in China and our business in China are governed by PRC laws and regulations. The PRC legal system is a civil law system based on written statutes. As the legal system in China continues to develop, laws and regulations may continue to evolve and be subject to interpretation. As these laws and regulations are continually evolving in response to changing economic and other conditions, we cannot foresee how these laws, rules and regulations will be interpreted and enforced, which may adversely affect the legal protections and remedies that are available to us and our [REDACTED].

Government control of currency conversion and restrictions on the remittance of RMB into and out of China could limit our ability to utilize our revenues effectively, to pay dividends and other obligations, and affect the value of our [REDACTED].

The remittance of currency in and out of China is subject to various laws and regulations. Considerable amount of our revenues and expenses are denominated in Renminbi, and the [REDACTED] from the [REDACTED] and any dividends we pay on our H Shares will be in Hong Kong dollars. Under China’s existing foreign exchange regulations, following the completion of the

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[REDACTED], we will be able to make current account foreign exchange transactions, without prior approval from the State Administration of Foreign Exchange (“SAFE”), including paying dividends in foreign currencies and through licensed banks for foreign exchange business, by complying with certain procedural requirements. If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders.

Foreign exchange transactions under our capital account are subject to foreign exchange regulations under relevant regulations and require SAFE’s approval. These limitations could affect our ability to obtain foreign exchange through offshore financing.

Furthermore, the [REDACTED] from the [REDACTED] are expected to be deposited in currencies other than Renminbi until we obtain necessary approvals from relevant PRC regulatory authorities to convert these [REDACTED] into onshore Renminbi. If we cannot convert the [REDACTED] into onshore Renminbi in a timely manner, our ability to deploy these [REDACTED] efficiently may be affected as we will not be able to [REDACTED] these [REDACTED] on Renminbi denominated assets onshore or deploy them in uses onshore where Renminbi is required. Further, there is no assurance that new regulations will not be promulgated in the future that would have further requirements on the remittance of Renminbi into or out of mainland China. All of these factors could affect our business, results of operations and financial condition.

We may be subject to complex and evolving laws and regulations regarding privacy and data protection. Actual or alleged failure to comply with cybersecurity and data protection and personal information protection laws and regulations could damage our reputation, deter current and potential customers from using our solutions and could subject us to significant legal, financial and operational consequences.

In recent years, cybersecurity, data protection and personal information protection has become an increasing regulatory focus of government authorities across the world. The PRC government has enacted a series of laws, regulations and governmental policies for the protection of cybersecurity, data protection and personal information protection in the past few years. For instance, on November 7, 2016, the Standing Committee of the National People’s Congress promulgated the Cybersecurity Law of the People’s Republic of China (中華人民共和國網絡安全法), effective since June 1, 2017, created the first national-level data protection framework for “network operators,” which provide services over the internet or through other types of information network. On June 10, 2021, the Standing Committee of the National People’s Congress promulgated the Data Security Law of the People’s Republic of China (中華人民共和國數據安全法), effective since September 1, 2021. The Data Security Law sets out a number of obligations on data security and privacy undertaken by entities and individuals engaged in data-related activities. On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (網絡數據安全管理條例), which came into effect on January 1, 2025 and further provides rules on network data security. On October 28, 2025, the Standing Committee of the National People’s Congress revised the Cybersecurity law, and the revised law came into effect on January 1, 2026. This revision has increased the legal liabilities for violations of the Cybersecurity Law. See “Regulatory Overview—Regulations on Cybersecurity, Data Security and Personal Information Protection” for more information.

The above regulatory developments relevant to cybersecurity, data protection and personal information protection could generally impact the data collection, use, storage and other data processing activities conducted by the enterprises in technology industry, including us. We have adopted various measures to ensure legal compliance. See “Business—Data Security and Privacy.” However, the laws and regulations regarding cybersecurity, data protection and personal information protection in China are generally complex and evolving, with uncertainty as to the interpretation and application thereof, which may lead to uncertainty about the scope of our responsibility in this regard. As such, we cannot assure you that our cybersecurity, data protection and personal information protection measures are, and will be, always considered sufficient under

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applicable laws and regulations. Additionally, the effectiveness of our protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyberattacks. If we are unable to comply with the then-applicable laws and regulations, or to address any cybersecurity, data protection and personal information protection concerns, such actual or alleged failure could damage our reputation, deter current and potential users from using our solutions and could subject us to significant legal, financial and operational consequences.

In addition, on December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the Measures for Cybersecurity Review (網絡安全審查辦法, the “CAC Measures”), effective on February 15, 2022, which provides that entities meeting certain standards shall be subject to a cybersecurity review. See “Regulatory Overview—Regulations on Cybersecurity, Data Security and Personal Information Protection” for more information. We process personal information of no more than one million individuals and is [REDACTED] in Hong Kong, which does not constitute an “overseas [REDACTED]”. [REDACTED]. Since the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, therefore, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations.

Furthermore, the Measures for the Security Assessment of Outbound Data Transfer (數據出境安全評估辦法), promulgated on July 7, 2022 and effective since September 1, 2022, the Provisions on Promoting and Regulating Cross-border Data Flows (促進和規範數據跨境流動規定), promulgated and effective on March 22, 2024, have provided that the transfer of personal information and important data by data processor meeting certain volume thresholds or other standards as provided therein shall apply for security assessment, file with a standard contract for cross-border data transfer or obtain a personal information protection certification. As of the Latest Practicable Date, in connection with our projects with overseas partners, we have engaged in cross-border data transfers. Such data transfers do not involve any data categories that would trigger the requirement to conduct a security assessment for data export, file standard contractual clauses, or obtain personal information protection certification under applicable PRC laws and regulations. As our business continues to grow, there may be circumstances where we engage in such cross-border data transfers. In such case, in order to satisfy the legal and regulatory requirements, we may need to comply with the foregoing requirements as well as any other limitations under PRC laws then applicable. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business.

In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards. We expect that there will continue to be new proposed laws and regulations concerning cybersecurity, data protection and personal information protection, and we cannot yet determine the impact such future laws, regulations and standards may have on our business.

New laws, amendments to or re-interpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations. If so, in addition to the possibility of fines, lawsuits, regulatory investigations, public censure, other claims and penalties, and significant costs for remediation and damage to our reputation, we could be materially and adversely affected if legislation or regulations are expanded to require changes in our data processing practices and policies or if the applicable legislation or regulations are interpreted or implemented in ways that negatively impact our business, financial condition and results of operations. Any inability to adequately address cybersecurity, data protection or personal information protection concerns, even if unfounded, or to comply with applicable laws, regulations, standards and other obligations relating to cybersecurity, data protection or personal information protection could require significant resources and efforts, which have a material effect on our business, financial condition and results of operations.

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[REDACTED] of our H Shares may become subject to PRC taxation on dividends received from us and gains from the disposition of our H Shares.

Non-Chinese resident individual holders of H Shares whose names appear on the register of members of H Shares (“Non-Chinese Resident Individual Holders”), are subject to Chinese individual income tax on dividends received from us. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知(國稅函[2011]348號)) dated June 28, 2011 and issued by the State Tax Administration (the “SAT”), the tax rate applicable to dividends paid to Non-Chinese Resident Individual Holders of H Shares varies from 5% to 20% (usually 10%), depending on whether there is any applicable tax treaty between China and the jurisdiction in which the Non-Chinese Resident Individual Holder of H Shares resides, as well as the tax arrangement between China and Hong Kong. Non-Chinese Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us. In addition, under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) (the “Individual Income Tax Law”) and its implementation regulations, Non-Chinese Resident Individual Holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) issued by the Ministry of Finance and the SAT on March 30, 1998, gains of individuals derived from the transfer of [REDACTED] shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, none of the aforesaid provisions had expressly provided that whether individual income tax shall be levied from non-mainland China resident individual holders on the transfer of shares in mainland China resident enterprises [REDACTED] on overseas stock exchanges. To the best of our knowledge, the Chinese tax authorities have not in practice sought to collect individual income tax on such gains. If such tax is collected in the future, the value of such individual holders’ [REDACTED] in H Shares may be materially and adversely affected.

Under the EIT Law and its implementation regulations, a non-Chinese resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to its income sourced from China, including dividends received from a Chinese company and gains derived from the disposition of equity interests in a Chinese company. This rate may be reduced under any special arrangement or applicable treaty between the China and the jurisdiction in which the non-Chinese resident enterprise resides. Pursuant to the Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Non-resident Enterprises Holding H-shares of the Enterprises (Guo Shui Han [2008] No. 897) (關於中國居民企業向境外H股非居民企業股東派發股息代扣繳企業所得稅有關問題的通知(國稅函[2008]897號)) promulgated by the SAT on November 6, 2008, we intend to withhold tax at 10% from dividends payable to non-Chinese resident enterprise holders of H Shares (including [REDACTED] Nominees). Non-Chinese resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the Chinese tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the Chinese tax authorities’ approval. There are uncertainties as to the interpretation and implementation of the EIT Law and its implementation rules by the Chinese tax authorities, including whether and how enterprise income tax on gains derived upon the sale or other disposition of H Shares will be collected from non-Chinese resident enterprise holders of H Shares. If such tax is collected in the future, the value of such non-Chinese resident enterprise holders’ [REDACTED] in H Shares may be materially and adversely affected.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make.

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As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS Accounting Standards in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRS Accounting Standards, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flow and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

It may be difficult to effect service of process, enforce foreign judgments or bring original actions against us, our Directors and senior management residing in China.

We are a company incorporated under the laws of China, and a substantial majority of our assets are located in China. In addition, most of our Directors and senior management reside within mainland China. As a result, the service of process, investigation, collection of evidence, ratification, and enforcement procedure inside China should follow the rules set forth in the Civil Procedure Law of the People’s Republic of China as well as other applicable laws, regulations and interpretations. It would generally require you to commit more time and economic cost. On July 14, 2006, the Supreme People’s Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the “2006 Arrangement”). Pursuant to the 2006 Arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement.

On January 18, 2019, the Supreme People’s Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “2019 Arrangement”) and the 2019 Arrangement was issued on January 25, 2024 and became effective on January 29, 2024. The 2019 Arrangement will supersede the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a “choice of court agreement in writing” entered into before the 2019 Arrangement taking effect. However, there remains uncertainties as to the outcome of any specific applications to recognize and enforce such judgments and arbitral awards in China.

The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets.

Under the PRC law, legal documents for corporate transactions, including agreements and contracts are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with relevant PRC market regulation administrative authorities. In order to secure the use of our chops and seals, we have established internal control procedures and rules for using these chops and seals. In any event that the chops and seals are intended to be used, the responsible personnel will submit a formal application, which will be verified and approved by authorized employees in accordance with our internal control procedures and rules. In addition, in order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to authorized employees. The

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procedures, however, may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for example, by entering into a contract not approved by us or seeking to gain control of one of our subsidiaries or our affiliated entities or their subsidiaries. If any employee obtains, misuses or misappropriates our chops and seals or other controlling non-tangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve and divert management from our operations, and we may not be able to recover our loss due to such misuse or misappropriation if the third party relies on the apparent authority of such employees and acts in good faith.

RISKS RELATING TO THE [REDACTED]

An active [REDACTED] for our [REDACTED] may not develop or be sustained.

Prior to the [REDACTED], [REDACTED] for our [REDACTED]. We cannot assure you that a [REDACTED] for our [REDACTED] with adequate liquidity will develop and be sustained following the completion of [REDACTED]. The initial [REDACTED] for our [REDACTED] will be the result of negotiations, and the [REDACTED] may differ significantly from the [REDACTED] of the [REDACTED] following the [REDACTED].

We have applied to the [REDACTED] for the [REDACTED] of, and permission to [REDACTED] pursuant to the exercise of the [REDACTED]). However, the [REDACTED] on the [REDACTED] does not guarantee that an active and liquid [REDACTED] market for the [REDACTED] will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] will not decline following the [REDACTED]. If an active [REDACTED] for our [REDACTED] does not develop following the completion of the [REDACTED], the [REDACTED] could be materially and adversely affected. The following factors may affect the [REDACTED]: (1) actual or anticipated fluctuations in our operating performance and revenue; (2) our failure to execute our strategies; (3) an unexpected business interruption resulting from operational breakdowns, natural disasters, or major changes in our key personnel or senior management; (4) adverse market reaction to any indebtedness that we may incur or securities that we may issue in the future; (5) announcements of competitive developments, acquisitions or strategic alliances in our industry; (6) potential litigation or regulatory investigations; (7) general market conditions or other developments affecting us or our industry; (8) changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting our ability to obtain or maintain regulatory approval for our products; (9) inadequate protection of our intellectual property rights or legal proceedings brought against us for infringement of third parties’ intellectual property rights; (10) the operating and stock price performance of other companies in our industry, and other events or factors beyond our control; and (11) the release of lock-up or other transfer restrictions on our outstanding H Shares or sales or perceived sales of H Shares by us or other Shareholders.

[REDACTED]

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

The [REDACTED] of the [REDACTED] is higher than the [REDACTED] per Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution. In order to expand our business, we may consider [REDACTED] and issuing additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the [REDACTED] per Share of their H Shares if we [REDACTED] which is lower than the [REDACTED] per [REDACTED] at that time. Furthermore, we may issue [REDACTED] pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders’ interests in our Company.

Actual or perceived sale or availability for sale of substantial amounts of our Shares could adversely affect the market price of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and Controlling Shareholders, or the perception or anticipation that such sales might occur, could negatively impact the market price of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. Certain amount of the Shares controlled by our Controlling Shareholders are subject to certain lock-up periods beginning [REDACTED]. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. In addition, certain existing Shareholders of our Shares are not subject to lock-up agreements. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares.

We have significant discretion as to how we will use the net [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the [REDACTED] from the [REDACTED] in ways you may not agree with or that do not yield a favorable return. See “Future Plans and Use of [REDACTED]” for details of our intended use of [REDACTED]. However, our management will have discretion as to the actual application of our [REDACTED]. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific use we will make of the [REDACTED] from this [REDACTED].

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future.

We have declared dividends in the past. However, there is no assurance that we will declare dividends in the future. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations, and the calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS Accounting Standards. The declaration, payment and amount of our future dividends will depend upon our earnings and financial condition, operating requirements, capital requirements, applicable laws and regulations and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations, and would require approval at our shareholders’ meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. For details, see “Financial Information—Dividend Policy” in this document. There can be no assurance that dividends of any amount will be declared or distributed in any year in the future. Our historical dividends should not be taken as indicative of our dividend policy in the future.

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If securities or industry analysts do not publish research reports about us, or if they adversely change their recommendations regarding our [REDACTED] may decline.

The [REDACTED] may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our [REDACTED] or publish negative opinions about us, the market price of our [REDACTED] would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause [REDACTED] to decline.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate,” “believe,” “could,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend to update or otherwise revise the forward-looking statements in this document to the public, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

The industry data and forecasts in this document obtained from various government publications have not been independently verified.

This document includes industry data and forecasts extracted from the report prepared by F&S, which was commissioned by us, and from various official governmental publications. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot assure you of the accuracy or completeness of information obtained from these sources. We have not independently verified any of the data, forecasts and other statistics from such sources, nor have we ascertained that the underlying economic assumptions relied upon in those sources. The information from official government sources has not been independently verified by us or any other parties involved in the [REDACTED], or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the [REDACTED] and no representation is given as to its accuracy. Moreover, such facts, forecasts and other statistics may not be prepared on the same basis or with the same degree of accuracy (as the case may be) in other publications or jurisdictions. For these reasons, the information from various government publications contained in this document may not be accurate and should not be given undue reliance as a basis for making your [REDACTED] in our [REDACTED].

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media or research analyst reports regarding us, our business, or our industry [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this Document, there has been press and media coverage regarding us, our business, our industry and the [REDACTED]. There may be additional media coverage regarding us, our business, our industry and the [REDACTED] subsequent to the date of this document but prior to the completion of the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT

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other information. None of us or any other person involved in the [REDACTED] has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.

WAIVERS AND EXEMPTIONS

In preparation for the [REDACTED], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Since the business operations of our Group are managed and conducted outside of Hong Kong, and all of the executive Directors of our Company ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has [granted] us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that the Company implements the following arrangements:

- (1) *Authorized representatives*: we have appointed Mr. Chi, our Chairman of the Board, President and Executive Director and Ms. Dong Yuchong (董羽翀) (“Ms. Dong”), our Board Secretary and joint company secretary, as our authorized representatives (“Authorized Representatives”) for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. The Company will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives. See “Directors and Senior Management” for more information about our Authorized Representatives;
- (2) *Directors*: to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers and e-mail addresses, to the extent possible) of each of our Directors such that the Authorized Representatives would have the means for contacting all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation to the Authorized Representatives. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;
- (3) *Compliance advisor*: we have appointed Mango Financial Limited as our compliance advisor (the “Compliance Advisor”) upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor will have access at all times to our Authorized Representatives, the Directors and other senior management and act as the additional channel of communication with the

WAIVERS AND EXEMPTIONS

Stock Exchange and answer enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor; and

- (4) *Hong Kong legal advisor*: we will retain a Hong Kong legal advisor to advise us on the on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [REDACTED].

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint as our company secretary an individual, who, by virtue of her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (1) a member of The Hong Kong Chartered Governance Institute;
- (2) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (3) a certified public accountant (as defined in the Professional Accountants Ordinance).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules provides that, in assessing “relevant experience,” the Stock Exchange will consider the individual’s:

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

Our Company has appointed Ms. Dong as one of our joint company secretaries. Ms. Dong possesses relevant understanding and knowledge relating to the business operations and corporate culture of our Group. In her capacity as the deputy general manager and the board secretary of our Company, Ms. Dong has actively participated in the preparation of the application for the [REDACTED] and possesses experience in matters relating to our corporate governance and investor relations affairs. Having considered Ms. Dong’s expertise and background, our Directors consider that Ms. Dong is capable of discharging the functions of a company secretary and is suitable to perform such role.

As Ms. Dong currently does not possess the qualifications under Rule 3.28 of the Listing Rules, and may not be able to fulfill the requirements of the Listing Rules on her own, we have appointed Ms. Yip, an associate member of The Hong Kong Chartered Governance Institute, who is qualified under Rule 3.28 of the Listing Rules to act as the other company secretary and to work closely with and provide assistance to Ms. Dong for an initial period of three years commencing from the [REDACTED].

WAIVERS AND EXEMPTIONS

The following arrangements have been, or will be, put in place to assist Ms. Dong in acquiring the qualifications and experience as the joint company secretaries of our Company required under Rules 3.28 and 8.17 of the Listing Rules:

- (1) In the course of the preparation of the application for the [REDACTED], Ms. Dong has been provided with a memorandum and has attended a training seminar on the respective obligations of our Directors and senior management and our Company under the relevant Hong Kong laws and the Listing Rules provided by our Hong Kong legal advisors.
- (2) In addition to the minimum training requirements under Rule 3.29 of the Listing Rules, our Company will ensure that Ms. Dong continues to have access to relevant training and support to familiarize herself with the Listing Rules and the duties of a company secretary of an issuer [REDACTED] on the [REDACTED], and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Furthermore, our Company will ensure that Ms. Dong will seek and have access to the advice from our Hong Kong legal advisors and other professional advisors as and when required.
- (3) Ms. Yip will assist Ms. Dong to acquire the “relevant experience” as required under Note 2 to Rule 3.28 of the Listing Rules and to discharge their duties as company secretaries. Ms. Dong will be assisted by Ms. Yip for an initial period of three years commencing from the [REDACTED]. As part of the arrangement, Ms. Yip will act as one of the joint company secretaries and communicate regularly with Ms. Dong on matters relating to corporate governance, the Listing Rules as well as other laws and regulations which are relevant to our Company. She will also assist Ms. Dong in organizing Board meetings and Shareholders’ meetings as well as other matters of our Company which are incidental to the duties of a company secretary.
- (4) Our Company has appointed the Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules, which will act as our additional channel of communication with the Stock Exchange and provide professional guidance and advice to us and our joint company secretaries as to compliance with the Listing Rules and all other applicable laws and regulations.

We have applied to the Stock Exchange for, and the Stock Exchange has [granted] us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when Ms. Yip ceases to provide such assistance or ceases to meet the requirements under Rule 3.28 of the Listing Rules, or if there are material breaches of the Listing Rules by our Company during the three-year period from the [REDACTED]. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Ms. Dong, having had the benefit of Ms. Yip’s assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See “Directors and Senior Management” for the biographical details of Ms. Dong and Ms. Yip.

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

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[REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name ⁽¹⁾	Position	Address	Nationality
<i>Executive Directors</i>			
Mr. Chi Haipeng (遲海鵬)	Chairman of the Board, Executive Director and Chief Executive Officer	Unit 3202, 32nd Floor Building 6, Compound 1 Jinchan Happy Park Chaoyang District Beijing, PRC	Chinese
Mr. Zhang Huaidong (張懷東)	Executive Director and Vice President	No.100 Caonian Village Beiqijia Town Changping District Beijing, PRC	Chinese
Mr. Gong Changhua (龔長華)	Executive Director and Vice President	Room 401, Unit 1 Building 28, Guyueyuan Tianxiu Garden Haidian District Beijing, PRC	Chinese
Mr. Xing Xixue (邢希學)	Executive Director	Room 501, Unit 8 Building 9, Jianqingyuan Xueyuan Road Haidian District Beijing, PRC	Chinese
Mr. Li Kun (李坤)	Executive Director and Chief Financial Officer	Unit 403, Building 1 No. 4 Fengye Li Bajing Road Hedong District Tianjin, PRC	Chinese
<i>Independent non-executive Directors</i>			
Mr. Luan Yizheng (樂依崢)	Independent non-executive Director	Room 302, Unit 2, 3rd Floor Building 10, Honghui Garden Xicheng District Beijing, PRC	Chinese
Ms. Hao Bin (郝彬)	Independent non-executive Director	No. 6, Row 1 Shuinan Zhuang East Courtyard Chaoyang District Beijing, PRC	Chinese
Ms. Wong Ka Ki Ada (王家琦)	Independent non-executive Director	12/F Block A Seacliff Mansions 19 Repulse Bay Road Hong Kong	Chinese (Hong Kong)

(1) Directors are not relatives to the other Director or senior management of our Company.

Further information is set out in the section headed “Directors and Senior Management” in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors [REDACTED]

CMB International Capital Limited

45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Sinolink Securities (Hong Kong) Company Limited

Unit 3501-08, 35/F
Cosco Tower
183 Queen’s Road Central
Sheung Wan
Hong Kong

[REDACTED]

[REDACTED]

[REDACTED]

Legal Advisors to the Company

As to Hong Kong law and U.S. law:

Baker & McKenzie

14/F, One Taikoo Place
979 King’s Road
Quarry Bay
Hong Kong

As to PRC law:

Jingtian & Gongcheng

34/F, Tower 3 China Central Place
77 Jianguo Road
Chaoyang District
Beijing, PRC

Legal Advisors to the Joint Sponsors and [REDACTED]

As to Hong Kong law:

Jun He Law Offices

7/F, AIA Central
1 Connaught Road Central
Central
Hong Kong

As to PRC law:

JunHe LLP

20/F, China Resources Building
8 Jianguomenbei Avenue
Beijing, PRC

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DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditors and Reporting Accountants	KPMG <i>Certified Public Accountants</i> 8th Floor, Prince’s Building 10 Chater Road Central, Hong Kong
Industry Consultant	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. Room 2504, Wheelock Square No.1717 West Nanjing Road Shanghai, PRC
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Registered Office in the PRC	Room 01-02, 10th Floor, Building 1 Zone 3 Hanwei International Plaza 186 South Fourth Ring West Road Fengtai District Beijing, PRC
Headquarters and Principal Place of Business in the PRC	Room 01-02, 10th Floor, Building 1 Zone 3 Hanwei International Plaza 186 South Fourth Ring West Road Fengtai District Beijing, PRC
Principal Place of Business in Hong Kong	Room 1928 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Company’s Website	<u>www.dynaflow.cn</u> <i>(the information contained on the website does not form part of this document)</i>
Joint Company Secretaries	Ms. Dong Yuchong (董羽翀) Room E-2-204, Phase 2 Yanda New Town Yanjiao Development Zone Sanhe, Hebei, PRC Ms. Yip Hoi Lam (葉凱琳) Room 1928 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. Chi (遲海鵬) Unit 3202, 32nd Floor Building 6, Compound 1 Jinchan Happy Park Chaoyang District Beijing, PRC Ms. Dong Yuchong (董羽翀) Room E-2-204, Phase 2 Yanda New Town Yanjiao Development Zone Sanhe, Hebei, PRC
Audit Committee	Mr. Luan Yizheng (樂依崢) (<i>Chairperson</i>) Ms. Hao Bin (郝彬) Ms. Wong Ka Ki Ada (王家琦)
Remuneration and Appraisal Committee	Ms. Hao Bin (郝彬) (<i>Chairperson</i>) Mr. Chi (遲海鵬) Mr. Luan Yizheng (樂依崢)

CORPORATE INFORMATION

Nomination Committee

Mr. Chi (遲海鵬) (*Chairperson*)
Mr. Luan Yizheng (樂依崢)
Ms. Wong Ka Ki Ada (王家琦)

Compliance Advisor

Mango Financial Limited
Units 2305–2306, 23/F
Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

[REDACTED]

[REDACTED]

Principal Bank

China Construction Bank
Beijing Caishikou South Street Branch
Units 1–3, Building 20
Pingyuanli
Xicheng District
Beijing, PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the F&S Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the F&S Report, an independent industry report, in connection with the [REDACTED]. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, Joint Sponsors, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

OVERVIEW OF ARTIFICIAL INTELLIGENCE INDUSTRY

Development of Artificial Intelligence

With the continuous advancement of AI model technologies and their rapid expansion into industrial applications, general-purpose AI models have gradually revealed limitations in specialization, accuracy, and interpretability. Industry-specific AI models which integrate industry-specific knowledge and rules are becoming increasingly important. The development of such highly efficient industry models relies not only on algorithm innovation but also on the accumulation and utilization of scarce, high-quality data. Such data generated from specific scenarios and complex processes is evolving from a general resource into a core strategic asset that forms long-term technological barriers and competitive advantages for enterprises. Meanwhile, the integration of AI models with multimodal technologies is driving the evolution of embodied intelligence. With AI models serving as the cognitive core (responsible for logical decision-making), the Internet of Things as the connectivity foundation (responsible for unified access and scheduling), and high-precision collaborative robots as execution units, artificial intelligence has formed a complete technological chain from cognition to execution, thereby enabling the collaborative execution of complex automated tasks within the physical world.

Application of Artificial Intelligence

The deep penetration of artificial intelligence into scientific research (i.e., AI for Science or AI4S) is becoming the core driving force reshaping the research paradigm. The State Council’s “Opinions of the State Council on Deepening the Implementation of the ‘Artificial Intelligence+’ Initiative” (關於深入實施「人工智能+」行動的意見) explicitly proposes accelerating the exploration of AI-driven novel research paradigms to expedite the process of fundamental and major scientific discoveries. According to the strategic goals set forth in this policy, the application penetration rate of next-generation intelligent agents and automated terminals is expected to exceed 70% by 2027 and surpass 90% by 2030, thereby comprehensively empowering the high-quality development of the macroeconomy. This systemic reshaping of research productivity has gained broad consensus within the international academic community. The authoritative academic journal Nature listed self-driving laboratories as one of the “Seven Technologies to Watch in 2025,” noting that such automated research platforms will provide humanity with affordable and scalable scientific research capacity. Driven by both policy guidance and technological advancement, AI applications have evolved from single-point tools into systemic forces reshaping industrial ecosystems. Its extensive industrial deployment in complex scenarios such as manufacturing, healthcare, and transportation has enhanced AI’s perception and execution capabilities, laying the foundation for deeper scientific applications.

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Through in-depth analysis of large-scale scientific data and automated execution of experimental workflows, AI4S systematically enhances the scientific research process. Its effective deployment relies heavily on the coordinated development of underlying infrastructure, which deeply integrates high-throughput experimental facilities with industry-specific algorithms to form an autonomous iterative closed loop of hypothesis generation, experimental design, automatic execution and data feedback, fundamentally transforming the traditional lengthy research model that relies on manual trial and error. In this disruptive process, intelligent laboratory solutions, as the optimal physical infrastructure for AI4S, have systematically accelerated the large-scale application of AI4S in chemical engineering, new materials and other sectors by enabling automation of experimental execution and the intelligence of data flow management, continuously expanding the boundaries of artificial intelligence in solving major scientific challenges.

OVERVIEW OF INTELLIGENT LABORATORY SOLUTIONS INDUSTRY

Definition and Overview of Intelligent Laboratory Solutions Industry

An intelligent laboratory refers to an environment that leverages IoT, automation, or digital technologies to support, optimize, or automate laboratory workflows, facility operating conditions, and data assets. Intelligent laboratory solution refers to a comprehensive solution formed through the systematic upgrading of traditional R&D environments, incorporating technologies such as IoT, automated equipment, software systems, and artificial intelligence. They enable researchers to identify patterns, validate hypotheses, and draw conclusions more quickly, significantly improving overall efficiency, accuracy, and reproducibility.

Beyond helping researchers accelerate pattern recognition and hypothesis validation, such solutions also represent a profound evolution in the research paradigm toward greater efficiency and empowerment. For downstream institutions, these solutions substantially reduce long-term operating costs and accelerate time to market by replacing repetitive labor and significantly increasing experimental throughput and continuity. More importantly, they transform experimental processes that traditionally rely heavily on individual experience into standardized and traceable data assets, helping enterprises accumulate core R&D know-how, systematically enhance their capacity for original discovery, and build strong innovation barriers.

Based on their core functions and business purposes, intelligent laboratories can be primarily classified into new product R&D laboratories, safety testing laboratories, and quality control laboratories. New product R&D laboratories primarily serve frontier exploration in fields such as chemicals, new materials, and biopharmaceuticals. Their core mission is to accelerate the discovery and validation of new substances, new formulations, and new processes through high-throughput experimentation, intelligent pathway optimization, and data-driven attribution analysis. Safety testing laboratories focus on high-risk, highly-toxic, and environmentally sensitive scenarios, such as oil analysis, chemical testing, and biosafety assessment. Quality control laboratories, by contrast, are designed for industrial production and product quality inspection processes, such as consistency testing for daily chemical products, performance validation for battery materials, and food compliance screening, thereby ensuring batch-to-batch consistency and stable product quality.

Development of Intelligent Laboratory Solutions Industry

The laboratory solutions industry is undergoing a structural shift from traditional, manual operations to comprehensive intelligent systems. This evolution began with automated laboratories as the foundational stage of intelligence. Driven by continuous technological advancements, the industry is now advancing into a self-driving model, where AI decision-making serves as the core engine to autonomously guide and optimize the research process.

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Stage I: Traditional Laboratories

At this stage, laboratory operations are entirely dependent on manual work. Such laboratories have long faced pain points including low operational efficiency, high rates of human error, and difficulties in conducting cross-comparisons of data. In addition, when handling hazardous or toxic materials, they involve substantial safety risks and hidden management costs.

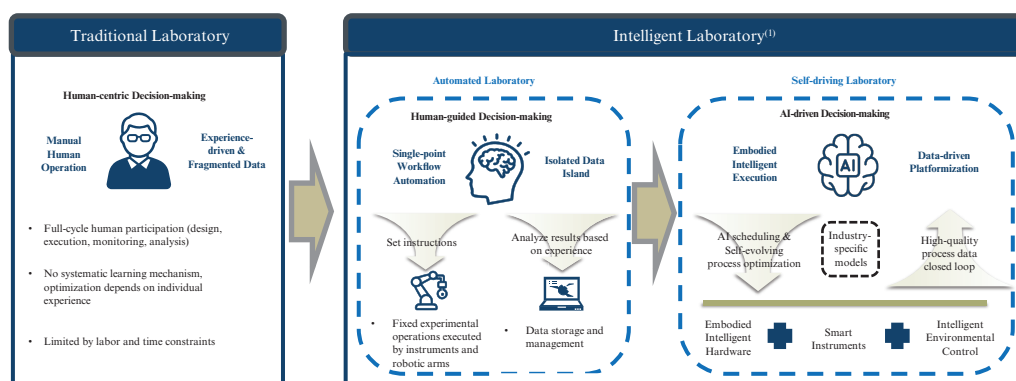
Stage II: Automated Laboratories

To address the efficiency and accuracy bottlenecks associated with labor-driven operations, laboratories began introducing automation equipment such as automatic samplers and robotic workstations. These technologies enable the replacement of manual labor in specific repetitive tasks, thereby improving execution speed and data consistency in targeted processes. At the same time, the system can automatically collect and analyze experimental data in real time, identify complex patterns, and provide recommendations for parameter adjustments, marking the formal transition into a human-machine collaboration model.

Stage III: Self-Driving Laboratories

Self-driving laboratories represent the most advanced form of the intelligent laboratory model. They leverage AI decision-making and embodied intelligent execution to automate and synchronize complex workflows, ensuring adaptive performance in sample handling, experiment execution and data analysis. Such platforms are capable of understanding complex research objectives and precisely decomposing preset technical routes into executable automated task sequences. Especially in scenarios heavily dependent on trial and error, such as compounding advanced formulations and exploring new materials, the system can leverage feedback from the product application end through real-time data analysis to reverse-drive formulation adjustments and experimental optimization, realizing a full-lifecycle closed loop from material design to product application. This complete chain achieves an order-of-magnitude leap in R&D efficiency while continuously enhancing operational precision. This stage fundamentally eliminates the ultimate dependence on human labor and represents the final transformation of the research paradigm from labor-intensive to intelligence-intensive.

Comparative Analysis of Traditional, Automated, and Self-Driving Laboratories



Source: Frost & Sullivan

(1) Automated laboratories and self-driving laboratories both fall under the category of intelligent laboratories.

INDUSTRY OVERVIEW

Value Chain Analysis of Intelligent Laboratory Solutions Industry

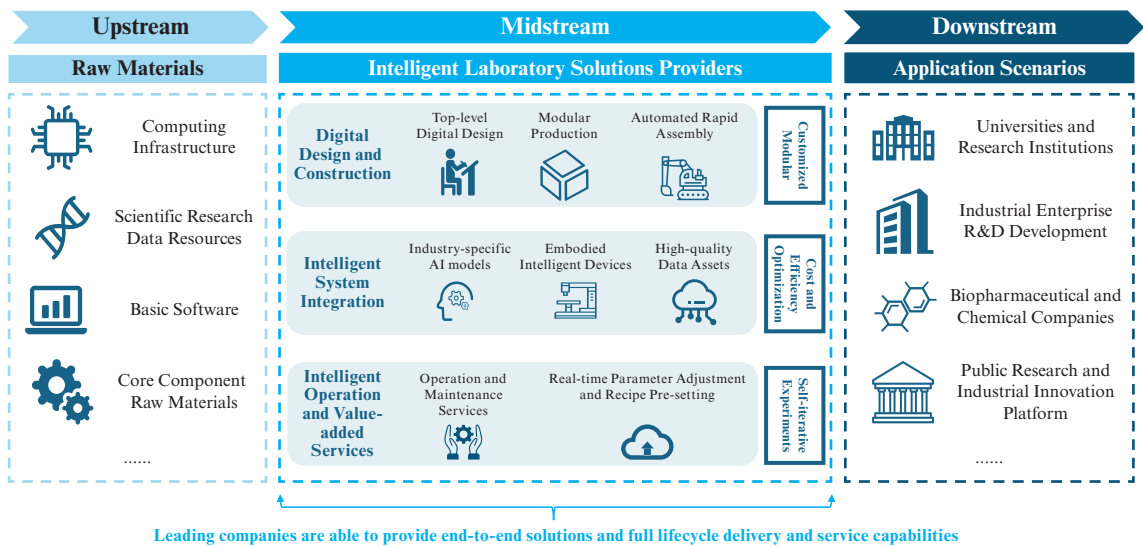
The upstream mainly encompasses computing infrastructure, scientific research data resources, and basic software. It also includes key raw materials and core components for automated production equipment, such as sensing and vision modules, precision-machined parts, and motors. These upstream elements collectively constitute the underlying technological foundation and material basis of intelligent laboratories.

The midstream is the core link of the industry chain, primarily composed of intelligent laboratory solution providers. They are responsible for deeply integrating upstream computing infrastructure and core components to build a sustainable intelligent laboratory system. The core advantage of leading intelligent laboratory solution providers lies in their deep vertical integration capabilities. Technically, they not only integrate various hardware and algorithms but also, through independent research and development, establish technological moats in core industry-specific AI models, precision robot control, and multi-device collaborative scheduling platforms, forming a stable and efficient integrated hardware and software system. At the industrialization level, this technological advantage further translates into engineering delivery capabilities for complex scenarios.

The downstream covers various application areas of intelligent laboratories, including universities and research institutions, R&D departments of industrial enterprises, biopharmaceutical and chemical companies, and government-led or park-led public research and industrial innovation platforms.

Leading companies in the industry possess full lifecycle delivery and service capabilities, covering early-stage digital design, prefabricated production of laboratory modules, on-site automated assembly. Building on this foundation, they deeply integrate continuously evolving industry-specific AI models to accurately accumulate core process knowledge in fields such as chemicals and new materials. Leveraging this comprehensive capability that spans hardware infrastructure, system integration, and intelligent operations and maintenance, these enterprises can rely on high-quality data streams post-delivery to consistently provide clients with in-depth services, including process attribution analysis, parameter tuning, and formulation prediction. By accelerating the iteration of experimental pathways, this highly integrated solution directly drives the research and innovation of new materials and formulations. By providing highly integrated solutions, these companies can deeply embed themselves in customers’ research and production processes, significantly enhancing customer loyalty and long-term cooperation stability.

Value Chain Analysis of Intelligent Laboratory Solutions Industry



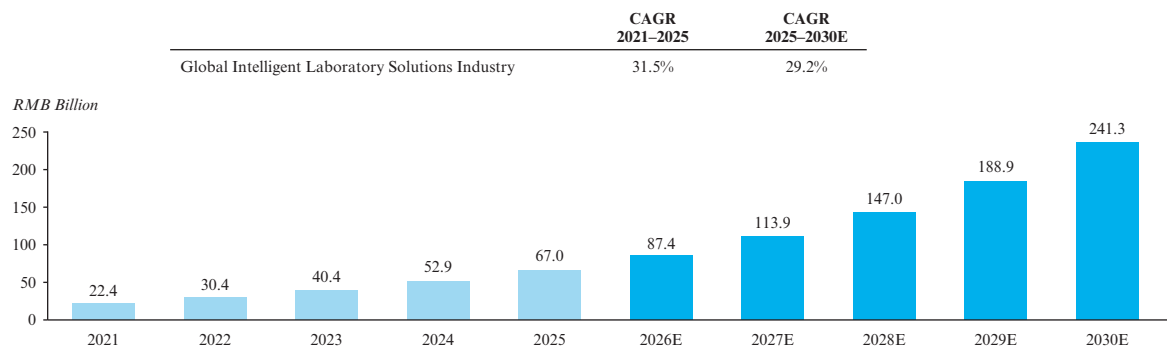
Source: Frost & Sullivan

INDUSTRY OVERVIEW

Market Size Analysis of Intelligent Laboratory Solutions Industry

The global intelligent laboratory solutions market has maintained rapid growth in recent years, increasing from RMB22.4 billion in 2021 to RMB67.0 billion in 2025, at a CAGR of 31.5%. Looking ahead, with continued increases in downstream R&D investment and the deep penetration of AI technology, the global intelligent laboratory solutions market is projected to reach RMB241.3 billion by 2030, at a CAGR of 29.2% from 2025 to 2030.

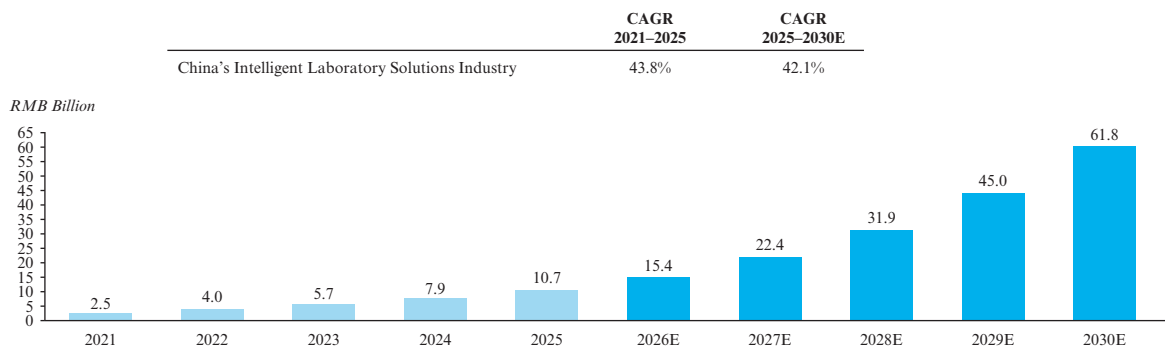
Market Size of Global Intelligent Laboratory Solutions Industry, 2021–2030E



Source: The Society for Laboratory Automation and Screening (SLAS), Ministry of Science and Technology of China, National Science and Technology Management Information System Public Service Platform, Frost & Sullivan

The China’s intelligent laboratory solutions market grew from RMB2.5 billion in 2021 to RMB10.7 billion in 2025, at a CAGR of 43.8%. It is projected to further expand to RMB61.8 billion by 2030, at a CAGR of 42.1% from 2025 to 2030. In terms of application scenarios, life sciences and chemicals are currently the two core application sectors, accounting for over 60% of the overall market in 2025. New energy, food, and other sectors such as semiconductors and environmental monitoring are showing stronger growth momentum, with their market share expected to reach 17.2%, 9.8%, and 27.4% respectively by 2030. The industry application structure is gradually expanding from traditional lab-intensive fields to diverse emerging application scenarios.

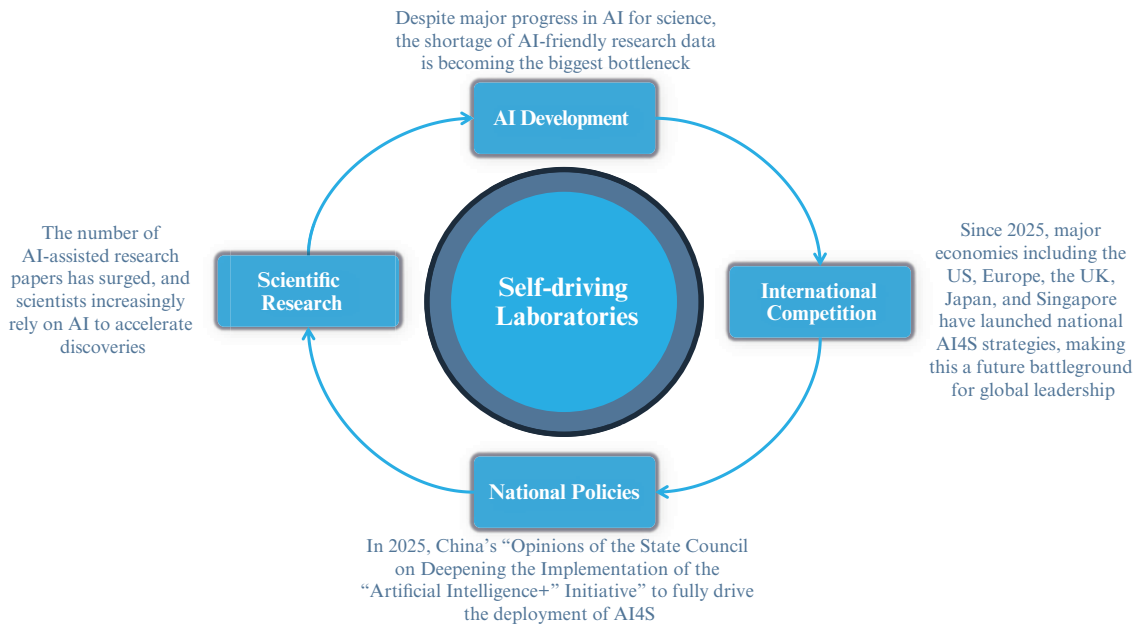
Market Size of China’s Intelligent Laboratory Solutions Industry, 2021–2030E



Source: Ministry of Science and Technology of China, National Science and Technology Management Information System Public Service Platform, Frost & Sullivan

INDUSTRY OVERVIEW

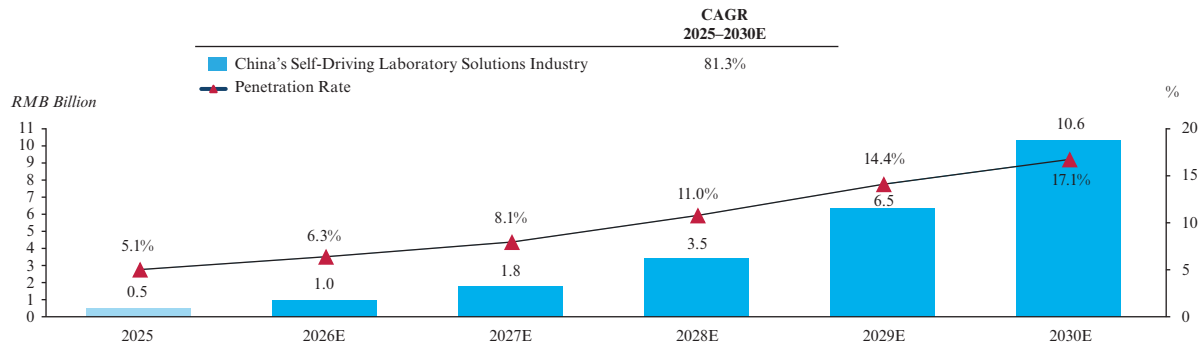
Importance Analysis of Self-driving Laboratories



Source: Frost & Sullivan

As the most advanced form of intelligent laboratories, self-driving laboratory solutions are characterized by high technical thresholds and significant entry barriers, as they require the deep integration of industry-specific AI models, high-quality data infrastructure, automated experimental equipment, and intelligent environmental control systems. Some leading technology companies have already begun verifying key technologies and implementing typical application scenarios, laying the foundation for large-scale deployment. Against this backdrop, the China’s self-driving laboratory solutions market is projected to maintain rapid growth, increasing from RMB0.5 billion in 2025 to RMB10.6 billion in 2030, at a projected CAGR of 81.3% from 2025 to 2030. During the same period, the proportion of self-driving laboratory solutions in the overall intelligent laboratory solutions market is also expected to rise from 5.1% in 2025 to 17.1% in 2030.

Market Size of China’s Self-Driving Laboratory Solutions Industry, 2025–2030E



Source: Ministry of Science and Technology of China, National Science and Technology Management Information System Public Service Platform, Frost & Sullivan

INDUSTRY OVERVIEW

Market Driver and Development Trend Analysis of Intelligent Laboratory Solutions Industry

Global Policies Accelerate the Penetration of Intelligent Laboratories

Amidst escalating global technological competition, major economies are intensively rolling out strategic plans to accelerate the upgrading of research paradigms. The Outline of the 14th Five-Year Plan for Economic and Social Development and Long-Range Objectives Through the Year 2035 of the People’s Republic of China (中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要) explicitly states the need to optimize the innovation system based on national strategic needs and accelerate the construction of a strategic scientific and technological force led by national laboratories. The “Disruptive Technologies Foresight 2025” (顛覆性技術前瞻2025) report released by ISTIC (Institute of Scientific and Technical Information of China) has explicitly listed “self-driving laboratory” as one of the key disruptive technologies in the field of artificial intelligence. This official recognition not only verifies its revolutionary nature but also indicates that related research and application will receive continued policy support and resource focus, accelerating the transition from proof-of-concept to industrial deployment.

Internationally, in October 2025, the European Commission released “A European Strategy for Artificial Intelligence in Science”, aiming to accelerate the application of AI in European industry and science. Similarly, the UK’s “AI for Science Strategy” establishes AI-driven scientific research as a key direction for enhancing national scientific competitiveness, proposing the development of general-purpose AI scientific tools and exploring new forms of research infrastructure represented by autonomous laboratories. In July 2025, the United States proposed in its “America’s AI Action Plan” to increase national-level investment and build automated, cloud-enabled laboratories for various scientific fields. Subsequently, in November 2025, the “Genesis Mission” explicitly proposed leveraging federal datasets to build AI models and agents that automate workflows and accelerate scientific breakthroughs. Furthermore, in March 2026, Japan formulated the “AI for Science Initiative”. This policy designates the five years from 2026 to 2030 as an intensive reform period, outlining the overarching direction for systematically advancing this field as a national strategy while specifying concrete implementation pathways and action plans.

Downstream Industry Demand Drives the Transformation of Intelligent Laboratories

The rapid development of downstream industries such as food and pharmaceuticals, chemicals, new chemical materials, and new energy is the core engine driving the transformation of intelligent laboratories. In 2025, according to the National Bureau of Statistics, the operating revenue of the agricultural and sideline food processing industry exceeded RMB5.3 trillion. The operating revenue of the pharmaceutical manufacturing industry reached nearly RMB2.5 trillion, reflecting the significant scale and pillar role of the two industries in China’s industrial system. In the food and pharmaceutical sector, intelligent laboratories can not only accelerate drug screening, molecular design, and preclinical validation through high-throughput automated platforms, significantly shortening the new drug launch cycle; but also achieve automatic data collection and integrity management in food safety testing and drug quality control through a digitalized system and automated testing equipment.

According to the China Petroleum and Chemical Industry Federation, China’s petrochemical industry recorded operating revenue of RMB15.7 trillion in 2025, representing an increase of 41.4% compared with 2020. In the chemical industry, intelligent laboratories, by introducing robots and remote control systems, liberate laboratory personnel from highly toxic, flammable, and explosive hazardous experimental environments. Meanwhile, intelligent reaction systems are used to automatically optimize process parameters, improving reaction yields and reducing emissions of waste gas, wastewater, and solid waste. This model not only significantly reduces the risk of safety accidents but also promotes the upgrading of chemical R&D towards green and automated directions. In the field of new chemical materials, intelligent laboratories, by introducing the concept of materials genomics and high-throughput automated screening platforms, combined with

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AI-assisted formulation design, can synthesize and characterize tens of thousands of formulation combinations in a short time, thus breaking through the efficiency bottleneck of traditional trial-and-error methods.

Global lithium battery shipments will grow from 2,202.0 GWh in 2025 to 5,548.6 GWh in 2030, at a CAGR of 20.3%. In the field of new energy materials, the intelligent laboratory builds a closed-loop automated experimental system focused on the formulation design and development of cathode and anode materials as well as electrodes. It combines AI models to optimize material structures and predict electrochemical behaviors, thereby efficiently screening and iterating the next generation of energy storage materials with high energy density, long cycle life, and high safety.

Technological Advancements Drive Laboratory Upgrades

Traditional manual experimental methods have long been constrained by efficiency bottlenecks, subjective errors, and ever-increasing management costs. As modern scientific research demands increasingly stringent precision and repeatability, the transformation of laboratories towards intelligent systems has evolved from an efficiency-optimized choice to an inevitable path with clear economic rationality. In this process, industry-specific AI models have become a key technological pillar. Specialized large-scale models trained based on expertise in biochemistry, materials science, and other fields have elevated artificial intelligence from a general-purpose auxiliary tool to a professional research engine. Currently, leading companies in the industry have built “AI self-driving brain” industry models as the system’s decision-making center. This brain is deeply integrated with general AI R&D platforms, endowing the system with powerful self-learning and adaptive evolution capabilities through unified scheduling of intelligent environments and embodied intelligent operating equipment. This allows laboratories to continuously iterate their models during operation, accumulating high-quality experimental and environmental parameters, thereby building an unbreakable data asset barrier for enterprises.

Enhancements in computing power, massive data accumulation, and breakthroughs in deep learning algorithms have not only driven the rapid development of artificial intelligence technology itself but also enabled the large-scale application of AI across scientific research scenarios. Concurrently, the rapid proliferation of AI capabilities has not only highlighted its strong and immense demand for massive, high-quality experimental data but also exposed the inherent bottlenecks of traditional experimental execution in terms of response time and flexibility. This dual pressure from both the application and data sides has inversely driven the accelerated iteration of automated hardware and engineering systems, thereby significantly propelling the continuous evolution of unmanned and high-speed operational capabilities within intelligent laboratories.

This technological paradigm shift fundamentally drives the democratization of scientific discovery. By leveraging artificial intelligence to codify complex domain expertise and automate intricate experimental workflows, autonomous laboratory platforms effectively lower the barriers to advanced research. Trial-and-error processes previously reliant on scarce senior talent are transformed into standardized, data-driven operations. This enables a broader range of enterprises and institutions to bypass the constraints of specialized human experience and conduct high-level research and quality control.

Consequently, these systems do more than merely replace repetitive manual labor; they liberate the core creativity and productivity of scientists. This profound transformation promotes greater inclusivity and equity in scientific and industrial innovation, ultimately driving structural growth and shaping the development trajectories of diverse global economies.

Growth in Demand for Full-Chain Solutions

Against the backdrop of technological advancements and booming downstream market demand, the intelligent laboratory industry’s value chain is undergoing a structural upgrade. The industry is evolving from providing fragmented equipment and single-point solutions to delivering highly integrated full-chain solutions. The solution leverages digital design to facilitate

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high-precision, large-scale modular production, while simultaneously deploying and training continuously evolving industry-specific AI models to accurately capture the research pathways and trial-and-error patterns unique to the field. By integrating the data links between underlying hardware, automated execution systems, and top-level algorithms, the platform establishes a comprehensive intelligent command center. This center deeply engages in and optimizes the development process for new materials and formulations, substantively driving the implementation of the AI for Science paradigm at the application level. This model not only ensures strict delivery certainty and system stability for highly customized research environments but also significantly lowers the entry barriers and shortens the time-to-value for clients, thereby accelerating the large-scale commercialization of autonomous scientific infrastructure.

Competitive Landscape Analysis of Intelligent Laboratory Solutions Industry

The competitive landscape of China’s intelligent laboratory solutions market remains relatively fragmented, with the top five providers collectively accounting for approximately 26.5% of the market in 2025. Among them, the Company ranked second among intelligent laboratory solutions providers in China, with revenue of approximately RMB645 million and a market share of approximately 6.0%. At the same time, among intelligent laboratory solutions providers headquartered in China, the Company ranked first by revenue. In addition, leveraging its cutting-edge technological capabilities, the Company has established a significant competitive advantage in the self-driving laboratory solutions segment. In 2025, by revenue, the Company ranked first in China’s self-driving laboratory solutions providers, with a market share of approximately 34.2%.

Top 5 Intelligent Laboratory Solutions Providers, by Revenue in China, 2025

Ranking	Company	Headquarters	Revenue (RMB Million)	Market Share (%)
1	Company A ⁽¹⁾	United States	700	6.5%
2	The Group	China	645	6.0%
3	Company B ⁽²⁾	United States	550	5.1%
4	Company C ⁽³⁾	United States	500	4.7%
5	Company D ⁽⁴⁾	Switzerland	450	4.2%
	Top 5 Total		2,845 10,700	26.5%

Source: Annual Reports of Listed Companies, Frost & Sullivan

Top 5 Self-Driving Laboratory Solutions Providers, by Revenue in China, 2025

Ranking	Company	Revenue (RMB Million)	Market Share (%)
1	The Group	171	34.2%
2	Company E ⁽⁵⁾	50	10.0%
3	Company F ⁽⁶⁾	30	6.0%
4	Company G ⁽⁷⁾	25	5.0%
5	Company H ⁽⁸⁾	20	4.0%
	Top 5 Total	296 500	59.2%

Source: Annual Reports of Listed Companies, Frost & Sullivan

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- (1) Company A, established in 1999 and headquartered in the United States, is listed on the New York Stock Exchange. The company is primarily engaged in the design, development, and provision of analytical instruments, software, services, and consumables covering the full laboratory workflow, with operations spanning life sciences, diagnostics, and applied chemistry.
- (2) Company B, established in 1947 and headquartered in the United States, is listed on the New York Stock Exchange. The company primarily provides comprehensive intelligent laboratory solutions in the life sciences sector, focusing on laboratory high-throughput screening, imaging automation, and integrated digital detection systems.
- (3) Company C, established in 1984 and headquartered in the United States, is listed on the New York Stock Exchange. The company primarily designs and manufactures high-precision analytical systems and automated hardware and software for intelligent laboratories by integrating automated liquid handling, high-throughput detection, and laboratory information management systems.
- (4) Company D, established in 1980 and headquartered in Switzerland, is listed on the Swiss Stock Exchange. The company primarily engages in the development, production, and sale of laboratory automation workflow solutions and related instruments, serving sectors including biopharmaceuticals, forensics, and clinical diagnostics.
- (5) Company E, established in 2015 and headquartered in China, is listed on the Hong Kong Stock Exchange. The company primarily provides intelligent laboratory R&D solutions and closed-loop laboratory data platforms for the global and domestic pharmaceutical and materials science industries.
- (6) Company F, established in 2016 and headquartered in China, is listed on the Shanghai Stock Exchange. The company focuses on the life sciences and biotechnology fields, primarily providing products such as gene sequencing instruments and laboratory automation-related equipment, reagents, and consumables.
- (7) Company G, established in 2002 and headquartered in China, is listed on the Shenzhen Stock Exchange. The company focuses on intelligent environment, intelligent industry, intelligent laboratory, and life sciences, providing products and services such as analytical instruments, reagents and consumables, and information software.
- (8) Company H was established in 2018 and is headquartered in China. The company primarily provides intelligent laboratory solutions, covering areas of environmental testing, food safety, pharmaceutical analysis, life sciences, and new energy materials.

ENTRY BARRIER ANALYSIS

The global intelligent laboratory solutions industry is characterized by exceptionally high barriers to entry, which are primarily reflected in industry cognition, technological capabilities, full-chain services, and customer resources. In terms of industry cognition, the core processes of experiment-intensive fields such as chemicals and new materials are typically considered highly sensitive commercial secrets and are difficult to obtain through public channels. Leading enterprises have structured customers’ implicit process knowledge and embedded it into intelligent workflows through long-term project practices and in-depth collaboration, forming an irreplicable cognitive advantage. In terms of technological capabilities, the stable operation of intelligent laboratory solutions, particularly self-driving laboratory solutions, depends on the deep integration and coordination of industry-specific AI models, high-quality data platforms, intelligent environmental systems, and embodied intelligent equipment. Meanwhile, leading enterprises have built solid laboratory data moats based on such collaborative systems. In terms of full-chain services, projects typically encompass multiple highly interdependent and tightly integrated stages, including the understanding of experimental processes, system design, intelligent environment construction, development of AI models and software platforms, integration of intelligent laboratory solutions, as well as long-term operation and maintenance management. Only a handful of enterprises in the industry own interdisciplinary integration capabilities and “turnkey” delivery capacity. In terms of customer resources, leading players have built benchmark cases in the industry with high project delivery quality and reliable product stability, and gradually established a solid trust closed loop with clients. By contrast, new entrants have obvious deficiencies in industry cognition accumulation, system engineering capabilities and customer trust, making it difficult to compete with mature top-tier enterprises in the short term.

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RAW MATERIAL PRICE ANALYSIS

The primary raw materials for intelligent laboratory solutions include electronic components and aluminum alloy. Electronic components are critical constituents of automated equipment, perception and monitoring units, and intelligent control systems. Aluminum alloy, with its lightweight nature, good rigidity, and corrosion resistance, is commonly used in the manufacturing of robotic arms. Over the past five years, China’s producer price index for electronic components has remained generally stable, fluctuating slightly from 100.7 in 2021 to 98.9 in 2025. The price of aluminum alloy rose slightly from RMB20,211 per ton in 2021 to RMB21,172 per ton in 2025, maintaining an overall stable trend. Consequently, the overall price fluctuations of these upstream raw materials exert a limited impact on the cost structure and profitability of enterprises within the industry.

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on global intelligent laboratory solution industry and prepare the F&S Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB550,000 to Frost & Sullivan for compiling the F&S Report.

In preparing the F&S Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The F&S Report is compiled based on the following assumptions: (1) the social, economic and political environment of the globe and mainland China is likely to remain stable in the forecast period; and (2) related industry key drivers are likely to drive the market in the forecast period.

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This section sets forth a summary of the most significant rules and regulations that affect our business activities in the PRC.

REGULATIONS ON CORPORATION AND FOREIGN INVESTMENT

The establishment, operation, and management of companies in China are mainly governed by the Company Law of the PRC (中華人民共和國公司法) (the “Company Law”), which was promulgated by the Standing Committee of the National People’s Congress of the PRC (the “SCNPC”) on December 29, 1993 and came into effect on July 1, 1994. The Company Law was subsequently amended in 1999, 2004, 2005, 2013, 2018 and 2023. The latest amended Company Law came into effect on July 1, 2024. The Company Law generally governs two types of companies—limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders is limited to the amount of registered capital they committed to contribute. The Company Law also applies to foreign investment companies, subject to other applicable laws on foreign investment.

In March 2019, the Foreign Investment Law of the PRC (中華人民共和國外商投資法) (the “Foreign Investment Law”) was adopted by the second meeting of the 13th National People’s Congress and came into effect on January 1, 2020. On December 26, 2019, the State Council promulgated Regulation for Implementing the Foreign Investment Law of the PRC (中華人民共和國外商投資法實施條例), or the Implementation Regulation, which became effective on January 1, 2020.

The Foreign Investment Law and the Implementation Regulation apply the administrative system of pre-establishment national treatment and negative list to foreign investment, and clarify the state shall develop a catalogue of industries for encouraging foreign investment to specify the industries, fields, and regions where foreign investors are encouraged and directed to invest. Investment activities in the PRC of foreign investors were principally governed by the Catalogue of Industries for Guiding Foreign Investment (外商投資產業指導目錄), which was promulgated by the Ministry of Commerce of the People’s Republic of China (the “MOFCOM”) and the National Development and Reform Commission (the “NDRC”) and was replaced by the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Version) (外商投資准入特別管理措施(負面清單)(2024年版)), or the 2024 Negative List, and Catalogue of Industries for Encouraging Foreign Investment (2025 version) (鼓勵外商投資產業目錄(2025年版)), or the Encouraging List. The 2024 Negative List, which came into effect on November 1, 2024, sets out special administrative measures in respect of the access of foreign investment and the Encouraging List, which came into effect on February 1, 2026, sets out the encouraged industries for foreign investment. The negative list is subject to review and update by the PRC government from time to time, and the fields that were not included in the negative list shall be regulated according to the principle of equal treatment of domestic and foreign investments.

The Measures on Reporting of Foreign Investment Information (外商投資信息報告辦法) was released by the MOFCOM and the State Administration for Market Regulation (the “SAMR”) on December 30, 2019, and became effective on January 1, 2020. Foreign investors directly or indirectly conducting investment activities within the territory of China shall submit the investment information through submission of initial reports, change reports, deregistration reports, annual reports etc. to the competent commerce authorities in accordance with The Measures on Reporting of Foreign Investment Information.

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REGULATIONS ON OVERSEAS [REDACTED]

Overseas [REDACTED]

On February 17, 2023, China Securities Regulatory Commission, or the CSRC, issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the “Overseas Listing Trial Measures”), and five relevant supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the “New Regulations on Filing”), which took effect on March 31, 2023. The New Regulations on Filing refine the regulatory system for domestic company’s overseas offering and listing by subjecting both direct and indirect overseas offering and listing activities to the filing-based administration, and clearly define the circumstances where provisions for direct and indirect overseas offering and listing apply and relevant regulatory requirements. According to the Overseas Listing Trial Measures, where a domestic company seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC. Initial public offerings or listings in overseas markets shall be filed with the CSRC within three (3) working days after the relevant application is submitted overseas. Failure to complete the filing required by the Overseas Listing Trial Measures may result in a warning and a fine between RMB1 million and RMB10 million as for the domestic entity.

In addition, on February 24, 2023, the CSRC promulgated the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定), or the Confidentiality and Archives Administration Provisions. According to the Confidentiality and Archives Administration Provisions, where a PRC domestic company provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall first obtain approval from competent authorities according to law and file with the secrecy administrative department at the same level. To provide accounting archives or copies to relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, a PRC domestic company shall perform the corresponding procedures in compliance with applicable national regulations.

[REDACTED] of H Shares

[REDACTED]

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REGULATIONS ON PROJECT DESIGN, CONSTRUCTION AND INSTALLATION

Construction Industry

Pursuant to the Construction Law of the People’s Republic of China (中華人民共和國建築法) promulgated by the SCNPC on November 1, 1997, which took effect on March 1, 1998 and was last amended and implemented on April 23, 2019 (the “Construction Law”), the contracting entities of construction projects shall contract projects with qualification certificates obtained in accordance with law and within the business scope permitted by their respective level of qualification. Building construction enterprises shall not only be prohibited to contract projects beyond the business scope permitted by their respective qualification grades or in the name of other building construction enterprises in any form, but also be prohibited to permit in any form other units or individuals in the use of their qualification certificates and business licenses to contract projects in the name of their respective enterprises. An enterprise undertaking projects by exceeding its qualification level or without obtaining a qualification certificate, shall be subject to penalties including being ordered to cease violations, imposition of fines, suspension of business for rectification, being downgraded to a lower level of qualifications, revocation of qualification certificates, and confiscation of illegal income.

According to the Regulations on the Administration of Survey and Design of Construction Projects (建設工程勘察設計管理條例) promulgated by the State Council on September 25, 2000, which was latest revised and implemented on October 7, 2017, the government has implemented a qualification administration system for entities engaged in surveying and designing activities of construction projects. The entities engaged in surveying and designing activities of construction projects shall contract for the surveying or designing engagements of construction projects within the approved scope of their respective qualifications. An enterprise undertaking projects without obtaining a qualification certificate shall be subject to penalties including being banned, imposition of fines, and confiscation of illegal income.

Pursuant to the Administrative Provisions on the Qualification of Construction Enterprises (建築業企業資質管理規定) and Reform Plan for the Qualification Management System of Construction Enterprises (建設工程企業資質管理制度改革方案), under the reform, the categories of enterprise qualifications have been further streamlined: the grade levels for surveying, design, construction, and supervision are reduced to two tiers (Grade A and Grade B), while the construction labor qualification is converted into a filing system. The approval authority is delegated to provincial-level departments. The reform also introduces a notification and commitment system, promotes the use of electronic certificates, and strengthens ongoing and ex-post supervision.

Contracting and Subcontracting

The principal regulatory requirements for contracting and subcontracting under the Construction Law include qualification requirements, prohibiting subcontracting entire projects or dividing a project into parts and subcontracting, etc. and it also clearly stipulates the responsibility methods for the quality of projects involved in contracting and subcontracting as follows: an entity contracting to undertake a construction project must hold a legally-obtained certificate of qualification and undertake the project within the business scope permitted for the corresponding grade of qualification; a contractor is prohibited from subcontracting the entire construction project undertaken to others or dividing the entire construction project into parts and subcontracting those parts to others; a general contractor of a construction project may subcontract part of the contracted project to a subcontractor with appropriate qualification, provided, however, it must be approved by the construction project owner, except for the subcontracting agreed in the general contracting agreement. In case of general contracting, the construction of the primary structure of a project shall be completed by the general contractor itself. The general contractor of a construction project shall be accountable to the construction project owner as agreed in the general contractor agreement; and the subcontractor(s) shall be accountable to the general contractor as agreed in the subcontractor agreement.

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The Administrative Provisions on the Qualification of Construction Enterprises, the Standards of Qualifications for Construction Enterprises (建築業企業資質標準) issued by the Ministry of Housing and Urban-Rural Development (the “MOHURD”) on November 6, 2014, and the Measures for the Administration of Construction Subcontracting of Building and Municipal Infrastructure Construction Projects (房屋建築和市政基礎設施工程施工分包管理辦法) which most was recently amended on March 13, 2019, also contain relevant provisions on subcontracting.

According to the Administrative Provisions on the Qualification of Construction Enterprises, the qualifications for construction enterprises are classified into three series: general contractor qualification, specialty contractor qualification and labor subcontractor qualification. According to General Provision “III. Scope of Business” under the Standards of Qualifications for Construction Enterprises, enterprises obtaining specialty contractor qualifications may undertake the specialty works legally sub-contracted by enterprises with general contractor qualifications or the specialty works legally awarded by construction project owners. Enterprises obtaining labor contractor qualifications may undertake the labor works subcontracted by enterprises with general contractor qualifications or specialty contractor qualifications. Furthermore, the Measures for the Administration of Construction Subcontracting of Building and Municipal Infrastructure Construction Projects specifies that either of general contractors or specialty contractors may award their labor works to labor subcontracting enterprises.

In addition, we also need to comply with relevant standards. For example, JGJ91–2019 Standard for Design of Scientific Research Buildings (科研建築設計標準) mainly specifies the design requirements for the site selection, layout, building structure, water supply and drainage, HVAC, electrical and intelligent systems of scientific research buildings, aiming to ensure rational functional zoning, safety, energy efficiency, and compliance with scientific research process requirements. Meanwhile, GB19489–2008 General Requirements for Laboratory Biosafety (實驗室生物安全通用要求) sets forth the general requirements for laboratory biosafety grading management, facility and equipment configuration, personal protective equipment, operating procedures, waste disposal, and emergency response, with the purpose of effectively controlling risks associated with biological agents and ensuring the safety of laboratory personnel, samples, and the environment.

REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection

The Environmental Protection Law of the People’s Republic of China (中華人民共和國環境保護法), promulgated by the Standing Committee of the National People’s Congress on December 26, 1989, effective on the same date, and most recently amended on April 24, 2014 with effect from January 1, 2015, sets out the powers and responsibilities of environmental protection regulatory authorities. The competent environmental protection department of the State Council is authorized to promulgate national environmental quality standards and national pollutant discharge standards, and to exercise unified supervision and administration over environmental protection nationwide. Meanwhile, local environmental protection authorities may formulate more stringent local pollutant discharge standards. In such circumstances, enterprises concerned are required to comply with both national standards and applicable local standards. The Ecological and Environmental Code of the People’s Republic of China was adopted at the Fourth Session of the 14th National People’s Congress on March 12, 2026, shall come into force on August 15, 2026, and upon its effective date, the Environmental Protection Law of the People’s Republic of China will be repealed simultaneously.

Environmental Impact Assessment

Pursuant to the Regulations on the Administration of Environmental Protection for Construction Projects (建設項目環境保護管理條例), promulgated by the State Council on November 29, 1998, most recently amended on July 16, 2017 and effective from October 1, 2017, construction entities are required to prepare and submit an environmental impact report, an environmental impact report form, or an environmental impact registration form, depending on the

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potential environmental impact of the construction project. For projects requiring an environmental impact report or report form, the construction entity must submit the relevant documents to the competent environmental protection administrative authority for approval prior to commencement of construction. Where the environmental impact assessment documents have not been reviewed or approved in accordance with the law, the construction entity shall not commence construction.

Pollutant Discharge

Pursuant to the Measures for the Administration of Pollutant Discharge Permits (for Trial Implementation) (排污許可管理辦法(試行)), promulgated by the former Ministry of Environmental Protection (now the Ministry of Ecology and Environment) on January 10, 2018 and partially amended on August 22, 2019, and the Measures for the Administration of Pollutant Discharge Permits (排污許可管理辦法), promulgated on April 1, 2024 and effective from July 1, 2024, enterprises, public institutions and other producers and operators subject to pollutant discharge permit administration (collectively, “pollutant-discharging entities”) are required to apply for and obtain pollutant discharge permits, and to discharge pollutants strictly in accordance with the terms of such permits. Entities that fail to obtain pollutant discharge permits as required are prohibited from discharging pollutants.

Pursuant to the Classified Management List for Pollutant Discharge Permits for Fixed Pollution Sources (2019 Edition) (固定污染源排污許可分類管理名錄(2019年版)) issued by the Ministry of Ecology and Environment on December 20, 2019, pollutant discharge permits are subject to three categories of administration, namely key management, simplified management, and registration-based management, based on factors such as the quantity of pollutants generated and discharged and the degree of environmental impact. Only entities subject to registration-based management are not required to apply for pollutant discharge permits.

REGULATIONS ON SAFETY PRODUCTION

According to the Safety Production Law of the PRC (中華人民共和國安全生產法), promulgated by the SCNPC on June 29, 2002 and last amended with effect from September 1, 2021, any enterprise that carries out production and business operation activities shall (1) abide by the Safety Production Law of the PRC and other laws and regulations related to production safety, strengthen production safety management, and establish a sound production safety responsibility system and formulate a set of production safety rules and regulations for all employees; (2) increase the efforts to guarantee the input of funds, supplies, technology and personnel to production safety, improve production safety conditions, and strengthen standardization and informatization of production safety; (3) construct a “dual-prevention” mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, enhance production safety levels and ensure production safety. Enterprises that do not have the conditions for safe production shall not engage in production and business activities.

The person in charge of an enterprise shall be fully responsible for the work safety of the enterprise. An enterprise with more than one hundred employees shall set up an institution for the management of work safety or designate full-time staff for the management of work safety. The management personnel of the enterprise in charge of work safety shall conduct regular inspections of the work safety status according to the production and operation characteristics of the enterprise; the safety risks identified during the inspection shall be dealt with immediately; if they cannot be dealt with, they shall be reported to the relevant person in charge in a timely manner, who shall then promptly take measures to eliminate the safety risks. The inspection and measures taken for elimination of the safety risks must be truthfully recorded. Enterprises shall educate their employees on work safety, and truthfully inform them of the dangerous factors that exist in the workplaces and positions, preventive measures and emergency response measures. In addition, enterprises must provide employees with personal protective equipment that meets national or industry standards, and supervise and train employees to use the equipment.

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Pursuant to the Regulations on the Safety Administration of Construction Engineering (建設工程安全生產管理條例, effective as of February 1, 2004) and the Regulations on the Safety Permit for Production (安全生產許可證條例, effective as of January 13, 2004, as amended), any construction enterprise shall: (1) establish a sound full-staff responsibility system for production safety and formulate safety management rules; (2) obtain a safety permit for production before commencing any construction work; and (3) take effective safety protection measures at the construction site. Enterprises that do not meet the required safety conditions shall not engage in construction activities.

REGULATIONS ON PRODUCT LIABILITY

According to the Product Quality Law of the People’s Republic of China (中華人民共和國產品質量法) promulgated by the SCNPC on February 22, 1993 and most recently amended on December 29, 2018, it is prohibited to manufacture or sell products that do not comply with the standards and requirements for safeguarding human health and the safety of persons and property. The products must not present any unreasonable risk of endangering the safety of persons and property. A person who is injured or whose property is damaged by the defects in the product may claim for compensation from the manufacturer or the seller. Any producer or seller who produces or sells substandard products shall be ordered to stop production or sale, the products illegally produced or sold shall be confiscated, and a fine shall be imposed; If there are any illegal gains, the illegal gains shall be confiscated concurrently; If the circumstances are serious, the business license shall be revoked.

According to the Civil Code, if a defect of a product causes damage to another person, the infringed person may claim compensation against the manufacturer or the seller of the product. If the infringer knows that the product is defective and still produces or sells it, or fails to take effective remedial measures in accordance with the provisions of the Civil Code, resulting in the death of another person or serious damage to the health of another person, the infringed person shall be entitled to claim corresponding punitive damages. If a product is defective due to the fault of a third party, such as a transporter or warehouseman, and causes damage to another person, the producer or seller of the product shall have the right to recover compensation from the third party after making compensation to the infringed person.

REGULATIONS ON IMPORT AND EXPORT OF GOODS

In accordance with the Foreign Trade Law of the People’s Republic of China (中華人民共和國對外貿易法) promulgated by the SCNPC on May 12, 1994 and amended and effective on April 6, 2004, November 7, 2016, December 30, 2022 and December 27, 2025 respectively, and the Notice on Matters Relating to the Filing of Consignees and Consignors of Imported and Exported Goods (海關總署企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知) issued by the General Administration of Customs of the People’s Republic of China on January 3, 2023 and effective on the same date, the consignee or consignor of imported or exported goods applying for filing should obtain the qualification of the market entity, but no filing for foreign trade operators is required.

According to the Customs Law of the People’s Republic of China (中華人民共和國海關法) promulgated by the SCNPC on January 22, 1987, and last amended on April 29, 2021, the consignee of imported goods, the consignor of exported goods, and the owner of inbound and outbound goods are the taxpayers of customs duties. For the imported and exported goods, unless otherwise provided for, customs declaration and tax payment procedures may be completed by the consignee or consignor of the imported and exported goods, or the consignee or consignor of import and export goods may entrust a customs declaration enterprise to complete the customs declaration and tax payment procedures. The consignees and consignors for imported or exported goods and the customs brokers engaged in customs declaration shall be filed with the customs in accordance with the law.

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Pursuant to the Regulations of the People’s Republic of China on the Administration of Import and Export of Goods (中華人民共和國貨物進出口管理條例) (“Regulations on the Administration of Import and Export of Goods”) promulgated by the State Council on December 10, 2001 and last amended on March 10, 2024, which came into effect on May 1, 2024, goods whose import or export is prohibited shall not be imported or exported; goods whose import or export is restricted shall be subject to a licensing or quota system; and goods whose import or export is free shall not be subject to restriction. The consignee of imported goods or the consignor of exported goods shall submit an automatic import and export license, an import and export license or a quota certificate to the customs for customs clearance.

The Export Control Law of the People’s Republic of China (中華人民共和國出口管制法) (the “Export Control Law”) came into force on December 1, 2020. The Export Control Law is China’s first comprehensive and integrated export control law, which sets out provisions for the export control of dual-use goods, military supplies, nuclear energy products, goods related to the protection of national security and interests and other commodities, science and technology, services and goods, as well as fulfilling the responsibilities related to the international prohibition of nuclear proliferation.

REGULATIONS ON INTELLECTUAL PROPERTY

Copyright and Software Registration

According to the Copyright Law of the PRC (中華人民共和國著作權法) which was promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and finally revised on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (中華人民共和國著作權法實施條例) promulgated by the State Council on August 2, 2002 and implemented on September 15, 2002, and finally revised on January 30, 2013. Copyright holders enjoy a variety of personal and property rights, including the right of publication, the right of authorship, the right of reproduction, and the right of communication of information on networks.

Pursuant to the Regulation on Computer Software Protection (計算機軟件保護條例) promulgated on June 4, 1991 by the State Council and last amended on January 30, 2013 and the Measures for the Registration of Computer Software Copyright (計算機軟件著作權登記辦法) promulgated on April 6, 1992 and last amended by the National Copyright Administration on February 20, 2002, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Trademark

According to the Trademark Law of the PRC (中華人民共和國商標法), promulgated by the SCNPC on August 23, 1982 and last amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementing Regulations of the Trademark Law of the People’s Republic of China (中華人民共和國商標法實施條例), which was promulgated by the State Council on August 3, 2002 and revised on April 29, 2014, and became effective on May 1, 2014, the Trademark Office of China National Intellectual Property Administration (the “Trademark Office”) is responsible for the registration and administration of trademarks and resolving trademark disputes in the PRC. Registered trademarks are valid for ten years from the date the registration is approved. A registrant may apply to renew a registration within twelve months before the expiration date of the registration. If the registrant fails to apply in a timely manner, a grace period of six additional months may be granted. If the registrant fails to apply before the grace period expires, the registered trademark shall be deregistered.

REGULATORY OVERVIEW

Patents

According to the Patent Law of the People’s Republic of China (中華人民共和國專利法) (the “Patent Law”), which was promulgated by the SCNPC on March 12, 1984 and revised on September 4, 1992, August 25, 2000, December 27, 2008 and October 17, 2020 respectively, and became effective on June 1, 2021, and the Rules for Implementation of the Patent Law of the People’s Republic of China (中華人民共和國專利法實施細則), which was promulgated by the State Council on June 15, 2001 and revised on December 28, 2002, January 9, 2010, December 11, 2023, and became effective on January 20, 2024, the patent administration department under the State Council shall be responsible for the patent-related work in China. It accepts and examines patent applications in a uniform way and grants patent rights in accordance with the law. The Patent Law and its implementation rules provide for three types of patents, namely “inventions,” “utility models” and “designs”. Invention patents are valid for twenty years, utility model patents are valid for ten years, and since June 1, 2021, the validation period for design patents whose application date is after June 1, 2021 has been extended to fifteen years in each case from the date of application. An invention or a utility model must possess novelty, inventiveness and practical applicability to be patentable. Third Parties must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the unauthorized use constitutes an infringement on the patent rights.

Domain Names

The Administrative Measures on Internet Domain Names (互聯網域名管理辦法) (the “Domain Name Measures”) was promulgated by the MIIT on August 24, 2017, and came into effect on November 1, 2017. According to the Domain Name Measures, any party that has domain name root servers, and the institution for operating domain name root servers, the domain name registry, and the domain name registrar within the territory of the PRC, shall obtain a permit from the MIIT or the communications administration of the local province, autonomous region or municipality directly under the PRC central government. The registration of domain names generally follows a “first-come, first-served” basis and a domain name applicant will become the domain name holder upon the completion of the application procedure.

Trade Secrets

According to the PRC Anti-Unfair Competition Law (中華人民共和國反不正當競爭法), promulgated by the SCNPC in September 1993, as last amended on June 27, 2025 respectively, the term “trade secrets” refers to technical and business information that is unknown to the public, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the PRC Anti-Unfair Competition Law, business persons are prohibited from infringing others’ trade secrets by: (1) obtaining the trade secrets from the legal owners or holders by any unfair methods such as theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (2) disclosing, using or permitting others to use the trade secrets obtained illegally under item above; (3) disclosing, using or permitting others to use the trade secrets, in violation of any contractual agreements or any requirements of the legal owners or holders to keep such trade secrets in confidence; or (4) instigate, induce or assist others to violate confidentiality obligation or to violate a rights holder’s requirements on keeping confidentiality of commercial secrets, so as to disclose, use or allow others to use the commercial secrets of the rights holder. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others’ trade secrets.

REGULATORY OVERVIEW

REGULATIONS ON CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

Cybersecurity and Data Security

On November 7, 2016, the SCNPC issued the PRC Cybersecurity Law (中華人民共和國網絡安全法) (the “Cybersecurity Law”), which came into effect on June 1, 2017. On October 28, 2025, the Standing Committee of the National People’s Congress revised the Cybersecurity Law, and the revised version came into effect on January 1, 2026. The revised law has increased the liabilities of network operators for violations. The Cybersecurity Law requires network operators to establish internal security management systems in accordance with the classified cybersecurity protection regime, including appointing dedicated cybersecurity personnel, taking technical measures to prevent computer viruses, network attacks and intrusions, taking technical measures to monitor and record network operation status and cybersecurity incidents, and taking data security measures such as data classification, backups and encryption. The Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger network security or engage in unlawful activities. Any violation of the Cybersecurity Law may subject obligated entities such as network operators to warnings, fines, confiscation of illegal gains, revocation of licenses, shutdown of websites or even criminal liabilities.

On December 28, 2021, the Cyberspace Administration of China (the “CAC”) and several other PRC governmental authorities jointly promulgated the Cybersecurity Review Measures (網絡安全審查辦法), which provide that (1) network platform operators in possession of over one million users’ personal information shall apply with the Cybersecurity Review Office for a cybersecurity review when listing in a foreign country; (2) operators of “critical information infrastructure” that intend to purchase network products and services that will or may affect national security shall apply for a cybersecurity review; and (3) network platform operators carrying out data processing that will affect or may affect national security shall apply for a cybersecurity review. The Cybersecurity Review Measures became effective on February 15, 2022 and replaced the Measures for Cybersecurity Review promulgated in April 2020.

On June 10, 2021, the SCNPC issued the PRC Data Security Law (中華人民共和國數據安全法), which has taken effect on September 1, 2021. The PRC Data Security Law provides a national data security review system, under which data processing activities that affect or may affect national security shall be reviewed. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility. On September 24, 2024, the State Council published the Network Data Security Management Regulations (網絡數據安全管理條例), which became effective on January 1, 2025. The Network Data Security Management provides that data processors conducting the data processing activities that affect or may affect national security shall apply for cybersecurity review in accordance with the relevant laws and regulations.

On July 30, 2021, the State Council promulgated the Regulations for the Security Protection of Critical Information Infrastructure (關鍵信息基礎設施安全保護條例), which became effective on September 1, 2021, referring “critical information infrastructures” as important network facilities and information systems in important industries including public communications and information services, as well as those that may seriously endanger national security, national economy, people’s livelihood, or public interests in the event of damage, loss of function, or data breach. Pursuant to the Regulations for the Security Protection of Critical Information Infrastructure, the relevant government authorities are responsible for stipulating rules for the identification of critical information infrastructures with reference to several factors set forth therein and further identifying the critical information infrastructure in the related industries in accordance with such rules. The relevant authorities must also notify operators of the determination as to whether they are categorized as critical information infrastructure operators.

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On July 7, 2022, the CAC issued the Measures for the Security Assessment of Data Cross-border Transfer (數據出境安全評估辦法) (the “Security Assessment Measures”), which became effective on September 1, 2022. The Security Assessment Measures require that any data processor providing important data collected and generated during operation within the territory of the PRC or personal information that should be subject to security assessment according to law to an overseas recipient shall conduct security assessment. On March 22, 2024, the CAC issued the Provisions on Facilitating and Regulating Cross-Border Data Flows (促進和規範數據跨境流動規定) (the “Cross-Border Data Flows Provisions”), which provides the following circumstances under which data processors shall apply to the national cyberspace administration for security assessment of cross-border data transfer: (1) critical information infrastructure operators providing personal information or important data overseas; and (2) data processors other than critical information infrastructure operators providing important data overseas, or cumulatively providing overseas personal information (excluding sensitive personal information) of more than one million individuals or sensitive personal information of more than 10,000 individuals since January 1 of the current year. “Important data” is defined under Security Assessment Measures as any data, the tampering, damage, leakage, or illegal acquisition or use of which, may endanger national security, the operation of the economy, social stability, public health and security, etc. The Cross-Border Data Flows Provisions also provides that, where the data processors other than critical information infrastructure operators provide personal information (excluding sensitive personal information) overseas of not less than 100,000 but not more than one million individuals, or the sensitive personal information of not more than 10,000 individuals, cumulatively as of January 1 of the current year, it shall conclude a standard contract with overseas recipients or pass the authentication on personal information protection. In addition, the Cross-Border Data Flows Provisions clarifies that data processors are not required to conduct security assessment for outbound data transfer for data that has not been notified or published as “important data” by relevant departments or regions. Any failure to comply with such requirements may subject us to, among others, suspension of services, fines, revoking relevant business permits or business licenses and penalties.

Personal Information Protection

The Civil Code of the PRC (中華人民共和國民法典) (the “Civil Code”) that was issued on May 28, 2020 and became effective on January 1, 2021, provides that a natural person’s personal information shall be protected by the law. Any organization or individual shall legally obtain the personal information of others when necessary and ensure the safety of such personal information, and shall not illegally collect, use, process or transmit the personal information of others, or illegally buy or sell, provide or make public the personal information of others. The Cybersecurity Law imposes certain data protection obligations on network operators, including that network operators may not disclose, tamper with, or damage users’ personal information that they have collected, and are obligated to delete unlawfully collected information and to amend incorrect information.

Pursuant to the Ninth Amendment to the Criminal Law (中華人民共和國刑法修正案(九)) issued by the SCNPC on August 29, 2015, any internet service provider that fails to fulfill the obligations related to the internet information security administration as required by the applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty. Pursuant to the Interpretation of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋), which was issued on May 8, 2017, the following activities may constitute the crime of infringing upon a citizen’s personal information: (1) providing a citizen’s personal information to specified persons or releasing a citizen’s personal information online or through other methods in violation of relevant national provisions; (2) providing legitimately collected information relating to a citizen to others without such citizen’s consent (unless the information is processed, not traceable to a specific person and not recoverable); (3) collecting a citizen’s personal information in violation of applicable

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rules and regulations when performing a duty or providing services; or (iv) collecting a citizen’s personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the People’s Republic of China (中華人民共和國個人信息保護法) (the “Personal Information Protection Law”), which became effective on November 1, 2021. According to the Personal Information Protection Law, personal information refers to any kind of information related to an identified or identifiable natural person as electronically or otherwise recorded, excluding information that has been anonymized. Processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information. Processing of personal information shall be for a specified and reasonable purpose and conducted in a way that has the least impact on personal rights and interests. Collection of personal information shall be limited to the minimum scope necessary for achieving the purpose of processing. In addition, the Personal Information Protection Law specifically specifies the rules for processing sensitive personal information, i.e., personal information that, once leaked or illegally used, may easily cause harm to the dignity of natural persons or grave harm to personal or property security. Entities processing personal information shall bear responsibility for their personal information processing activities and adopt the necessary measures to safeguard the security of the personal information. Otherwise, entities processing the personal information will be ordered to correct or suspend or terminate the provision of services, confiscation of illegal income, fines or other penalties.

REGULATIONS ON REAL ESTATES

Pursuant to the Land Administration Law of the PRC (中華人民共和國土地管理法) promulgated by the SCNPC on June 25, 1986, latest amended on August 26, 2019 and became effective on January 1, 2020, the PRC applies a system of control over the purposes of use of land, including land for agriculture, land for construction and unused land. All units and individuals shall use land in strict compliance with the purposes of use defined in the overall plans for land utilization. Registration of the ownership and the right to the use of land shall be governed by the laws and administrative regulations relating to real estate registration and the legally registered ownership and right to the use of land shall be protected by law.

The Interim Regulations on Real Estate Registration (不動產登記暫行條例), promulgated by the State Council on November 24, 2014 and last amended on March 10, 2024, and the Implementing Rules of the Interim Regulations on Real Estate Registration (不動產登記暫行條例實施細則) promulgated by the Ministry of Land and Resources on January 1, 2016 and last amended on May 21, 2024, provide that, among other things, the State implements a uniform real estate registration system and the registration of real estate shall follow the principles of strict administration, stability, continuity, and convenience for the masses.

According to the Administrative Measures for Commodity House Leasing (商品房屋租賃管理辦法) which was promulgated by the MOHURD on December 1, 2010 and came into effect on February 1, 2011, the parties to a commodity house lease shall complete the lease registration with the competent construction (real-estate) departments of the municipalities directly under the central government, cities and counties where the leased property is located within 30 days after the lease is executed. The competent construction (real estate) departments of the municipalities directly under the central government, cities and counties shall order the lease record filing to make corrections within a prescribed time limit, and shall impose a fine below RMB1,000 on individuals who fail to rectify within the specified time limit, and a fine between RMB1,000 and RMB10,000 on institutions which fail to rectify within the specified time limit.

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REGULATIONS ON FOREIGN EXCHANGE

The principal regulations governing foreign currency exchange in the PRC are the PRC Foreign Exchange Administration Regulations (中華人民共和國外匯管理條例), or the Foreign Exchange Administration Regulations, which were promulgated by the State Council on January 29, 1996, and last amended on August 5, 2008. Under the Foreign Exchange Administration Regulations, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan, or investment in securities outside of China, unless prior approval of the State Administration of Foreign Exchange (“SAFE”) or its local counterparts has been obtained.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign Invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知), or the SAFE Circular 19, and further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (國家外匯管理局關於改革和規範資本項目結匯管理政策的通知), or the SAFE Circular 16, effective on June 9, 2016, which, among other things, amended certain provisions of SAFE Circular 19. According to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign investment company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of SAFE Circular 19 or SAFE Circular 16 could result in administrative penalties.

On October 23, 2019, SAFE promulgated the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知) (the “SAFE Circular 28”), which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows them to use their capital funds to lawfully make equity investments in China, on the premise of no violation of the existing negative list and the authenticity and compliance with the laws. According to the Circular of the State Administration of Foreign Exchange on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知) (the “SAFE Circular 8”), issued by SAFE on April 10, 2020, on the premise of ensuring that the use of funds is genuine and compliant and in line with the existing regulations on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital account income such as capital funds, foreign debt, fund raising from overseas listings, without providing the authenticity proof materials to the bank in advance for each payment. The interpretation and implementation in practice of SAFE Circular 28 and SAFE Circular 8 are still subject to substantial uncertainties.

On May 10, 2013, the SAFE issued the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (外國投資者境內直接投資外匯管理規定) (the “SAFE Circular 21”), which became effective on May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 21 specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

According to the Notice on Issues Concerning the Administration of Funds Raised from Overseas Listing by Domestic Enterprises (關於境內企業境外上市資金管理有關問題的通知) jointly issued by the People’s Bank of China and the State Administration of Foreign Exchange on December 26, 2025, a domestic enterprise that conducts an overseas listing shall, within 30 working days from the first trading day of the overseas listing or from the completion of the [REDACTED], apply to a bank within the provincial or separate-planning city region where it is registered for overseas listing registration. The proceeds from the overseas listing shall, in principle, be repatriated

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to the domestic territory in a timely manner; if the proceeds are to be retained overseas for purposes such as overseas direct investment, overseas securities investment, or overseas loans, the enterprise shall obtain the approval or filing approval from the competent authority for the relevant business before the completion of the overseas listing issuance or the over-allotment, and shall comply with the relevant cross-border fund administration rules. The proceeds from the overseas listing and from share transfers may be repatriated in foreign currency or RMB. For the listed entity participating in the full circulation of H shares, dividends distributed to domestic shareholders shall be paid in RMB within the domestic territory. The use of such proceeds shall be consistent with those described in the public disclosure documents, including the document or corporate bond offering circular, circulars to shareholders, and resolutions of the board of directors or general meetings.

REGULATIONS ON DIVIDEND DISTRIBUTIONS

Pursuant to the Company Law, when a company distributes its after-tax profits for the current year, it shall set aside 10% of the profits to be included in the company’s statutory reserve. A company may elect not to do so if its aggregate statutory reserve reaches 50% or more of its registered capital. If a company’s statutory reserve is insufficient to cover previous years’ losses, the current year’s profits shall first be used to cover such losses before statutory reserve is set aside. After a company sets aside an amount for statutory reserve from its after-tax profits, it may, subject to a resolution of the shareholders’ meeting, set aside an amount for discretionary reserve from its after-tax profits. Furthermore, the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the “EIT Law”) provides that dividends paid by a PRC entity to a non-resident enterprise for income tax purposes is subject to PRC withholding tax at a rate of 10%, subject to reduction by an applicable tax treaty with China.

REGULATIONS ON TAXATION

Enterprise Income Tax

According to the EIT Law, promulgated by the SCNPC on March 16, 2007, which became effective on January 1, 2008 and was amended on February 24, 2017 and December 29, 2018, and the Implementation Rules of the EIT Law (中華人民共和國企業所得稅法實施條例), promulgated by the State Council on December 6, 2007, which became effective on January 1, 2008, and amended on April 23, 2019, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign country (region) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT rate of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State. High and new technology enterprises which are supported by the State may enjoy a preferential EIT rate of 15%.

Value-Added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the People’s Republic of China (中華人民共和國增值稅暫行條例) promulgated on December 13, 1993 and last amended on November 19, 2017 and the Rules for the Implementation of the Interim Regulations of the People’s Republic of China on Value-added Tax (中華人民共和國增值稅暫行條例實施細則), which was promulgated on December 25, 1993 and amended on October 28, 2011, and became effective on November 1, 2011, entities and individuals selling goods, providing labor services of processing, repairs or maintenance, or selling services, intangible assets or real property within China, or importing goods to China, shall be identified as taxpayers of value-added tax, and shall pay value-added tax. These Provisional Regulations and their Implementation Rules have now been replaced by the Value-added Tax Law of the People’s Republic of China (中華人民共和國增值稅法).

Pursuant to the Value-added Tax Law of the People’s Republic of China (中華人民共和國增值稅法) promulgated on December 25, 2024, which came into effect from January 1, 2026, entities and individuals engaged in the sale of goods, services, intangible assets, or real estate within China, or

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importing goods to China, shall be identified as taxpayers of value-added tax, and shall pay value-added tax. For taxpayers selling goods, processing, repair or fitting services, or tangible movable property leasing services; or importing goods, the tax rate shall be 13%, unless otherwise specified; for taxpayers selling transportation, postal, basic telecommunications, construction, or real estate leasing services, selling real estate, transferring land use rights, or selling or importing specified goods, the tax rate shall be 9%, unless otherwise specified; for taxpayers selling services or intangible assets, the tax rate shall be 6%, unless otherwise specified; for taxpayers exporting goods, the tax rate shall be zero, except as otherwise provided by the State Council; for entities and individuals within China engaging in cross-border sales of services or intangible assets within the scope defined by the State Council, the tax rate shall be zero.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

The Labor Law of the PRC (中華人民共和國勞動法), or the Labor Law, which became effective in January 1995 and was last amended on December 29, 2018, and the Employment Contract Law of the PRC (中華人民共和國勞動合同法), or the Employment Contract Law, effective in January 2008 and amended on December 28, 2012, require employers to provide written contracts to their employees, restrict the use of temporary workers and aim to give employees long-term job security. Employers must pay their employees’ wages equal to or above local minimum wage standards, establish labor safety and workplace sanitation systems, comply with state labor rules and standards, and provide employees with appropriate training on workplace safety.

The PRC governmental authorities have passed a variety of laws and regulations regarding social insurance and housing funds from time to time, including, among others, the Social Insurance Law of the PRC (中華人民共和國社會保險法), the Regulation of Insurance for Labor Injury (工傷保險條例), the Regulations of Insurance for Unemployment (失業保險條例), the Provisional Insurance Measures for Maternal Employees (企業職工生育保險試行辦法), the Interim Regulations Concerning the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例) and the Administrative Regulations on the Housing Provident Fund (住房公積金管理條例).

According to the Social Insurance Law of the PRC, enterprises and institutions in the PRC shall provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and other welfare plans. The employer shall apply to the local social insurance agency for social insurance registration within 30 days from the date of its formation. It shall also, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employee. Any employer who violates the regulations above shall be ordered to make correction within a prescribed timeframe, and if the employer fails to do so, the employer and its directly liable person will be fined.

According to the Administrative Regulations on the Housing Provident Fund, any newly established entity shall make deposit registration at the housing accumulation fund management center within 30 days as of its establishment. Within 30 days of the date an employee is recruited, the entity shall make deposit registration at the housing accumulation fund management center and seal up the employee’s housing accumulation fund account in the bank mentioned above within 30 days from termination of the employment. Any entity that fails to make deposit registration of the housing accumulation fund or fails to open a housing accumulation fund account for its employees shall be ordered to complete the relevant procedures within a prescribed timeframe. Any entity failing to complete the relevant procedure within the timeframe will be imposed a fine of between RMB10,000 to RMB50,000. Any entity fails to make payment of housing provident fund within the timeframe or has shortfall in payment will be ordered to make the payment or make up the shortfall within the prescribed timeframe, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the PRC courts.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a leading provider of full-lifecycle intelligent laboratory solutions in China. Our full-lifecycle solutions encompass laboratory planning, embodied intelligence module manufacturing, algorithm and automation integration, and intelligent operation, built upon an integrated design, manufacturing, deployment and self-iteration system powered by high-quality data. We are committed to advancing toward fully autonomous self-driving laboratories which continuously learn and evolve.

Our Company was established in October 2005. In February 2012, Mr. Chi together with Mr. Zhang Huaidong (張懷東), Ms. Jin Hui (金慧) (spouse of Mr. Gong Changhua (龔長華), our executive Director and vice president), Mr. Zhang Jingjun (張京軍) and Mr. Xing Xixue (邢希學) collectively held 89% of shares of our Company and redirected our business focus to laboratory technology in the name of Beijing Dynaflow Lab Solutions Co., Ltd. (北京戴納實驗科技有限公司). After such acquisition, Mr. Chi became the single largest shareholder of our Company. Under the leadership of Mr. Chi, our Company has developed into a specialized technology enterprise focused on full-lifecycle intelligent laboratory solutions. For the background and relevant industry experience of Mr. Chi and senior management, see “Directors and Senior Management”.

As of the Latest Practicable Date, Mr. Chi, Mr. Zhang Huaidong, Ms. Jin Hui, Mr. Zhang Jingjun and Mr. Xing Xixue, through acting-in-concert arrangement, jointly controlled approximately 72.63% of our total share capital, comprising: (1) 19.53% held by Mr. Chi and 9.50%, 2.35% and 2.84% held by Dynaflow No.1 LP, Dynaflow No.2 LP and Dynaflow No.3 LP, each of which is ultimately controlled by Mr. Chi; (2) 13.67% held by Mr. Zhang Huaidong; (3) 11.72% held by Ms. Jin Hui; (4) 9.11% held by Mr. Zhang Jingjun; and (5) 3.91% held by Mr. Xing Xixue. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), they will jointly in aggregate control approximately [REDACTED]% of our total share capital. Therefore, Mr. Chi, Mr. Zhang Huaidong, Ms. Jin Hui, Mr. Zhang Jingjun, Mr. Xing Xixue, Dynaflow No.1 LP, Dynaflow No.2 LP, Dynaflow No.3 LP and Beijing Juhe constituted the group of our Controlling Shareholders, see “Relationship with Our Controlling Shareholders”.

OUR BUSINESS MILESTONES

The following table sets forth our key business development milestones.

Year	Milestones
2005	Our Company was established as a limited liability company in Beijing.
2010	Our Company was renamed as Beijing Dynaflow Lab Solutions Co., Ltd. (北京戴納實驗科技有限公司) and pivoted strategically to laboratory equipment and experimental technology business.
2014–2016	Our first-generation Prefabricated Laboratory (裝配式實驗室) was launched. We subsequently established the “Intelligent Laboratory” (智慧實驗室) division to drive digitalization and intelligentization of our business.
2018	As founding members, we co-founded the International Institute for Sustainable Laboratories Chapter of CIQA (國際可持續發展實驗室分會).
2020	We commenced R&D on experimental process automation technology in response to evolving client needs for enhanced testing efficiency and safety.
2021	We completed our first round funding from our Pre-[REDACTED] investors. We began delivering fully integrated AI self-driving laboratories.
2024	The joint stock reform of our Company was completed.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

<u>Year</u>	<u>Milestones</u>
2025	The “Beijing Key Laboratory of Fully Automated Artificial Intelligence Experimental Systems” (人工智能全自動化實驗系統北京市重點實驗室) which our Company helped establish, was officially recognized by Beijing Municipal Science and Technology Commission and Zhongguancun Science Park Administrative Committee.
2026	We served as the organizer of Seminar on the Innovative Development of Intelligent Laboratories in the 2026 Zhongguancun Forum Annual Conference (2026中關村論壇年會), which is one of the most influential national-level technology forums in China.

OUR GROUP COMPANIES

Our Principal Subsidiary

As of the Latest Practicable Date, the following operating subsidiary had made material contributions to our financial results during the Track Record Period, which is wholly owned by our Company:

<u>Name of subsidiary</u>	<u>Place of incorporation</u>	<u>Date of incorporation</u>	<u>Principal business</u>
Dynaflow Smart Manufacturing and Industrial Equipment (Hebei) Co.,Ltd. (戴納智造河北工業設備有限公司) (“Hebei Dynaflow”)	PRC	February 8, 2020	Production, assembly, and debugging of the self-driving laboratory products, modular laboratory units, optical disinfection and rapid testing products

Our Jointly Controlled Entities

Set out below are our entities in which we own a majority shareholding but do not have unilateral control over their economic activities. These companies are considered as jointly controlled entities for accounting purposes in the Accountants’ Report set out in Appendix I to this document but are otherwise considered as subsidiaries under the Listing Rules and are included as such in this document, unless stated otherwise.

MGI Dynaflow

Hunan MGI Dynaflow Smart Manufacturing Technology Co., Ltd. (湖南華大戴納智造科技有限公司, “MGI Dynaflow”) was incorporated in the PRC with limited liability on August 19, 2021, with a registered capital of RMB10 million. The issued share capital of MGI Dynaflow is owned as to 51% by the company, and as to 49% by Hunan Yiyang MGI Intelligent Manufacturing Technology Co., Ltd. (湖南益陽華大智造科技有限公司) (“Yiyang MGI”), an independent third party without taking into consideration of its shareholding in MGI Dynaflow.

MGI Dynaflow is principally engaged in the manufacturing of specialized equipment. It was established pursuant to its articles of association (the “MGI Dynaflow Articles”), which contain the following salient terms:

- (i) *Duration of the agreement.* The term of the company is 30 years, commencing from August 19, 2021 and ending on August 18, 2051.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (ii) *Profit sharing ratio.* Profit will be shared between our subsidiary and the joint venture partner according to their respective portion of equity interests in MGI Dynaflow. By way of reference, as at the date of this document, MGI Dynaflow is owned as to 51% by the Company and 49% by the Yiyang MGI.
- (iii) *Corporate governance.* The board of directors of MGI Dynaflow comprises five directors. Our Company has the right to nominate three directors, and the joint venture partner has the right to nominate two directors. The chairman of the board is designated by our Company. However, MGI Dynaflow Articles stipulate that the matters falling within the primary functions of the Board of Directors, such as the formulation of proposals regarding increases or decreases in registered capital, mergers, divisions, dissolutions, and changes in the company’s form, require the approval of directors representing at least two-thirds of the voting rights. Our Company holds three-fifths of the voting rights and therefore cannot pass these resolutions on its own on major matters and most of matters.
- (iv) *Matters requiring shareholder approval.* According to the MGI Dynaflow Articles, certain major decisions, including amendments to the articles of association, increases or decreases in registered capital, mergers, divisions, dissolutions, and changes in the company’s form, require the approval of shareholders representing at least two-thirds of the voting rights. Our Company holds 51% of the voting rights and therefore cannot pass these resolutions on its own.
- (v) *Termination.* The company may be dissolved upon shareholders’ resolution or under other circumstances specified in the articles of association.

Dnyuntu

Dnyuntu (Beijing) Technology Co., Ltd. (戴納雲圖(北京)科技有限公司) (“Dnyuntu”) was incorporated in the PRC with limited liability on August 4, 2022, with a registered capital of RMB5 million. The issued share capital of Dnyuntu is owned as to 60% by Beijing Dynaflow Scientific and Innovations Co., Ltd. (北京戴納科創科技有限公司), a wholly owned subsidiary of our Group, and as to 40% by Yunsitu (Beijing) Technology Co., Ltd. (雲司圖(北京)科技有限公司), an independent third party without taking into consideration of its shareholding in Dnyuntu.

Dnyuntu is principally engaged in providing smart operation and maintenance solutions, utilizing technologies such as the IoT, digital twins, and intelligence technologies. It was established pursuant to its articles of association (the “Dnyuntu Articles”), which contain the following principal terms:

- (i) *Duration of the agreement.* The company’s term of operation is perpetual.
- (ii) *Profit sharing ratio.* Profit will be shared between our subsidiary and the joint venture partner according to their respective portion of equity interests in Dnyuntu. By way of reference, as at the date of this document, Dnyuntu is owned as to 60% by our subsidiary and 40% by the joint venture partner.
- (iii) *Corporate governance.* The company has a single executive director. The executive director is nominated by our subsidiary and elected by the shareholders’ meeting. The company has a manager (general manager) recommended by the joint venture partner, and a financial officer recommended by our subsidiary.
- (iv) *Matters requiring shareholder approval.* According to the Dnyuntu Articles, certain major decisions, including amendments to the articles of association, increases or decreases in registered capital, mergers, divisions, dissolutions, and changes in the company’s form, require the approval of shareholders representing at least two-thirds of the voting rights. Our subsidiary holds 60% of the voting rights and therefore cannot pass these resolutions on its own.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (v) *Termination.* The company may be dissolved upon a shareholders’ resolution or under other circumstances specified in the articles of association.

Treatment of Jointly Controlled Entities under the Listing Rules

As neither our Company nor our respective joint venture partners exert unilateral control over the major decisions of MGI Dynaflow and Dnyuntu (as defined under their respective articles of association), these companies are considered as Jointly Controlled Entities, rather than subsidiaries, of our Company for accounting purposes.

For the sole purpose of the [REDACTED] and compliance with the Listing Rules, our existing and future Jointly Controlled Entities are treated as “subsidiaries” under the Listing Rules, given that we could control more than half of their respective voting rights and of their respective board seats. Accordingly, they are subject to the relevant provisions of the Listing Rules, including but not limited to the requirements on notifiable transactions, connected transactions, financial disclosures, and other continuing obligations.

ESTABLISHMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY DURING THE TRACK RECORD PERIOD

Incorporation and Early History of Our Company

On October 14, 2005, our Company was established as a limited liability company under the laws of the PRC under the name Beijing Shanlinyuan Tourism Development Co., Ltd. (北京山林源旅遊開發有限公司) by certain Independent Third Parties with its primary business.

In May 2010, Mr. Zhang Huaidong, our executive Director and vice president, and Mr. Ran Wenpeng (冉文鵬) acquired 45% and 55% of equity interests in our Company from then shareholders of our Company, who are Independent Third Parties, respectively. Concurrently, the Company renamed as Beijing Dynaflow Lab Solutions Co., Ltd. (北京戴納實驗科技有限公司).

In February 2012, Mr. Chi, Ms. Jin Hui, Mr. Xing Xixue, Mr. Zhang Jingjun and Mr. Xing Xiaodong acquired from Mr. Ran Wenpeng and Mr. Zhang Huaidong 30%, 18%, 6%, 14% and 10% equity interests in our Company. After completion of such transfer, the shareholding of our Company was owned as to 30% by Mr. Chi, 21% by Mr. Zhang Huaidong, 18% by Ms. Jin Hui, 14% by Mr. Zhang Jingjun, 10% by Mr. Xing Xiaodong, 6% by Mr. Xing Xixue and 1% by Mr. Ran Wenpeng. Mr. Chi has been our single largest shareholder since then.

Dynaflow No.1 LP was established in October 2020. In December 2020, Mr. Chi, Mr. Zhang Huaidong, Mr. Zhang Jingjun, Ms. Jin Hui and Mr. Xing Xixue transferred 6%, 4.2%, 2.8%, 3.6% and 1.2% equity interests in our Company to Dynaflow No.1 LP. After the completion of the transfer, Dynaflow No.1 LP held 17.80% equity interests in our Company as the shareholding platform for our Controlling Shareholders. As of the Latest Practicable Date, Dynaflow No.1 LP held approximately 9.50% of our total issued share capital, and is controlled by Beijing Juhe as its general partner controlled by Mr. Chi. The limited partnership of Dynaflow No.1 LP was owned as to approximately 33.70% by Mr. Chi and 23.59%, 20.22%, 15.73%, 6.74% and 0.02% by Mr. Zhang Huaidong, Ms. Jin Hui, Mr. Zhang Jingjun, Mr. Xing Xixue and Beijing Juhe.

In July 2021, Dynaflow No.2 LP and Dynaflow No.3 LP subscribed for 3.0056% and 2.9944% equity interest in our Company. Dynaflow No.2 LP and Dynaflow No.3 LP were established in November 2020 as our employee shareholding platforms with Beijing Juhe as their respective sole general partner, which is controlled by Mr. Chi. As of the Latest Practicable Date, Dynaflow No.2 LP and Dynaflow No.3 LP collectively held 5.19% of total share capital of our Company. See “—Employee Shareholding Platforms” for more information.

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To formalize the acting in concert arrangement, Mr. Chi, Mr. Zhang Huaidong, Ms. Jin Hui, Mr. Zhang Jingjun and Mr. Xing Xixue entered into the Concert Party Agreement in March 2026, pursuant to which, the parties confirmed that they had acted in concert and followed the decision of Mr. Chi since they became shareholders of our Company, and they agreed to continue to act in concert until the end of 36 months after [REDACTED]. See “Relationship with Our Controlling Shareholders” for details.

As of the Latest Practicable Date, Mr. Chi, Mr. Zhang Huaidong, Ms. Jin Hui, Mr. Zhang Jingjun and Mr. Xing Xixue, through acting-inconcert arrangement, jointly controlled approximately 72.63% of our total share capital, comprising: (1) 19.53% held by Mr. Chi and 9.50%, 2.35% and 2.84% held by Dynaflo No.1 LP, Dynaflo No.2 LP and Dynaflo No.3 LP, each of which is ultimately controlled and by Mr. Chi; (2) 13.67% held by Mr. Zhang Huaidong; (3) 11.72% held by Ms. Jin Hui; (4) 9.11% held by Mr. Zhang Jingjun; and (5) 3.91% held by Mr. Xing Xixue. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), they will jointly in aggregate control approximately [REDACTED]% of our total share capital. Therefore, Mr. Chi, Mr. Zhang Huaidong, Ms. Jin Hui, Mr. Zhang Jingjun, Mr. Xing Xixue, Dynaflo No.1 LP, Dynaflo No.2 LP, Dynaflo No.3 LP and Beijing Juhe constituted the group of our Controlling Shareholders, see “Relationship with Our Controlling Shareholders.”

Pre-[REDACTED] Investments

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of pre-[REDACTED] investments since 2021. See “—Pre-[REDACTED] Investments.”

Joint Stock Reform of Our Company

On March 25, 2024, our then Shareholders passed resolutions approving, among other things, the conversion of our Company into a joint stock company with limited liability under the laws of the PRC by way of promotion, and our then Shareholders became the promoters of our Company. In accordance with an auditor report of our Company issued by an independent accountant, as of May 31, 2023, the audited net asset value of our Company was RMB120,623,261.93, of which, RMB54,858,155 was converted into 54,858,155 Shares with a nominal value of RMB1.00 each and the remaining RMB65,765,106.93 was converted into capital reserve. On March 25, 2024, our promoters held a meeting and approved the conversion of our Company into a joint stock company. Our Shares upon conversion were subscribed for by our then Shareholders in proportion to their respective equity interests in our Company immediately before the conversion. On March 29, 2024, the joint stock reform of our Company was completed.

Share Subdivision

Pursuant to the resolutions of our Shareholders dated April 24, 2026, each of our Share with nominal value of RMB1.00 will be subdivided into ten Shares with nominal value of RMB0.1 each immediately prior to the [REDACTED]. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB61,446,531, will be divided into 614,465,310 Shares of par value RMB0.1 each, which will be subscribed by all our then Shareholders in proportion to their respective equity interests in our Company immediately before the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

Principal Terms of the Pre-[REDACTED] Investments

The table below summarizes the principal terms of the pre-[REDACTED] investments⁽¹⁾.

Name of Pre-[REDACTED] Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/acquired (RMB)	Consideration ⁽²⁾ (RMB)	Cost per Share paid ⁽³⁾ (RMB)	Discount to the [REDACTED] ⁽⁴⁾ (%)
2021 Equity Transfer (Post-money valuation: RMB600 million)						
Jiaxing Zeyu Equity Investment Partnership Enterprise (Limited Partnership) (嘉興擇遇股權投資合夥企業(有限合夥)) (“Jiaxing Zeyu”) ⁽⁵⁾	April 6, 2021	April 14, 2021	963,333.00	11.56 million	1.20	[REDACTED]
Tianjin Zhongqi Dairui Investment Partnership Enterprise (Limited Partnership) (天津中啓戴睿投資合夥企業(有限合夥)) (“Tianjin Zhongqi”) ⁽⁶⁾	March 22, 2021	March 29, 2021	1,666,666.00	20.00 million	1.20	[REDACTED]
Guiyang Zeyu Kejin Emerging Industry Innovation Fund (Limited Partnership) (貴陽擇遇科金新興產業創新基金(有限合夥)) (“Guiyang Zeyu”) ⁽⁷⁾	April 13, 2021	April 20, 2021	833,333.00	10.00 million	1.20	[REDACTED]
2021 Equity Subscription (Post-money valuation: RMB658 million)						
Xiamen Jiaqiao Gangli Equity Investment Fund Partnership (Limited Partnership) (廈門架橋港理股權投資基金合夥企業(有限合夥)) (formerly known as Shenzhen Jiaqiao Gangli Equity Investment Fund Partnership (Limited Partnership) (“Xiamen Jiaqiao”))	August 20, 2021	September 2, 2021	1,666,666.00	20.00 million	1.20	[REDACTED]
2022 Equity Transfer (Post-money valuation: RMB789 million)						
Ningbo Yihong Equity Investment Center (Limited Partnership) (寧波誼宏股權投資中心(有限合夥)) (“Ningbo Yihong”) ⁽⁸⁾	November 25, 2022	December 29, 2022	775,000.00	11.16 million	1.44	[REDACTED]
2023 & 2024 Equity Transfer (Post-money valuation: RMB899 million)						
Qingdao Qinxun Equity Investment Partnership (Limited Partnership) (青島勤訊股權投資合夥企業(有限合夥)) (“Qingdao Qinxun”) ⁽⁹⁾	December 28, 2023	November 21, 2024	1,219,070.00	20.00 million	1.64	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-[REDACTED] Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/ acquired (RMB)	Consideration ⁽²⁾ (RMB)	Cost per Share paid ⁽³⁾ (RMB)	Discount to the [REDACTED] ⁽⁴⁾ (%)
2025 Equity Subscription (Post-money valuation: RMB1,159 million)						
CICC Zhirun (Xuzhou) Private Equity Investment Partnership (Limited Partnership) (中金智潤(徐州)私募股權投資合夥企業(有限合夥)) (“CICC Zhirun”)	June 16, 2025	June 27, 2025	3,555,621.00	70.00 million	1.97	[REDACTED]
Dongtai Ruihonghe Investment Partnership (Limited Partnership) (東台市睿鴻合投資合夥企業(有限合夥)) (“Dongtai Ruihonghe”)	June 16, 2025	July 3, 2025	457,151.00	9.00 million	1.97	[REDACTED]
2026 Equity Subscription (Post-money valuation: RMB1,670 million)						
Beijing New Material Industry Investment Fund (Limited Partnership) (北京市新材料產業投資基金(有限合夥)) (“Beijing New Material”)	March 31, 2026	April 16, 2026	1,839,717.00	50.0 million	2.72	[REDACTED]
Beijing Fengze Zhiyuan Industrial Cultivation Equity Investment Fund Partnership (Limited Partnership) (北京豐澤志遠產業培育股權投資基金合夥企業(有限合夥)) (“Fengze Zhiyuan”)	March 31, 2026	April 16, 2026	735,887.00	20.0 million	2.72	[REDACTED]

- (1) The post-money valuation is calculated by dividing the total consideration of equity subscriptions under the relevant round of the Pre-[REDACTED] investment by the percentage of the new subscribed equity interest in the total registered capital of our Company at the relevant time.
- (2) The consideration for the Pre-[REDACTED] investments was determined based on arm’s length negotiations between the Company and the Pre-[REDACTED] Investors, taking into account the timing of the investments and the status of our business and financial performance. Under certain transfers of equity interest between our investors, to the best knowledge of our Company, the relevant investors considered various factors, such as timing of the transaction, past or present relationships between the parties and their respective bargaining power in the negotiations when determining the consideration, in addition to the then valuation of our Company.
- (3) The cost per Share is calculated based on dividing the consideration by the number of Shares subscribed or acquired as adjusted by the enlarged registered share capital of our Company as a result of the joint stock reform and the Share Subdivision to be undertaken immediately prior to the [REDACTED].
- (4) The [REDACTED] is calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per H Share, being the mid-point of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per H Share, and that the [REDACTED] is not exercised.
- (5) The equity interest was transferred from Dynaflo No.1 LP.
- (6) The equity interest was transferred from Dynaflo No.1 LP.
- (7) The equity interest was transferred from Dynaflo No.1 LP.
- (8) The equity interest was transferred from Mr. Ran Wenpeng and Mr. Xing Xiaodong.
- (9) The equity interest was transferred from Jiaying Zeyu and Tianjin Zhongqi, upon the completion of such equity transfers, Jiaying Zeyu ceased to be our Shareholders.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Use of [REDACTED] from the Pre-[REDACTED] Investments

The [REDACTED] received by our Company from the pre-[REDACTED] investments which involved subscriptions for increased the registered capital of our Company amounted to approximately RMB169 million. As of the Latest Practicable Date, 58.60% of the [REDACTED] from the pre-[REDACTED] investments had been utilized for our general operation and working capital purposes.

Special Rights of Our Pre-[REDACTED] Investors

In connection with the pre-[REDACTED] investments, our Pre-[REDACTED] Investors were granted certain special rights, including, among others, (1) liquidation preference, anti-dilution right and redemption right, which were to be fulfilled by our Controlling Shareholders, as well as (2) pre-emptive right, right of first refusal, right of co-sale, information and inspection rights, dividend right, drag-along right, most favorable treatment, right to appoint Board observers and supervisors, veto right on major matters. As of the Latest Practicable Date, our Shareholders have entered into a supplemental agreement, pursuant to which, among others, (1) the redemption right was terminated prior to the submission of our Company’s [REDACTED], and (2) all the other special rights will be terminated on the date prior to the [REDACTED]. The Company has no obligation to repurchase the shares held by the Pre-[REDACTED] Investors during the Track Record Period.

Joint Sponsors’ Confirmation

Based on the fact that [REDACTED], the Joint Sponsors have confirmed that the pre-[REDACTED] investments are in compliance with the Chapter 4.2 of the Guide.

Information relating to Our Pre-[REDACTED] Investors

The background information of our existing Pre-[REDACTED] Investors are set forth as follows:

Xiamen Jiaqiao

Xiamen Jiaqiao was established in the PRC with a limited partnership on December 2, 2019. The general partner of Xiamen Jiaqiao is Zhuhai Hengqin Jiaqiao Enterprise Management Consulting Co., Ltd. (珠海橫琴架橋企業管理諮詢有限公司), which holds 0.0112% partnership interests in Xiamen Jiaqiao and is ultimately controlled by Mr. Xu Bo (徐波), an Independent Third Party. None of the limited partners of Xiamen Jiaqiao holds more than 30% partnership interests in Xiamen Jiaqiao, and all limited partners are Independent Third Parties.

Tianjin Zhongqi and Guiyang Zeyu (together as “Zeyu Capital”)

Tianjin Zhongqi was established in the PRC with a limited partnership on January 8, 2021. The general partner of Tianjin Zhongqi is Gui’an New Area Zeyu Capital Co., Ltd. (貴安新區擇遇投資管理有限公司) (“Gui’an Zeyu”), an Independent Third Party, which holds 0.4762% partnership interests in Tianjin Zhongqi. Tianjin Zhongqi Renhe Enterprise Management Service Center (Limited Partnership) (天津中啓仁合企業管理服務中心(有限合夥)), an Independent Third Party, holding 45.4762% partnership interests in Tianjin Zhongqi as the largest limited partner. None of the other five limited partners of Tianjin Zhongqi holds more than 30% partnership interests in Tianjin Zhongqi, and all limited partners are Independent Third Parties.

Guiyang Zeyu was established in the PRC with a limited partnership on December 12, 2017. The general partner of Guiyang Zeyu is Gui’an Zeyu, which holds 0.9901% partnership interests in Guiyang Zeyu. Tus-S&T Service Co., Ltd. (啓迪科技服務有限公司) is an Independent Third Party, holding 49.505% partnership interests of Guiyang Zeyu. None of the other three limited partners of Guiyang Zeyu holds more than 30% partnership interests in Guiyang Zeyu, and all limited partners are Independent Third Parties.

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Qingdao Qinxun

Qingdao Qinxun was established in the PRC with a limited partnership on February 23, 2021. The general partner of Qingdao Qinxun is Beijing Qinke Venture Capital Management Co., Ltd. (北京勤科創業投資管理有限公司), holding 33.3333% partnership interests in Qingdao Qinxun and is controlled by Ms. Zhang Ruiyi (張芮禕), an Independent Third Party. Mr. Liu Yanjun (劉彥君) is the only limited partner of Qingdao Qinxun, holding the other 66.6667% partnership interests in it and is Independent Third Party.

CICC Zhirun

CICC Zhirun was established in the PRC with a limited partnership on July 24, 2024. The general partner of CICC Zhirun is CICC Private Equity Investment Management Co., Ltd. (中金私募股權投資管理有限公司), which holds 0.9901% partnership interests in CICC Zhirun and is controlled by China International Capital Corporation Limited (中國國際金融股份有限公司) (a company listed on the Hong Kong Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995)). None of the seven limited partners of CICC Zhirun holds more than 30% partnership interests in CICC Zhirun, and all limited partners are Independent Third Parties.

Ningbo Yihong

Ningbo Yihong was established in the PRC with a limited partnership on March 6, 2017. The general partner of Ningbo Yihong is Mr. Ma Bin (馬斌), an Independent Third Party, who holds 10% partnership interests in Ningbo Yihong. The only limited partner of Ningbo Yihong is Mr. Shi Lei (石磊), an Independent Third Party, who holds 90% partnership interests in Ningbo Yihong.

Dongtai Ruihonghe

Dongtai Ruihonghe was established in the PRC with a limited partnership on April 7, 2025. Its general partner is Ms. Zhang Tingting (張婷婷), an Independent Third Party. Except for Ms. Lu Wen (盧雯), who holds 33.2963% limited partnership and an Independent Third Party, none of the other four limited partners holds more than 30% of the partnership interests and are all Independent Third Parties.

Beijing New Material

Beijing New Material was established in the PRC with a limited partnership on June 20, 2024. The general partners of Beijing New Material Fund are Beijing Zhongguancun Capital Fund Management Co., Ltd. (北京中關村資本基金管理有限公司) (“ZGC Capital”) and Beijing Jingguoguan Real Estate Management Co., Ltd. (北京京國管置業管理有限公司) (“Jingguoguan Zhiye”). ZGC Capital is controlled by ZGC Group and Jingguoguan Zhiye is controlled by Beijing State-owned Capital Operation Management Co., Ltd. (北京國有資本運營管理有限公司) and ultimately supervised by the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People’s Government (北京市人民政府國有資產監督管理委員會) (“Beijing SASAC”), an Independent Third Party. The sole limited partner of Beijing New Material is Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金 (有限合夥)), an Independent Party, which is ultimately controlled by Beijing SASAC.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Fengze Zhiyuan

Fengze Zhiyuan was established in the PRC with a limited partnership on January 15, 2026. The general partner of Fengze Zhiyuan is Beijing Jingfeng Chuangtou Industry Innovation Development Fund Management Co., Ltd. (北京京豐創投產業創新發展基金管理有限公司), holding 1.00% partnership interests of Fengze Zhiyuan, and is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the Beijing Fengtai District People’s Government (北京市豐台區人民政府國有資產監督管理委員會), an Independent Third Party. At the Latest Practicable date, Beijing Fengquan Industrial Guidance Equity Investment Fund Partnership (Limited Partnership) (北京豐泉產業引導股權投資基金合夥企業(有限合夥)) holds 99.00% partnership interests in Fengze Zhiyuan and is an Independent Third Party.

PRC LEGAL ADVISOR’S CONFIRMATION

As advised by our PRC Legal Advisor, the equity transfers and increases in the registered capital in respect of our Company and our Company’s principal subsidiary, as described above have been completed and settled, and all the necessary regulatory approvals, registrations or filings have been granted in accordance with PRC laws and regulations in all material respects.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, within the [REDACTED] following the [REDACTED], all existing Shareholders (including our Pre-[REDACTED] Investors) are prohibited from disposing of any of the Shares held by them.

[REDACTED]

Pursuant to Rule [REDACTED] of the Listing Rules, assuming that the [REDACTED] is not exercised, (i) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the [REDACTED]), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED] million; (ii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being [REDACTED] of the [REDACTED]), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED] million; and (iii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the [REDACTED]), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED] million. As such, the minimum prescribed public float percentage applicable to our Shares is the [REDACTED].

[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED]

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our key employees and to incentivize them to further promote our development, in November 2020, Dynaflow No.2 LP and Dynaflow No.3 LP were established, as our Employee Shareholding Platforms. Dynaflow No.2 LP and Dynaflow No.3 LP have been controlled by Mr. Chi through Beijing Juhe as the general partner since its incorporation.

According to the shareholder resolution related to the employee incentive and the respective grant agreements, all management and voting powers of the Employee Shareholding Platforms are exercised by their general partners, whereas the relevant employees as the limited partners of such share ownership platforms are entitled to the economic interests.

Dynaflow No.2 LP

Dynaflow No.2 LP was established as a limited partnership under the laws of the PRC in November 2020. As of the Latest Practicable Date, Dynaflow No.2 LP held approximately 2.35% of our total issued Shares, and its partnership structure was as follows.

Name	Position	Capacity of partnership interests ultimately interested in the limited partnership	Approximate percentage of partnership interests in the limited partnership (%)
Beijing Juhe ⁽¹⁾	Controlling shareholder	General partner	0.20
Mr. Xing Xixue	Executive Director and one of our Controlling Shareholders	Limited partner	73.67
Mr. Li Kun	Executive Director and Chief Financial Officer	Limited partner	19.22
Ms. Dong Yuchong	Vice President and Board Secretary	Limited partner	6.91

(1) As of the Latest Practicable Date, Beijing Juhe was owned as to 99% and 1% by Mr. Chi and his spouse, Ms. Zhang Jinjin (張津津), respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Dynaflow No.3 LP

Dynaflow No.3 LP was established as a limited partnership under the laws of the PRC in November 2020. As of the Latest Practicable Date, Dynaflow No.3 LP held approximately 2.84% our total issued Shares, and its partnership structure was as follows:

Name	Position	Capacity of partnership interests ultimately interested in the limited partnership	Approximate percentage of partnership interests in the limited partnership (%)
Beijing Juhe ⁽¹⁾	Controlling Shareholder	General partner	0.17
Dynaflow No.4 LP ⁽²⁾	Shareholding Platform	Limited partner	24.54
Mr. Xi Xiaopeng (奚曉鵬)	General Manager of Jilin Dynaflow Qiyuan Biotechnology Co., Ltd. (吉林戴納啓源生物科技有限公司) and supervisor of Jilin Dynaflow Intelligent Manufacturing Technology Co., Ltd. (吉林戴納智造科技有限公司)	Limited partner	2.74
Ms. Zhao Jianying (趙建英)	Supervisor of Dnyuntu	Limited partner	2.53
Ms. Li Huiqing (李會清)	Financial Officer of Deep Intelligent Chemical Experimental Technology (Beijing) Co., Ltd. (深度智化實驗科技(北京)有限公司), Dnyuntu and Jilin Dynaflow Qiyuan Biotechnology Co., Ltd. (吉林戴納啓源生物科技有限公司)	Limited partner	1.69
Mr. Lin Yongchao (林永超)	Manager of Dnyuntu	Limited partner	1.15
Ms. Chen Huixuan (陳會選)	Financial Officer of Hebei Dynaflow	Limited partner	0.70
32 other individual shareholders	Employees who are not connected persons or senior management of our Company	Limited partners	66.48

(1) As of the Latest Practicable Date, Beijing Juhe was owned as to 99% and 1% by Mr. Chi and his spouse, Ms. Zhang Jinjin, respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (2) As of the Latest Practicable Date, Dynaflow No.4 LP is ultimately controlled by Mr. Chi through Beijing Juhe, holding 3.09% interests. Its limited partners include (i) Mr. Xi Xiaopeng, holding 12.75% interests; and (ii) 25 other individuals who are employees and are not connected persons or senior management of our Company, holding 84.16% interests.

CAPITALIZATION OF OUR COMPANY

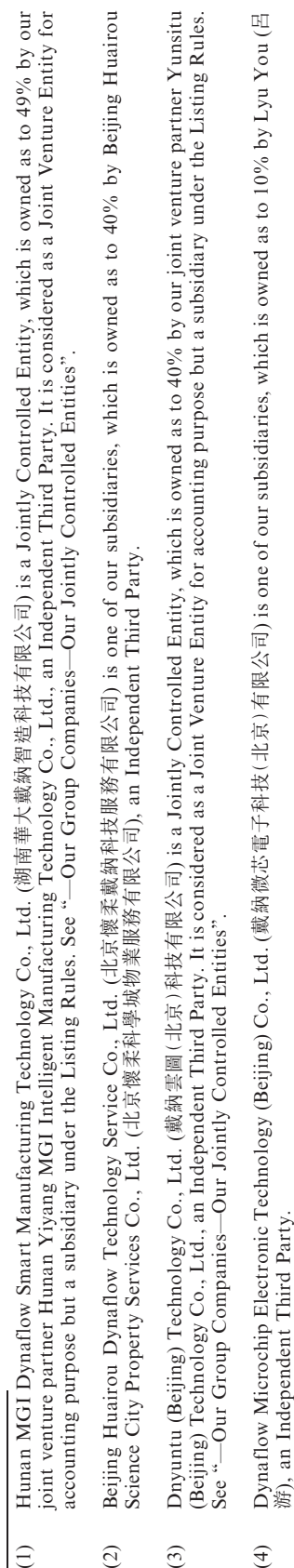
The following table sets forth our shareholding structure as of the Latest Practicable Date and immediately after the [REDACTED] and the [REDACTED] of [REDACTED] Shares into [REDACTED] (assuming the [REDACTED] is not exercised).

Name of Shareholder	As of the Latest Practicable Date			Immediately after the [REDACTED] and the [REDACTED] of [REDACTED] Shares into [REDACTED] (assuming the [REDACTED] is not exercised)		
	Number of [REDACTED] Shares	Number of [REDACTED] Shares after the completion of the Share Subdivision	Approximate shareholding percentage (%)	Number of [REDACTED] Shares	Number of [REDACTED] Shares	Approximate shareholding percentage (%)
<i>The Group of controlling shareholders</i>						
Mr. Chi	12,000,000	120,000,000	19.53	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang Huaidong	8,400,000	84,000,000	13.67	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Jin Hui	7,200,000	72,000,000	11.72	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang Jingjun	5,600,000	56,000,000	9.11	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Xing Xixue	2,400,000	24,000,000	3.91	[REDACTED]	[REDACTED]	[REDACTED]
Dynaflow No.1 LP	5,836,668	58,366,680	9.50	[REDACTED]	[REDACTED]	[REDACTED]
Dynaflow No.2 LP	1,443,815	14,438,150	2.35	—	[REDACTED]	[REDACTED]
Dynaflow No.3 LP	1,747,674	17,476,740	2.84	—	[REDACTED]	[REDACTED]
<i>Pre-[REDACTED] investors and other Shareholders</i>						
Mr. Xing Xiaodong ⁽¹⁾	4,325,000	43,250,000	7.04	—	[REDACTED]	[REDACTED]
Xiamen Jiaqiao	1,666,666	16,666,660	2.71	—	[REDACTED]	[REDACTED]
<i>Zeyu Capital</i>						
— Tianjin Zhongqi	1,410,929	14,109,290	2.30	—	[REDACTED]	[REDACTED]
— Guiyang Zeyu	833,333	8,333,330	1.36	—	[REDACTED]	[REDACTED]
Qingdao Qinxun	1,219,070	12,190,700	1.98	—	[REDACTED]	[REDACTED]
CICC Zhirun	3,555,621	35,556,210	5.79	—	[REDACTED]	[REDACTED]
Ningbo Yihong	775,000	7,750,000	1.26	—	[REDACTED]	[REDACTED]
Dongtai Ruihonghe	457,151	4,571,510	0.74	—	[REDACTED]	[REDACTED]
Beijing New Material	1,839,717	18,397,170	2.99	—	[REDACTED]	[REDACTED]
Fengze Zhiyuan	735,887	7,358,870	1.20	—	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shareholders						
Total	61,446,531	614,465,310	100.00	[REDACTED]	[REDACTED]	[REDACTED]

- (1) Mr. Xing Xiaodong is one of our early shareholders and an Independent Third Party.

Corporate Structure Immediately Before the [REDACTED]

Our Controlling Shareholders⁽²⁾



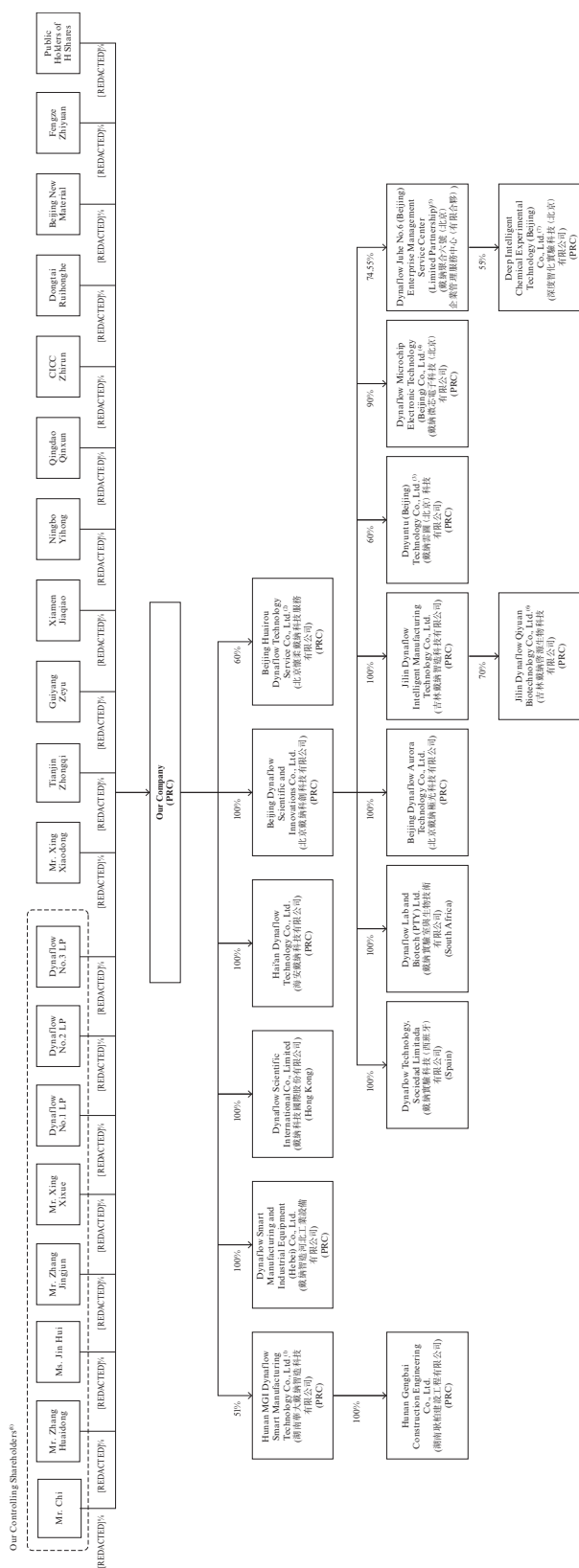
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (5) Dynaflo Juhe No.6 (Beijing) Enterprise Management Service Center (Limited Partnership) (戴納聯合六號(北京)企業管理服務中心(有限合伙)) is one of our subsidiaries, which is owned as to 19.0909% by Zhang Guobin (張國彬), 1.2727% by Xu Haoxiang (許昊翔), 1.2727% by Cao Dong (曹東), 1.2727% by Zhao Liqiang (趙利強), 1.2727% by Wei Bin (魏彬), 1.2727% by Li Lanyu (李藍宇), respectively, each being an Independent Third Party.
- (6) Jilin Dynaflo Qiyuan Biotechnology Co., Ltd. (吉林戴納啓源生物科技有限公司) is one of our subsidiaries, which is owned as to 30% by Beijing Lingke Biotechnology Co., Ltd. (北京領柯生物科技有限公司), an Independent Third Party.
- (7) Deep Intelligent Chemical Experimental Technology (Beijing) Co., Ltd. (深度智化實驗科技(北京)有限公司) is one of our subsidiaries, which is owned as to 19% by Cheng Daojian (程道建), 10.5% by Beijing Beihua University Investment Co., Ltd. (北京北化大投資有限公司), 10% by Huayu Xingcai No. 1 (Shanghai) Technology Partnership (Limited Partnership) (化育興材甲號(上海)科技合夥企業(有限合伙)), 1.5% by Zhang Guobin, 0.8% by Xu Haoxiang, 0.8% by Zhao Liqiang, 0.8% by Cao Dong, 0.8% by Wei Bin, 0.8% by Li Lanyu, respectively, each being an Independent Third Party.
- (8) See “— Relationship with Our Controlling Shareholders” for details of our Controlling Shareholders.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate Structure Immediately After Completion of the [REDACTED]

The following chart sets forth our corporate and shareholding structure immediately upon the completion of the [REDACTED], assuming no exercise of the [REDACTED].



(1)–(8) See notes to the corporate structure chart above.

BUSINESS

OVERVIEW

Who We Are

We are a leading provider of full-lifecycle intelligent laboratory solutions in China. We ranked second in China’s intelligent laboratory solutions market and first among providers headquartered in China, each as measured by revenue in 2025, according to the F&S Report. We ranked first in China’s self-driving laboratory solutions segment, the most advanced form of intelligent laboratories, with a market share of approximately 34.2% in the same year, according to the same source. Leveraging our proprietary multimodal embodied intelligence technologies, industry-specific AI model platforms and integrated capabilities, we provide one-stop services for AI-enabled R&D, quality control and quality optimization across sectors including chemicals, new materials, new energy, and life sciences. Our full-lifecycle solutions encompass laboratory planning, embodied intelligence module manufacturing, algorithm and automation integration, and intelligent operation, all underpinned by an integrated design, manufacturing, deployment and self-iteration system powered by high-quality data. Our solutions serve as critical infrastructure for the “AI for Science”, paradigm liberating researchers from repetitive manual labor to focus on higher-value discovery, and innovation, advancing toward fully autonomous self-driving laboratories which continuously learn and evolve.

Driven by the global imperative to accelerate scientific discovery, the inherent constraints of manual experimentation are reaching a critical threshold. The insatiable demand of AI models for high-quality data collides with the finite output and irreproducibility of human-led research, creating a looming data scarcity. In response to these converging pressures, and the broader mission to liberate scientific creativity and productivity from the confines of repetitive manual labor, China’s intelligent laboratory solutions market is expanding rapidly. Since our establishment, we have focused on key areas including laboratory embodied intelligence, intelligent system integration, and experimental workflow automation. By integrating industry-specific AI models, robotics technology, and industry domain knowledge, we seek to transform scientific research and industrial quality control from their traditional reliance on manual labor and initiate a flywheel effect wherein accelerated AI advancements drive greater adoption of self-driving laboratories, which in turn generate substantial volumes of high-quality data to further refine AI models and amplify demand for autonomous experimentation.

Our solutions span the full project lifecycle, from initial planning to ongoing self-iteration. Specifically, we offer the following core services and products.

- ***Master Planning and Lean Design.*** We engage the earliest conceptual stages of our customers’ R&D and quality control systems. We provide full-process design services from concept consulting and feasibility studies to detailed engineering, creating laboratory environments purpose-built to accommodate AI capabilities and unmanned operation, thereby embedding efficiency, safety, and intelligence into the laboratory’s core design.
- ***Modular Intelligent Manufacturing and Installation.*** Utilizing a modular, standardized, and replicable building-block approach, we manufacture laboratory modules in a factory setting for rapid on-site assembly. This significantly shortens manufacturing and installation timelines and, more importantly, provides the physical foundation for upgrading laboratories from passive automated systems into perceptive, decision-making, and self-optimizing intelligent environments, ensuring the stable and reliable execution of complex experiments while adapting seamlessly to the environmental precision required by advanced AI systems.

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- ***Embodied Intelligence Module Manufacturing.*** We design and manufacture our proprietary embodied intelligence modules in-house, spanning a suite of 36 standardized modules and 14 specialized modules that automate a wide range of laboratory tasks from sample handling to instrument operation. By retaining full control over the design and production of these modules, we ensure consistent quality and precision, enable rapid iteration to respond to evolving customer requirements, and maintain both cost efficiency and supply chain reliability for the deployment of our self-driving laboratory solutions. This in-house manufacturing capability directly underpins the closed-loop automation that links our *Dyna Brain* decision-making with physical laboratory execution.
- ***Industry-specific AI Model Built on Deep Industry Process Knowledge.*** Our core competence extends beyond hardware integration to our continuously evolving library of industry-specific AI models. These models encode core process knowledge synthesized from scientific literature, domain-specific data repositories, and accumulated scientist expertise, capturing the specific logic and characteristics of industry R&D pathways across sectors including chemicals and new materials. They understand industry logics, quality control standards, and optimization goals, enabling them to reason through complex experimental scenarios and achieve intelligent judgment, process optimization, and predictive analysis. Furthermore, these models autonomously generate experimental formulations, select optimal reaction pathways, continuously refine procedural parameters, and predict formulation performance outcomes. In doing so, they effectively act as an AI co-researcher and quality control expert for our customers.
- ***High-quality Data Assets.*** Our self-driving laboratories are designed to serve as a premier production platform for high-quality industrial and research data, generating valuable industrial and research data assets. The full-process data automatically generated by our self-driving labs is produced without human intervention, with AI autonomously planning experimental workflows and ensuring every output is standardized, reliable, and traceable, forming a foundational resource for training and iterating industry-specific AI models and driving scientific discovery.
- ***Integrated Self-driving Laboratory Delivery.*** Through our integrated delivery capability, we provide complete unmanned laboratory solutions. Using our embodied intelligence modules, industry-specific AI models, intelligent laboratory systems, and high-quality data infrastructure, we automate the entire experimental workflow from sample handling and preparation to instrument operation, data collection and analysis, and report generation, enabling uninterrupted operation.
- ***Self-iteration.*** Post-delivery, we leverage the accumulated high-quality data and our proprietary industry-specific AI models to provide formulation prediction, process attribution analysis and real-time parameter tuning. This transforms the laboratory from a cost center into a value center that drives discovery and innovation in new materials, new products, and new formulations, ultimately advancing the “AI for Science” paradigm.

Our Core Values

We deliver three core values to our customers through our solutions, in particular our self-driving laboratory solutions.

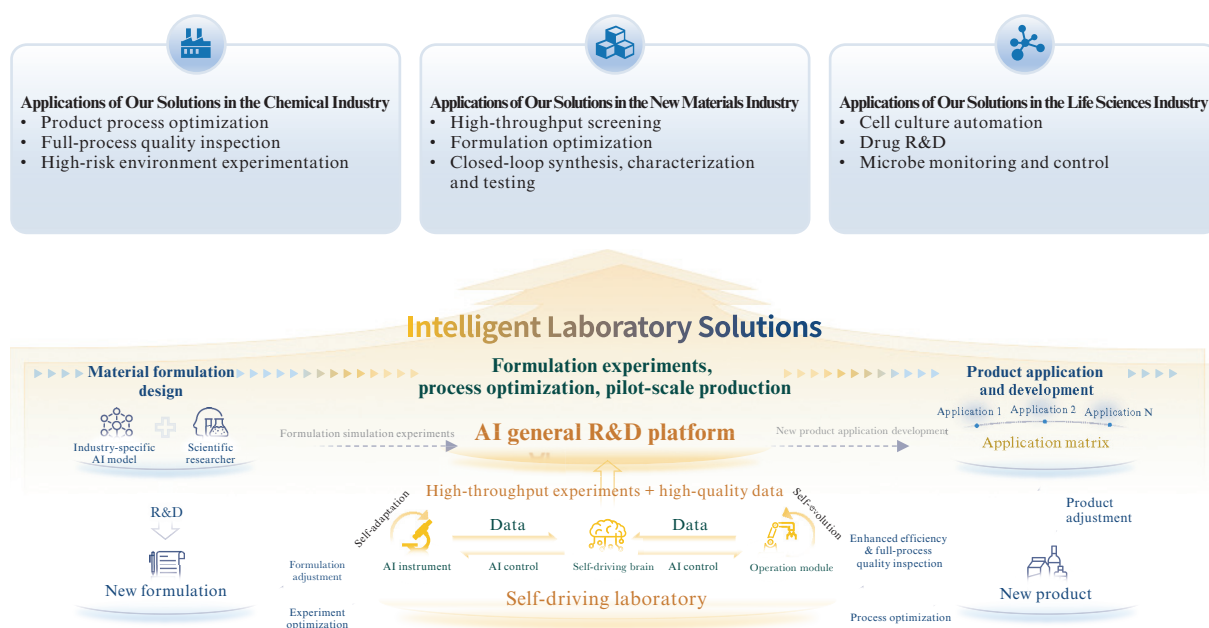
- ***Cost and Efficiency Optimization.*** By replacing manual trial and error with automated, standardized workflows, we reduce costs for labor, consumables, and time while compressing R&D cycles from weeks or months to days or hours. Leveraging high-quality operational data and industry-specific AI models, we further optimize R&D paths and production processes to drive continuous efficiency gains. Beyond direct cost reduction, our solutions liberate scientists and technicians from repetitive manual

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tasks, unlocking substantial gains in productivity and creativity. By shifting focus from labor-intensive manual work to creative problem-solving, our customers gain greater intellectual bandwidth for driving meaningful breakthroughs and accelerate innovation.

- **High-quality and Predictable Outcomes.** Our self-driving laboratories function as the physical embodiment and operational infrastructure for scientific AI, translating algorithmic intelligence into precise, real-world experimental action. This AI-driven approach transforms R&D from a labor-intensive, trial-and-error process into an intelligent, data-driven paradigm with enhanced certainty and repeatability. The full-process data generated by our self-driving labs is standardized, structured, and traceable, providing reliable inputs for training AI vertical models and ensuring consistent, reproducible experimental results.
- **Democratizing Scientific Discovery.** Our self-driving laboratory solutions leverage AI to codify complex domain expertise and automate intricate experimental workflows, effectively lowering the barriers to advanced research. By transforming trial-and-error processes reliant on scarce senior talent into standardized, data-driven operations, we empower a broader range of enterprises and institutions to conduct high-level R&D and quality control independent of specialized human experience, thereby promoting greater inclusivity and equity in scientific and industrial innovation.

The following graphic illustrates our business model.



Our Market Opportunity and Our Differentiated Position

Global Strategic Priority

Major economies have recognized that integrating AI with scientific research is critical for developing next-generation technologies in biotechnology, new materials, and new energy. This is reflected in national initiatives including Winning the Race: America’s AI Action Plan released in July 2025 and the subsequent Genesis Mission established by Executive Order in November 2025 in the United States; the Apply AI Strategy and AI in Science Strategy launched by the European Commission in October 2025; the AI for Science Strategy published by the United Kingdom in November 2025, which explicitly supports autonomous laboratory infrastructure and AI-driven discovery; and the AI for Science Initiative advanced by Japan as part of its broader scientific revitalization and Seventh Science, Technology and Innovation Basic Plan framework. These

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coordinated national strategies share a common conviction that self-driving laboratories represent a foundational pillar of the AI for Science paradigm, positioning autonomous experimentation infrastructure as a critical enabler for accelerating discovery, strengthening national research competitiveness, and translating data-driven insights into tangible scientific and industrial breakthroughs.

Paradigm Shift in Scientific Research

Scientific research paradigms are undergoing a fundamental shift. Traditional R&D, characterized as labor-intensive and trial-and-error driven, is being complemented by a data-intensive and hypothesis-driven model empowered by AI. This enables a fundamental transition in operational execution, from human-led operations to AI-driven robotics, elevating scientific research from the first paradigm of experimental science to the fourth paradigm of data-driven discovery. In this context, self-driving laboratories capable of generating, managing, and utilizing high-quality experimental data are evolving into core production facilities, enabling the transition from experimental science to data science.

Our Market Opportunity

We operate in a rapidly expanding industry undergoing a fundamental paradigm shift. China’s intelligent laboratory solutions market increased from RMB2.5 billion in 2021 to RMB10.7 billion in 2025, at a CAGR of 43.8%, according to the F&S Report. This market is expected to reach RMB61.8 billion by 2030, at a projected CAGR of 42.1% from 2025 to 2030, driven by the urgent need to bridge the disconnect between highly automated production lines and manual, labor-dependent laboratory R&D and quality control, as well as the emergence of “AI for Science” as a national strategic priority. Within this market, the self-driving laboratory segment, representing the most advanced paradigm of intelligent laboratories, is projected to grow from RMB0.5 billion in 2025 to RMB10.6 billion in 2030, at a significantly higher CAGR of 81.3%, with its share of the overall intelligent laboratory solutions market expected to rise from 5.1% to 17.1% over the same period, according to the same source.

Meanwhile, the development of intelligent laboratory solutions, particularly self-driving laboratories solutions, requires deep vertical industry process knowledge accumulated through long-term project immersion, multi-technology integration capabilities spanning embodied intelligence modules, and industry-specific AI models, interdisciplinary teams, and a proven track record of large-scale project delivery in demanding industrial environments. These factors create substantial barriers to entry for new market participants. The current market consists primarily of point automation solutions or standalone equipment, with a relative lack of integrated service providers capable of offering laboratory planning, embodied intelligence module manufacturing, algorithm and automation integration, and intelligent operations. Compounding this supply gap, the sheer volume of R&D and quality testing experiments required across industries continues to grow exponentially, placing immense strain on traditional manual laboratory operations.

Our Differentiated Position

Developing self-driving laboratory solutions requires industry-specific AI models, vertical industry knowledge, multi-technology integration capabilities, interdisciplinary teams, and a track record of large-scale project delivery. These factors create substantial barriers to entry for new market participants. Early entrants that have established benchmark projects enjoy first-mover advantages.

Among various application sectors, chemicals and new materials have emerged as primary use cases for AI self-driving laboratory deployment. These sectors feature complex processes, data intensity, stringent quality control standards, demanding environments, and high labor dependence. The need for quality improvement, cost reduction, and efficiency gains is particularly acute. Our

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accumulated process knowledge and successful delivery track record in these sectors not only create competitive barriers but also provide a validated blueprint for expanding into new energy, life sciences, and other sectors.

Our Achievements

Our delivery track record includes benchmark projects for leading global corporations, such as a self-driving laboratory project for Unilever in the consumer goods sector. Multiple self-driving laboratory projects have operated stably for over two years in demanding industrial environments. In addition, we have received several industry awards and recognitions, including the International Sustainable Laboratory Award and a Provincial/Ministerial Level First Prize for Technological Invention, and have participated as a core member in the drafting of multiple national and industry standards. We have been recognized by the Beijing Municipal Government as a leading enterprise to be cultivated in intelligent laboratory solutions under the Beijing New Materials Action Plan. We are also a co-building unit of the Beijing Key Laboratory of Fully Automated AI Experimental Systems. Furthermore, we are collaborating with Beijing University of Chemical Technology to establish what is intended to be the world’s first catalytic materials CRO platform. As of December 31, 2025, we had participated in two national key R&D programs and established research collaborations with nine leading universities and research institutions; our customer base comprised 20 Global Fortune 500 companies as ranked in 2025. As of the Latest Practicable Date, we had participated in the drafting of 24 national standards, of which eight relate specifically to intelligent laboratory solutions, two industry standards and a number of industry papers and other publications.

OUR MILESTONES

Global laboratory automation has evolved through three phases: equipment automation in the 2000s, workflow automation in the 2010s, and AI-driven intelligent laboratories emerging in the 2020s. As a pioneer in China’s intelligent laboratory solutions market, we have consistently aligned our strategic evolution with these paradigm shifts.

Foundation Phase (2011–2016). We established our presence in the high-end laboratory segment by delivering national-level benchmark projects. These early engagements built our reputation for quality and precision.

Evolution Phase (2017–2019). We transitioned from an engineering-focused firm to a product-oriented company. We began scaling our proprietary prefabricated manufacturing and installation capabilities integrated with intelligent laboratory management systems, laying the physical foundation for AI integration.

Leadership Phase (2020–Present). The year 2020 marked a turning point for the broader industry and our Company. Prior to 2020, the market focused on equipment and workflow automation, using equipment and software to improve single-point efficiency in discrete manual tasks. The advancement of AI technologies and the growing recognition of data as a strategic asset then shifted the market’s underlying logic from simply replacing manual labor to fundamentally redefining research and quality control workflows. In response, we repositioned our strategic focus. We moved beyond providing discrete singular automated equipment and began delivering fully integrated self-driving laboratories capable of AI-driven unmanned operation and intelligent decision-making. This transition launched a new chapter centered on paradigm innovation. Since 2020, we have continuously developed and refined our intelligent laboratory solutions, delivering complex projects that integrate our proprietary embodied intelligence technology, industry-specific AI models, all orchestrated through a unified operational platform and supported by our full-lifecycle service capabilities.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success.

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Integrated “AI for Science” Infrastructure to Unleash Creativity and Productivity

We are one of the few companies globally capable of providing integrated infrastructure for “AI for Science,” according to the F&S Report, covering physical infrastructure, core systems, and data intelligence. We ranked second in China’s intelligent laboratory solutions market and first among providers headquartered in China, each as measured by revenue in 2025, according to the F&S Report. We ranked first in China’s self-driving laboratory solutions segment, the most advanced form of intelligent laboratories, with a market share of approximately 34.2% in the same year, according to the same source. This integrated capability frees scientists from complex coordination, maintenance, and technology iteration, enabling our self-driving laboratories to physically execute experiments in place of human scientists and continuously produce AI-ready data at scale. This allows researchers to focus on higher-value scientific discovery.

Our physical infrastructure services encompass laboratory master planning, lean design, and modular factory manufacturing. What we deliver extends beyond physical space to include intelligent environments embedded with IoT and AI perception networks. This ensures that complex automation and data systems operate within a stable, compliant, and precisely quantifiable setting, serving as the physical foundation for “AI for Science” implementation.

Building on this physical foundation, our systems layer capabilities include independently developed and integrated core systems such as multimodal embodied intelligence technologies, highly flexible scheduling algorithms, and deeply integrated control systems that operate in coordination with leading analytical instrument manufacturers. Multiple self-driving laboratories have operated stably for over two years in demanding industrial environments including explosion-proof and high-cleanliness settings. This track record demonstrates that we deliver not standalone equipment but a proven, reliable unmanned laboratory operating system capable of continuous operation, and the uninterrupted generation of standardized, high-quality experimental data.

Proprietary Industry-Specific AI Model Architecture

At the core of our self-driving laboratory solutions lies a proprietary industry-specific AI model architecture comprising three tightly integrated components. The first component is the decision-making brain, i.e., *Dyna Brain*, powered by industry-specific AI models trained on domain-specific scientific literature, process knowledge repositories, and accumulated scientist expertise. These models understand experimental intent, reason through complex multi-variable scenarios, autonomously generate experimental formulations, and continuously optimize reaction pathways. The second component is the embodied intelligence execution framework, i.e., *Dyna Arms*, which translates algorithmic decisions into precise physical actions through multimodal perception models, high-concurrency task planning, and adaptive robotic control capable of operating in complex, unstructured laboratory environments. The third component is the high-quality data foundation, i.e., *Dyna Data*, wherein every experimental action, environmental parameter, and analytical result is systematically captured as standardized, structured, and traceable data. This unified architecture enables our systems not only to execute experiments but to continuously learn from each iteration, refining both decision logic and physical execution in a closed-loop manner.

Rather than simply applying general-purpose foundation models, we have developed a self-driving laboratory solution technology stack covering the full execution-decision-data chain. This system includes intelligent scheduling models for dynamic experiment path planning, multimodal perception models for visual recognition and precision operations, and mechanism-integrated models for process attribution and quality prediction. Each model family is continuously refined using real-world operational data from our deployed projects.

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Deep Vertical Industry Process Knowledge and Validated Data Accumulation

Our competitive strength extends beyond technology to include deep understanding of vertical industry processes and continuous accumulation of data. This combination creates a durable barrier that technology-focused or automation-focused companies cannot replicate in the short term. Our operating systems currently manage and operate different types of instruments across various customer sites.

This depth is matched by breadth: our solutions span multiple industry verticals including chemicals, new materials, new energy, and life sciences, allowing us to transfer and apply process insights across sectors. Through years of collaboration with top-tier customers in the energy, chemicals and new materials sectors, we have developed deep familiarity with core production processes that are often highly confidential and non-standardized. We translate this abstract, experience-based process knowledge into equipment logic, environmental control parameters, and AI decision rules, effectively serving as a trustee. As of the Latest Practicable Date, we had built a knowledge base covering over 50 key unit operations, enabling us to address common industry challenges more efficiently and with greater precision than competitors lacking this domain expertise.

This process knowledge is continuously enriched by our data flywheel. Each self-driving laboratory we deliver functions as a live data generator, systematically accumulating standardized, structured process flow data and quality results through project implementation. As of December 31, 2025, we had accumulated over 100,000 sets of validated process flow data samples. These data continuously improve our vertical AI models for applications including catalyst development, complex formula analysis, and material property prediction. This creates a reinforcing cycle: more projects generate better data, which leads to stronger models, which in turn enable more competitive solutions that attract additional projects.

Our self-driving laboratories are not demonstration prototypes or proof-of-concept exercises. They are operational assets deployed in production environments, running continuously and delivering measurable business value for leading global customers. Each deployment generates real-world performance data that further validates our technology, builds customer trust, and provides referenceable case studies for new customer acquisition. This track record of successful delivery in mission-critical applications distinguishes us from competitors whose offerings remain at the prototype or pilot stage.

Industry Standard Setting and Policy Engagement

We actively participate in shaping national innovation strategies and have evolved from an industry participant to a co-creator of industry standards and an ecosystem organizer. This enables us to secure strategic advantages as the smart laboratory market enters a phase of rapid growth.

As of the Latest Practicable Date, we had participated in the drafting of 24 national standards, of which eight relate specifically to intelligent laboratory solutions, two industry standards and a number of industry papers and other publications. By incorporating our technical insights into industry specifications, we influence technology pathways, shape competitive barriers, and define industry direction. This position enables us to align closely with policy resources, lead industry technology roadmap discussions, and secure priority participation in national-level demonstration projects, reinforcing our role as an industry leader and ecosystem connector.

Beyond standard-setting, we demonstrate strong system integration capabilities. Through policy engagement primarily in the form of national standards drafting, we gain project opportunities and strategic direction. Our collaborations with top academic institutions provide access to cutting-edge research and help attract and cultivate high-end industry talent. These elements form a policy-academia-talent virtuous cycle that allows us to continuously integrate quality resources and foster the development of the smart laboratory ecosystem.

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Proprietary Technology and Integrated R&D System with Academic Collaboration

We pursue a strategy that combines in-house core development with open academic collaboration, ensuring technological self-reliance while benefiting from cutting-edge research. Our self-developed intelligent control platform, together with our supporting robots, is designed specifically for the flexible, non-standard operations required in laboratory environments. We have developed proprietary capabilities in precision force control, multimodal visual guidance, high-concurrency task planning, and self-developed hardware components.

We have built a dual-drive R&D system combining internal frontier research with external source innovation. Our R&D team, led by our founder, Mr. Chi, who holds dual backgrounds in electronic and information and biomedical engineering, comprises members with interdisciplinary expertise spanning hardware, software algorithms, and chemistry and chemical engineering. This composition enables us to systematically solve complex problems from first principles.

We have established strategic partnerships with leading analytical instrument manufacturers. These collaborations involve deep integration and optimization of instrument control interfaces to ensure seamless data and control flow between automation systems and core detection equipment. This addresses a critical compatibility challenge in laboratory algorithm and automation integration and enhances system efficiency and stability.

In addition, we are collaborating with a top-tier university to establish what is intended to be the world’s first catalytic materials CRO platform. This initiative will translate academic synthetic chemistry research into reproducible, data-rich automated processes, providing a low-cost channel to acquire high-quality raw chemical reaction data while positioning us at the forefront of translating laboratory discoveries into industrial applications.

As the leading founding enterprises of the Zhongguancun Smart Laboratory Alliance and a co-building unit of the Beijing Key Laboratory for AI-Powered Fully Automated Experimental Systems, we integrate leading universities, research institutes, enterprises, and industry chain partners to advance the smart laboratory industry. This position enables us to align closely with policy resources, lead industry technology roadmap discussions, and participate in national-level demonstration projects, reinforcing our industry leadership. These affiliations, including our participation as a partner of the Fengtai Joint Fund of the Beijing Natural Science Foundation, facilitate extensive connections with leading universities and research institutions. In parallel, we deepen our collaborations through joint applications for major national and provincial-level research programs with these institutions, enabling us to stay at the forefront of scientific innovation and integrate cutting-edge academic research into our solution development.

First-Mover Advantage and Established Blue-Chip Customer Base

Over a decade of industry presence has enabled us to build an extensive network of customers and establish benchmark projects that define industry standards. Since our inception, we have participated in and witnessed the evolution of China’s high-end laboratory market through three paradigm shifts: from engineering construction to intelligent laboratories, and now to unmanned laboratories. Our experience enables us to not only respond to customer needs but also anticipate them. Early projects, such as those delivered for a leading state-owned energy group’s national research institute, have become industry benchmarks that define world-class R&D environments.

Our customer portfolio includes centrally-administered state-owned enterprises and industry leaders in energy, chemicals and new materials, including 20 Global Fortune 500 companies as ranked in 2025. These customers typically maintain rigorous procurement processes and long evaluation cycles. Once engaged, however, they demonstrate high stickiness and expansion potential.

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Experienced Management Team with Industry and Technical Expertise

Our leadership team combines deep industry experience with strategic vision and execution capability, providing the foundation for our growth and market leadership. Our founder, Mr. Chi, and core team members bring extensive experience from Thermo Fisher Scientific, giving us a strong foundation in global scientific service industry practices and customer needs. Our CFO, Mr. Li Kun, brings financial and investment experience from top-tier financial institutions, enabling us to approach business planning with a capital markets perspective. This combination of industry depth, technical expertise and financial acumen allows us to balance technological innovation with commercial viability.

The team has made three strategic decisions that have shaped our development trajectory. In the early years, we positioned as a high-end laboratory design firm, which allowed us to establish brand credibility and build relationships with leading customers. Around 2013, we committed to transitioning to prefabricated and intelligent manufacturing and installation, which enabled us to productize our offerings and move beyond project-based delivery. In 2020, we shifted our strategic focus to the AI self-driving lab model, positioning ourselves to address the emerging “AI for Science” trend. These decisions, made ahead of market shifts, have enabled the company to stay ahead of industry trends and position for long-term success.

OUR GROWTH STRATEGIES

We intend to further grow our business by pursuing the following strategies.

Deepen Market Leadership through Strategic National Initiatives and Enterprise Partnerships

We plan to strengthen our market position by focusing on three key areas: engagement with national strategic initiatives, enterprise customers, and research institutions. To support this effort, we intend to establish a dedicated function to coordinate with government agencies on major initiatives related to “AI for Science,” smart manufacturing, and advanced materials. Our objective is to contribute to and participate in national-level pilot projects over the next three years, leveraging our self-driving laboratory platform to support advancements in scientific research efficiency.

Additionally, we will deepen our strategic partnerships with top-tier customers, including leading multinational corporations and enterprises in the energy, chemicals and new materials sectors. We plan to evolve from project delivery to joint innovation and capability co-building by establishing joint laboratories and co-defining next-generation intelligent R&D and testing standards. This approach aligns our development roadmap with their R&D and capital expenditure plans. We will also form dedicated key account teams to provide services spanning planning, consulting, and ongoing data operations, with the goal of steadily increasing average revenue contribution per strategic customer.

Furthermore, we will expand our engagement with universities and research institutes. Leveraging our research collaboration in new materials with a top-tier university, we plan to establish a dedicated new materials CRO platform. We intend to replicate this institutional partnership model with other leading academic institutions. By participating in cutting-edge research projects, we aim to provide integrated solutions encompassing intelligent laboratory design and research automation tools, securing early access to future scientific innovation and commercial opportunities.

Advance Core Technology and Build Industry Partnerships through R&D and Investment

We pursue an R&D and investment strategy that combines in-house innovation with open collaboration, and growth with strategic investments. Our R&D efforts focus on three key areas to maintain and enhance our technological capabilities. The first area is next-generation embodied intelligence technologies. We will continue to develop lighter, more flexible systems capable of operating in complex laboratory environments. Our objective is to reduce the cost per automation station and expand our solutions to a wider range of experimental scenarios.

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Additionally, we are training our industry-specific AI models. Leveraging proprietary data accumulated from delivered projects, we aim to develop industry-specific AI models capable of understanding experimental intent, planning complex multi-step procedures, and performing scientific reasoning tasks. Concurrently, we will increase our self-development of core instruments and smart sensors tailored for self-driving laboratory requirements. This enables tighter hardware-software integration, ensures optimal performance and control over critical components, and allows our systems to flexibly execute complex experimental tasks. Building upon these industry-specific AI models, we will integrate various large models to create a unified ecosystem spanning multiple industry verticals, unlocking token-based revenue streams where customers pay for model inference and analytical outputs on a consumption basis. Our proprietary intelligent laboratory system serves as the central intelligence orchestrating these capabilities. We will continue to advance our intelligent laboratory system, enhancing its ability to integrate diverse instruments, optimize experimental workflows in real time, and enable adaptive decision-making across increasingly complex laboratory environments.

Our partnership with a top-tier university will operate as a new materials CRO platform that will be able to translate academic synthetic chemistry research into reproducible, data-rich automated processes. This collaboration serves multiple strategic purposes. It provides a low-cost channel to acquire high-quality raw chemical reaction data, enables us to accumulate reusable process modules, and keeps us connected to cutting-edge scientific discoveries while building a direct path to industrial applications. Furthermore, the high-quality experimental data generated by customers on this platform will continuously enrich our training datasets, accelerating the refinement and autonomous capabilities of our AI models. We will continue to develop standardized interfaces and execution frameworks that allow both internally and externally developed modules to be integrated seamlessly, transforming this platform into an automated infrastructure that continuously accumulates and deploys experimental knowledge.

Diversify Revenue Models with Distinct Product Platforms

Our core strategy is to transform our business model into a platform-centric structure. This approach combines highly standardized, replicable products on one end with high-value services and data-driven offerings on the other, all connected through a robust platform.

We plan to pursue productization and platform development by further developing our core standard hardware modules and software platforms, thereby deepening our offering portfolio. By codifying our accumulated know-how into reusable components, we aim to achieve greater scale and efficiency. We aim to transition our delivery model toward a product-centric approach, leveraging standardized modules for the majority of project scope while maintaining agile customization capabilities for unique customer needs. This shift is designed to improve scalability, reduce delivery timelines, and enhance cost efficiency as we expand our project volume.

We intend to build diversified revenue models through a multi-layered structure with increasing customer stickiness. At the foundation, we will maintain project-based revenue and standardized product sales. These provide stable cash flow and serve as the bedrock of our market position and scale. For the next layer, we plan to develop recurring revenue streams. This includes offering outsourced R&D and testing services to customers with our new materials CRO platform, which we plan to develop in collaboration with a top-tier university, serving as a key enabler of this model by generating both cash flow and valuable high-quality data that further refines our AI models and creating opportunities for flexible revenue-sharing arrangements as the platform matures. We also expect to generate recurring income through AI model invocation, data analytics tools, and predictive maintenance services, creating a sustainable, repeatable revenue base. Beyond this, we aim to explore value-sharing arrangements. For selected customers, we may enter into performance-based agreements where we participate in the cost savings or efficiency gains generated by our systems. This model aligns our interests closely with our customers and creates the strongest form of long-term partnership.

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Accelerate Market Expansion and Drive Cross-Industry Diversification

Our market expansion follows a three-stage approach: strengthening our domestic stronghold, systematically entering new industry verticals, and establishing a global presence. In chemicals and new materials, where we have established strong market positions, we are evolving from project-based delivery to strategic partnerships. We plan to establish joint innovation centers with leading customers to co-develop next-generation intelligent laboratory standards, expanding from single-facility projects to group-wide deployments and increasing customer lifetime value.

For new verticals, we are developing specialized solutions targeting new energy, semiconductors, food agriculture and life sciences. In new energy and semiconductors, we are developing contamination-controlled and high-speed material characterization solutions for power battery, photovoltaic material, and semiconductor precursor manufacturing. In food and agriculture, we collaborate with national regulatory authorities and major food groups to deploy automated testing solutions for grain inspection and rapid food safety testing, delivered through standardized mobile testing units and regional laboratory networks. In the life sciences sector, we collaborate with leading universities in China to enable highly precise biopharmaceutical R&D and preparation through highly integrated, AI self-evolving unmanned laboratory modules, ensuring rapid technology deployment, consistent quality assurance, and significant cost reduction. To support these initiatives, we are establishing regional service hubs in key industrial clusters across the Yangtze River Delta, the Pearl River Delta, Beijing, Shanghai and the Greater Bay Area, each with local sales and technical support teams. In addition, we also plan to build international presence through a phased approach tailored to different market characteristics.

Expand Computing Infrastructure and Build Global Service Infrastructure

To support our strategic initiatives, we plan to develop a modernized manufacturing and operational system aligned with our growth objectives. We intend to establish dedicated computing infrastructure to power our self-driving laboratory solutions, including industry-specific AI model clusters and a cross-industry fusion cluster. This infrastructure will support both training and inference workloads, with particular attention to edge-deployed inference capacity for mission-critical safety and quality applications. We will also evaluate and adopt domestic computing alternatives where appropriate to enhance supply chain resilience and mitigate procurement restrictions.

In parallel, we will continue to strengthen our intelligent control platform and core algorithm team. This team focuses on developing and iterating our intelligent operating system, including scheduling algorithms, industry-specific AI models and multimodal embodied intelligence models. This unified platform serves as the core intelligence for all solutions we deliver globally, enabling rapid local configuration and ensuring consistent, high-quality deployment across different markets and customer requirements.

Furthermore, we intend to build a resilient global supply chain. We will establish multi-sourcing backups for critical components by developing strategic partnerships with at least two qualified suppliers for each key category. We also plan to establish regional warehousing and logistics centers in major markets to ensure timely and stable delivery.

Finally, we will establish a remote intelligent operations center. Using digital twin technology, this center will monitor and provide early warnings for all delivered projects worldwide. For key overseas markets, we will build local service teams capable of providing rapid on-site response, maintenance, and upgrade services. This transforms after-sales service from a cost center into a driver of customer satisfaction and repeat purchases.

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Build an Agile Matrix Organization and Cultivate Interdisciplinary Talent to Support Strategic Upgrade

We plan to transform our organizational structure from a centralized model to a product line and regional oriented matrix. We will establish dedicated product lines for industry verticals, such as chemicals and life sciences, with responsibility for product planning and development. Concurrently, we will strengthen the sales and service functions of our regional teams to ensure precise alignment between our products and market demand. This matrix structure balances industry-specific expertise with geographic reach, enabling us to respond quickly to customer needs and local market opportunities.

Additionally, we will upgrade our talent strategy by recruiting and developing three core types of professionals. These include product managers with deep industry knowledge who understand not only our technology but also customer workflows and business models. We also plan to hire interdisciplinary R&D engineers with expertise across mechanical, electronic, software and algorithm disciplines to solve complex, cross-functional challenges. Furthermore, we seek overseas business development and operation experts to drive our international expansion. To build a sustainable talent pipeline, we plan to establish joint training programs with leading universities, integrating academic education with practical project experience.

Pursue Strategic Investments and Acquisitions to Expand Our Industry Footprint

We will selectively pursue investment and acquisition opportunities to strengthen our competitive position and accelerate our expansion into new sectors. In upstream acquisitions, we will focus on companies with technologies in specialized sensors, high-precision motion control modules, and specialty materials laboratory consumables. Our objective is to achieve greater control over our critical supply chain and optimize costs. In horizontal investments, we will target fields such as life sciences and new energy, investing in or acquiring teams with domain-specific AI algorithms, specialized experimental equipment, or access to niche customer channels. By combining their capabilities with our capital, technology, and platform, we aim to rapidly build integrated solution capabilities in emerging sectors and shorten our time-to-market. As of the Latest Practicable Date, we had not identified any specific investment or acquisition target, nor had we entered into any definitive agreement or letter of intent regarding any such transaction.

OUR OFFERINGS

Leveraging our proprietary multimodal embodied intelligence technologies, industry-specific AI model platforms, and integrated capabilities, we provide one-stop services for AI-enabled R&D, quality control and quality optimization across sectors including chemicals, new materials, new energy, and life sciences. Our core offerings encompass (1) intelligent laboratory solutions, and (2) self-driving laboratory solutions. As of the Latest Practicable Date, we had provided laboratory solutions to over 800 companies and institutions.

While our intelligent laboratory solutions laid the foundation for our business model, building on our expertise in laboratory environmental systems and laboratory management systems, we have upgraded into providing self-driving laboratory solutions for automated experimentation with AI. Designed to proactively anticipate and adapt to future scientific changes, our self-driving laboratory solutions position embodied intelligence as the core operational subject of the laboratories to directly perceive, decide and act within real-world experimental environments. These solutions replace manual labor in repetitive, high-precision, hazardous, or environmentally demanding experiments, support trial-and-error-based R&D, and eliminate human recording, operating, and technical errors throughout the experimental process. Structurally, each self-driving laboratory solution integrates embodied intelligence modules as hardware, with an AI-powered operating system built upon our existing laboratory environmental management systems, forming a closed-loop autonomous technological architecture for experimental workflows. As of the Latest Practicable Date, we were one of the few laboratory solution providers capable of delivering full-lifecycle self-driving laboratory solutions, according to the F&S Report.

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We offer our intelligent laboratory solutions and self-driving laboratory solutions to serve customer segments across industries. Intelligent laboratory solutions provide an integrated IoT-enabled laboratory environment and instrument automation and coordination, while self-driving laboratory solutions add autonomous experimental decision-making capabilities. These two business lines address complementary stages of laboratory digital transformation. The availability of self-driving solutions expands our overall offering and attracts new customers who require higher autonomy, without reducing demand for our intelligent laboratory solutions.

The following table sets forth our total revenue by business line for the periods indicated, both in absolute amount and as a percentage of our total revenue.

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(RMB in thousands except for percentages)</i>						
Intelligent laboratory solutions (excluding SLS)	614,076	100.0	517,798	93.5	474,222	73.5
—Intelligent laboratory integrated solutions	501,416	81.7	249,056	45.0	334,701	51.9
—Modular laboratories and components	86,419	14.0	232,876	42.0	108,530	16.8
—Design, operation and maintenance	26,241	4.3	35,866	6.5	30,991	4.8
Self-driving laboratory solutions	—	—	36,229	6.5	170,691	26.5
Total	614,076	100.0	554,027	100.0	644,913	100.0

Intelligent Laboratory Solutions

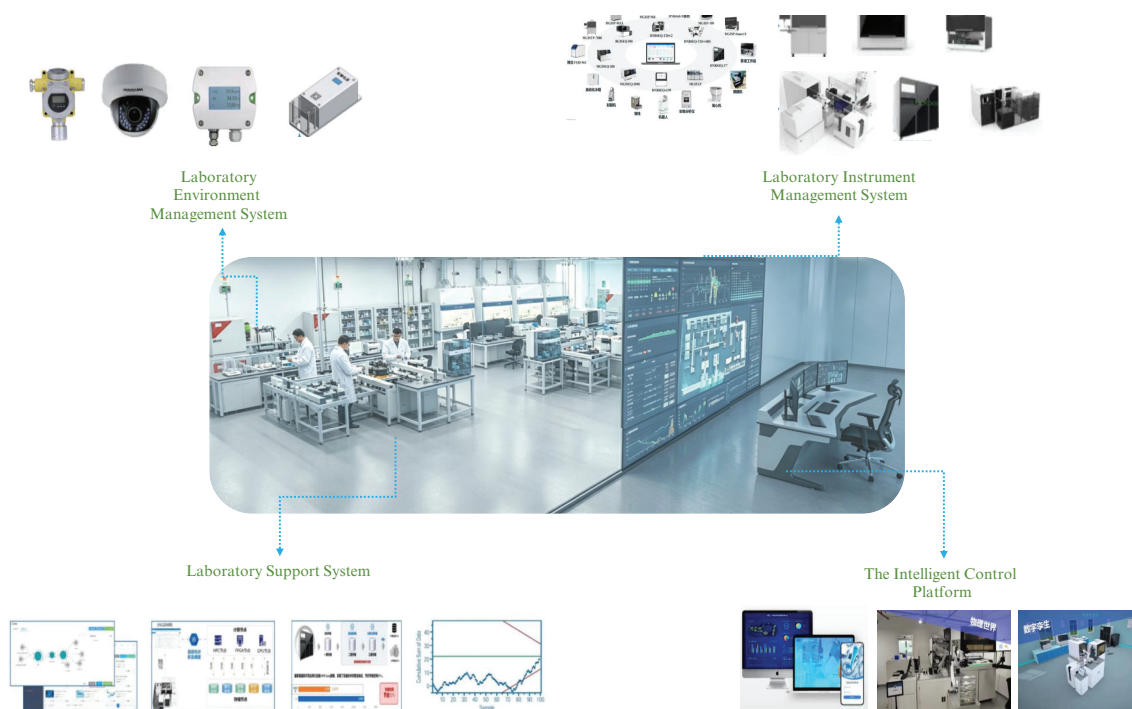
We provide tailored design and implementation services for intelligent laboratories, delivered through the integration of four principal systems: (1) the intelligent laboratory environment management system, (2) the laboratory support system, (3) the laboratory instrument management system, and (4) the intelligent control platform. These four systems form the technological foundation of our intelligent laboratory solutions and may be deployed either in an integrated manner or on a modular basis, depending on customer needs.

For customers seeking a fully integrated intelligent laboratory, we provide tailored design and implementation services that selectively integrate these principal systems into a unified and fully functional solution. We refer to such offering as our intelligent laboratory integrated solutions, for which we typically charge an all-in-one project-based fee payable in installments. In addition, we offer modular laboratories and components, which are modularized solutions derived from these principal systems. Unlike our intelligent laboratory integrated solutions, modular laboratories are delivered on a prefabricated and modular basis, whereby core functional units are assembled and manufactured in our facilities and subsequently transported and installed at the customer’s site. Such solutions are typically deployed to meet specific environmental control and automation requirements and are primarily applied in high-standard environments, such as clean rooms, negative-pressure wards and GMP-compliant cell production workshops. Depending on customer needs and project requirements, such modular laboratories may be deployed either as fixed on-site installations or as movable laboratories. Before we start any integration, we often provide design services, and after we complete the integration, we also offer ongoing operation and maintenance services, which together constitute our design, operation and maintenance revenue. Accordingly, our intelligent laboratory

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solutions (excluding SLS) are categorized into three revenue streams: (1) intelligent laboratory integrated solutions, (2) modular laboratories and components, and (3) design, consulting and maintenance services.

The following image illustrates the four principal systems, which form the technological foundation of our offerings.



Laboratory Environment Management System

Our intelligent laboratory environment management system utilizes IoT and environmental sensing technologies to precisely control clean air, toxic and hazardous gases, temperature, and humidity within the laboratory, as well as special environmental conditions required for experiments. It features adaptive and self-regulating capabilities to ensure the health and safety of laboratory personnel and the validity of experiments at all times.

- *Hazardous gas self-regulating system.* Our hazardous gas self-regulating system detects leaks of toxic or flammable gases in laboratories, triggers alarms on smart doorplates, and automatically activates exhaust systems.
- *Pressure differential self-regulating system.* Our pressure differential self-regulating system uses pressure sensors based on real-time calculations and continuous data analysis to ensure that containment areas, such as biosafety laboratories, maintain negative pressure required for preventing the escape of harmful substances. The system automatically and promptly adjusts the supply and exhaust airflow differentials to ensure that a stable and constant negative pressure environment is maintained at all times.
- *Laboratory environment and air quality self-regulating system.* Our environment and air quality self-regulating system uses a network of sensors to track and provide real-time data on parameters including temperature, humidity, PM2.5, ammonia, and oxygen levels. The system can promptly adjust the air exchange rate to ensure that indoor air quality consistently meets applicable safety and regulatory requirements.

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- *Ventilation self-regulating system.* Our ventilation self-regulating system tracks the operational status of fume hoods, exhaust fans, and fresh air systems, as well as the working status and presence of laboratory personnel to ensure proper airflow and laboratory safety, and automatically achieves a self-balancing and stable operating state.

Laboratory Support System

Our laboratory support system complements our intelligent laboratory environment and instrument management systems by providing centralized monitoring and management of critical operational, safety and resource-related functions, including energy management, materials tracking, gas supply monitoring, video surveillance and access control.

- *Energy consumption monitoring.* Our energy consumption monitoring system analyzes data from HVAC and other systems to generate energy usage reports, identify inefficiencies, and inform energy-saving decisions.
- *Reagent and consumables management.* Our reagent and consumables management system tracks reagents’ inventory levels, monitors usage via identity recognition, controls dispensing, and provides video traceability to support safety and audit trails.
- *Gas cylinder and central gas supply monitoring.* This system monitors the pressure of gas cylinders and central gas lines in real-time, providing smart alerts for low-pressure conditions and tracking usage.
- *Video surveillance system.* Our video surveillance system provides video coverage and can be automatically linked to alarm events, such as displaying camera feed near a faulty device.
- *Access control and personnel tracking.* To monitor and regulate personnel access, our access control and personnel tracking system integrates biometric recognition and smart doorplates to control and log entries.

Laboratory Instrument Management System

Our laboratory instrument management system provides comprehensive oversight of critical laboratory instruments. It integrates real-time equipment monitoring, predictive maintenance and experimental data management to ensure stable instrument operation, reduce maintenance risks and support reliable experimental outcomes.

- *Critical equipment monitoring.* Our critical equipment monitoring system monitors the operational status of all core laboratory instruments, tracking metrics such as performance, energy consumption, and experiment reservations in real time.
- *Instrument “fingerprint” generation and monitoring.* Our laboratory instrument fingerprint detection system monitors the electrical current fluctuations during instrument operation to generate a unique operational “fingerprint” for each instrument. By analyzing deviations from established fingerprint patterns, the system enables early detection of abnormal operating conditions and allows personnel to take timely protective measures to prevent equipment damage, enhance operational stability and extend instrument service life.
- *Predictive maintenance monitoring.* Our predictive maintenance monitoring system automatically tracks the operational status, runtime, and performance curves of laboratory instruments, enables periodic self-calibration, automatically generates maintenance schedules, and performs preventative maintenance in advance.
- *Experimental data management.* Our experimental data management enables automatic collection, organization, analysis and storage of experimental data, as well as the generation of final experimental reports.

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Intelligent Control Platform

Leveraging the abovementioned systems, we provide a centralized visualization of all identified issues and their resolution status on our intelligent control platform. Information on issues is aggregated and organized to generate resolution curves and a centralized view of operations, helping laboratory personnel monitor operations in real time, manage and make decisions efficiently. The overall intelligent control platform is further structured into three core components, comprising (1) the digital twin management platform, (2) the unified software management and scheduling platform, and (3) the multi-terminal interfaces.

Digital twin management platform

Our digital twin management technology is a digital platform that allows the real-world physical modeling of the laboratory’s physical environment, facilities and instruments with building information modeling (“BIM”). The digital simulation is combined with the dynamic monitoring and tracking of the physical environment through sensors deployed across the laboratory, enabling the real-time monitoring and management of the laboratory’s overall layout, operational rooms, all instruments, and all environmental systems. This provides laboratory personnel with a visualized, real-time control interface to precisely manage the starting, stopping, and adjusting of all critical components through a seamlessly integrated control interface.

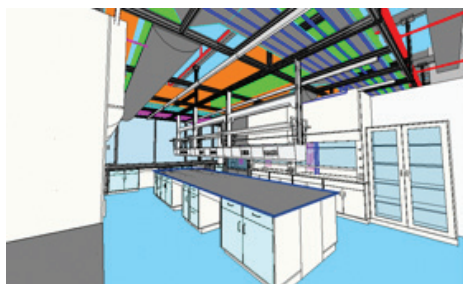
The following diagrams provide a visual comparison between our BIM digital twin simulation and actual as-built environment.



Digital twin simulation diagram 1



As-built environment



Digital twin simulation diagram 2



As-built environment

Unified software management and scheduling platform

Our unified software management and scheduling platform serves as the central command hub for the laboratory. Built on a microservice architecture, a design approach that structures the platform as a collection of independent, modular services, which allows individual components to be developed, deployed, and scaled without disrupting the entire system, it receives, monitors, and uniformly schedules execution tasks from the laboratory environment management system,

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laboratory support system, and laboratory instrument management system. The platform also works in tandem with sensor-collected data, enabling edge computing through cloud-edge collaboration. The following pictures illustrate our unified software management and scheduling platform.



Unified software management and scheduling platform



Laboratory support system



Laboratory instrument management system

Multi-terminal interfaces

Our multi-terminal interactive interfaces provide access to laboratory environment and equipment monitoring and control from a range of devices, including central control dashboards, smart door signs, and equipment terminals. The following pictures illustrate our multi-terminal interfaces.

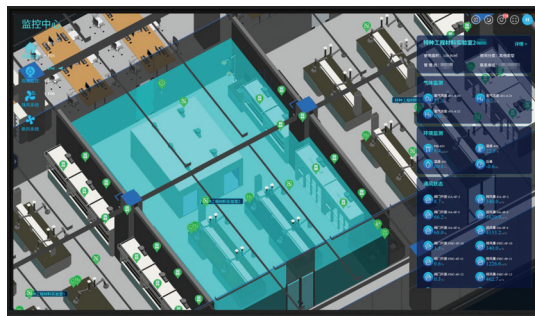


Central control dashboards

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Mobile terminal interface



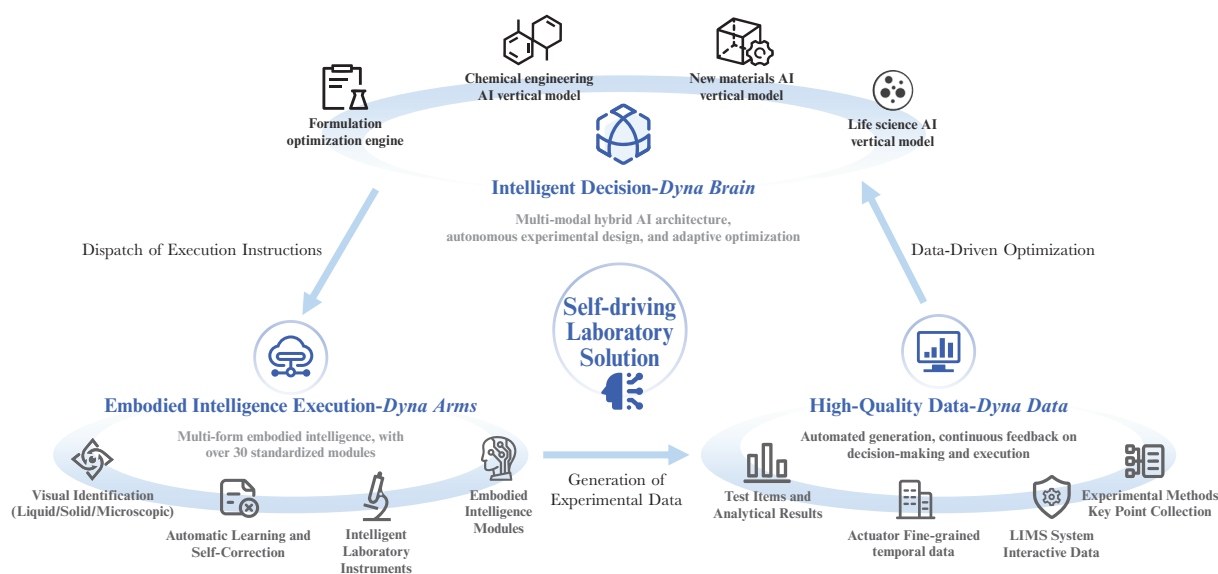
Tablet terminal interface

Self-driving Laboratory Solutions

Building upon our intelligent laboratory platform, we have achieved automated execution of experimental procedures by integrating artificial intelligence and incorporating diverse embodied intelligent robots. Coupled with the ability to self-learn and self-evolve through high-quality data, the system now possesses the capacity for proactive thinking and decision-making. This enables a fundamental shift in operational execution, from human-led operations to AI-driven robotics, elevating scientific research from the first paradigm of experimental science to the fourth paradigm of data-driven discovery.

This transformation from intelligent laboratory solutions to self-driving laboratory solutions delivers significant gains in efficiency, improves experimental accuracy, enhances safety protocols, and ensures stable continuous operation. While optimizing costs and conserving resources, our solution continuously generates AI-ready, high-quality scientific data. This data can be further leveraged for broader scientific discovery, as well as for production optimization and quality prediction.

The self-driving laboratory is composed of three key elements: the *Dyna Brain* for decision-making, the *Dyna Arms* for embodied intelligence execution, and the high quality *Dyna Data*. The following diagram illustrates the upgraded self-driving laboratory solution technology stack.



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Self-driving Laboratory System—Dyna Brain

Our self-driving laboratory system is the decision-making brain of the self-driving laboratory solution, and it is composed of specialized industry-specific AI models built upon a multi-modal hybrid AI architecture. By integrating data-driven learning with industry-specific scientific knowledge, and incorporating advanced AI methodologies, *Dyna Brain* allows for autonomous experimental design, real-time analysis, and adaptive optimization—surpassing traditional automation paradigms.

Our *Dyna Brain* applies methods including Bayesian optimization and reinforcement learning, which explores potential formulation and process parameter combinations, rapidly testing and optimizing candidates to screen for optimal solutions. See “—Research and Development—Our Core Technologies—Self-driving Laboratory System-*Dyna Brain*.” Leveraging hybrid prediction models that fuse domain knowledge with real-world data, the system continuously learns from each experiment, instantaneously adjusting subsequent experimental conditions based on both general scientific principles and empirical data. This approach enables accurate predictions and optimal solution screening with fewer physical experiments, dramatically shortening R&D cycles.

We have developed tailored industry-specific AI models for different industries to support their specific self-driving laboratory solution requirements.

- *New materials industry-specific AI model.* Grounded in the materials genome engineering concept, this model integrates molecular dynamics simulations with high-throughput experimental data to construct multi-scale mapping relationships between material composition, structure, and properties. By learning characteristic descriptors such as crystal structure, electronic density of states, and mechanical properties, the model enables performance prediction and inverse design of novel materials, significantly accelerating materials R&D cycles.
- *Catalysts industry-specific AI model.* Based on descriptor and structure-activity relationship modeling, combined with reaction network kinetic data, this model establishes quantitative structure-activity relationships between catalyst composition, morphology, support, and catalytic activity/selectivity. It guides catalyst formulation optimization and preparation process control, supporting efficient catalyst screening and development for various industrial reaction scenarios including hydrogenation, oxidation, and coupling.
- *Biopharmaceuticals industry-specific AI model.* Integrating multi-dimensional modeling of protein structure prediction, molecular docking, and absorption, distribution, metabolism, excretion, and toxicity, this model covers the entire pipeline from target discovery and lead compound screening to process scale-up. Using molecular fingerprints, protein sequence embeddings, and cellular activity data as inputs, it learns drug-target interaction mechanisms through graph neural networks, enabling virtual screening of active compounds and drug-likeness prediction. Concurrently, it establishes quality prediction and optimization models for fermentation/culture processes by incorporating bioprocess parameters, such as media composition, pH, and dissolved oxygen.
- *Daily chemicals industry-specific AI model.* Built upon the physicochemical properties of formulation components and sensory evaluation data, this model establishes correlation models between raw materials, such as surfactants and emulsifiers, and product stability, skin feel, and efficacy. Through transfer learning, it leverages cross-category formulation knowledge to support intelligent formulation recommendation and rapid iteration for categories including detergents, skincare, and oral care. It also integrates regulatory databases to enable automatic compliance verification of raw material safety.

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- *Food safety industry-specific AI model.* Integrating chromatographic-mass spectrometric fingerprinting, near-infrared spectroscopy, and multi-source traceability data, this model constructs intelligent detection and traceability models for various risk factors including pesticide residues, heavy metals, microbial toxins, and illegal additives. Through transfer learning, it addresses small-sample detection scenarios, while leveraging knowledge graphs for risk assessment at critical nodes in the food supply chain, enabling end-to-end intelligent food safety detection from raw material intake to finished product release.

Embodied Intelligence—Dyna Arms

We adopt an embodied intelligence approach via our *Dyna Arms* modules, leveraging multi-form embodied intelligence technologies to automate and integrate a wide range of laboratory tasks achieve traditionally performed by laboratory personnel. These tasks include visual perception, decision-making, error correction, optimization, instrument operation, experimental organization, data processing, and report generation. See “—Research and Development—Our Core Technologies—Embodied Intelligence and Robotic Control Technology.” Through this approach, our solution is designed to substantially reduce manual intervention and enable highly automated laboratory operations. The key capabilities of our embodied intelligence solutions include: (1) visual recognition across liquid, solid, and microscopic samples; (2) neural-linked transmission enabling “eye-to-hand” instantaneous response; (3) automatic error correction through self-learning algorithms; (4) multi-threaded parallel processing enabling a single system to execute multiple tasks simultaneously; (5) intelligent enhancement of existing laboratory instruments, such as automated chromatogram recognition and automated melt flow indexer operation; (6) seamless integration of AI-powered instruments with robotics and multi-modal transformation; and (7) multi-robot coordination and motion planning technology, enabling collaborative operation among multiple *Dyna Arms* modules with real-time obstacle avoidance, dynamic path adjustment and task-level coordination in complex laboratory environments.

Dyna Arms comprise a suite of self-developed, multi-form embodied intelligent modules, encompassing 36 standardized modules and 14 specialized modules. Leveraging our multi-modal perception and fusion technology, these modules work in concert to replicate and ultimately supersede human tactile and operational capabilities, ensuring that every physical action in the laboratory, from sample handling to instrument interaction, is executed with precision, consistency, and adaptability. See “—Research and Development—Our Core Technologies—Multi-modal Perception and Fusion Technology.” *Dyna Arms* form the critical bridge between the *Dyna Brain*’s decisions and the physical world, enabling true closed-loop automation.

Below sets forth a selection of our standardized embodied intelligence modules.

- *Instant-sensing self-evolving powder weighing robot.* This module integrates automated powder sample gripping, high-precision weighing and sorting in a single system. It features interchangeable grippers, automatically adjusts weighing modes, and supports post-weighing gripper air-blowing, cleaning and drying to prevent cross-contamination.
- *Liquid weighing module.* This module provides automated, high-precision weighing for viscous liquid samples. It allows for the sampling of liquids of different viscosities, and it enables precision weighing at the 0.01 g level. An integrated automatic cleaning mechanism flushes fluid pathways after each weighing to prevent cross-contamination, enabling seamless operation within fully automated laboratory workflows.
- *Automatic cap open/close module.* This module is designed for use in self-driving laboratory solutions to automatically screw on and off the caps of sample bottles. Its core function is to perform both the opening and closing of lids, offering a versatile solution adaptable to various laboratory scenarios that require automated capping and uncapping.

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- *Sample loading module—QR code/barcode.* This sample loading module automates the identification and binding of sample bottles using high-precision barcode or QR code scanning technology. By enabling batch recognition and integrating with PLC smart scheduling, it addresses challenges of low efficiency and high manual intervention. The scanner reads the code labels, making this non-contact method suitable for binding sample information in various scenarios.
- *Liquid preparation module.* This module automatically prepares liquids required for experiments. It overcomes issues of low precision and high manual risk through multi-channel high-precision solenoid valves, dynamic compensation algorithms, and PLC smart scheduling. The module is capable of configuring different liquids in varying quantities and can be used for liquid preparation across diverse application scenarios.
- *Liquid transfer module—pipetting pump.* This module automates sample transfer using a high-precision micro pipettor that ensures exceptional accuracy and precision in aspiration and dispensing. To prevent cross-contamination and carryover, it operates by picking up and discarding disposable pipette tips. The module comprises a linear motion unit, a tip rack, and disposable tips, and is designed for reliable liquid handling in various laboratory settings.
- *Mixing module.* Our mixing module ensures thorough mixing of liquids to ensure sample consistency and uniformity. By homogenizing sample composition and concentration, it minimizes variability, thereby enhancing the accuracy and reliability of subsequent experimental results. This versatile unit is suitable for liquid mixing operations across multiple application scenarios.
- *Detection instrument module.* This module serves as the interface for integrating and controlling various laboratory detection instruments within an automated workflow. It employs a multi-protocol compatible control platform and high-precision data processing, orchestrated by intelligent scheduling, to boost detection efficiency and reduce human error. The system, which automatically controls the instruments and retrieves results, and is adaptable for use in various experimental detection applications.
- *AGV module.* The AGV module automates sample transportation utilizing SLAM navigation technology and intelligent scheduling for modular coordination. It addresses inefficiencies and safety concerns associated with manual transport. Capable of continuous operation, the module consists of an AGV cart, a charging station, a robotic arm, and a vision camera, and is adaptable for sample transport for a range of application scenarios.
- *Automatic cup dispensing module.* This module automates the dispensing of disposable titration cups to improve efficiency and prevent contamination in automated labs. It uses a high-precision feeding system and flexible gripping technology for the automatic supply, positioning, and placement of cups. Features like an anti-jam emergency retraction and an encoder plus photoelectric sensor dual-redundant positioning system mitigate the risk of jams, making it suitable for applications in chemical analysis and biological testing.

In addition to our standardized embodied intelligence modules, we have developed a range of specialized modules to address specific, often complex, laboratory tasks. Below sets forth a selection of our specialized embodied intelligence modules.

- *Sampling needle cleaning module.* This module is dedicated to automatically clean sampling needles to prevent cross-contamination. It supports two cleaning methods, water washing and alcohol washing, providing flexibility to suit different experimental requirements and ensuring the needles are properly sanitized between uses. This module is frequently used in the chemical engineering and new materials application scenario.

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- *PH detection module.* Designed for automated pH measurement, this integrated module combines multiple functions into a single station. In addition to performing pH detection, it incorporates stirring capabilities, liquid addition and drainage, and a cleaning function, allowing for comprehensive sample handling and sensor maintenance without manual intervention. This module is frequently used in the chemical engineering and new energy application scenario.
- *Powder dispensing module.* This module is engineered for dispensing powdered or granular samples with high precision, achieving an accuracy of $\pm 0.1\text{mg}$. It offers two distinct dispensing methods: a linear vibrator combined with a balance for weighing, and a servo screw mechanism also paired with a balance, providing adaptability based on the material properties and required throughput. This module is frequently used in the new energy application scenario.
- *Granulation module.* The granulation module is used to precisely drip catalyst material onto a carrier substrate. By combining precision liquid addition with a rotating mechanism, it ensures the catalyst is evenly and uniformly attached to the carrier. Its manually adjustable rotation angle and pluggable structure allow for flexible and easy operation in different granulation applications. This module is frequently used in the new materials application scenario.
- *Turbidity detection module.* This module is a dedicated unit for the direct measurement of liquid sample turbidity. It allows for automated, inline assessment of sample clarity or cloudiness, which is a key parameter in various analytical and quality control processes. This module is frequently used in the chemical engineering application scenario.
- *Vision-based flexible feeder module.* This advanced feeding unit combines flexible vibration technology, machine vision, and robotic control. It is designed to rapidly separate, orient, and position a wide variety of small parts, including delicate or oddly shaped items that are difficult for traditional feeders. In this context, it is specifically used for visually screening catalyst particles, enabling a robot to accurately grasp selected items. This module is frequently used in the new materials application scenario.

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The following pictures illustrate a selection of our standardized and specialized embodied intelligence modules.



Liquid dispensing module



Liquid transfer module



Mixing module



Liquid preparation module

High-quality Data—Dyna Data

At the base of our architecture lies a robust data infrastructure that serves as the high-quality data foundation. Leveraging the self-driving laboratory system, we are able to continuously generate rich, high-fidelity datasets encompassing detailed experimental process logs and outcome data. These datasets not only document every aspect of the experimental workflow but also actively feed back into the *Dyna Brain* and *Dyna Arms* for further closed-loop operation.

Key data generated includes: (1) detailed inspection and analysis results for various samples; (2) granular, time-series data from every executing mechanism; (3) detailed interaction logs with systems such as LIMS; (4) cleaned and validated production data fed back from manufacturing environments; (5) critical data captured at key points corresponding to specific experimental methods; (6) longitudinal evolution data from multi-iteration experiments; (7) consistency validation data across different batches and platforms; and (8) data generated from our laboratory environment management system. Built on an open architecture, this data foundation seamlessly integrates with our laboratory environment and management systems. Crucially, it serves as the single source of truth, providing a standardized, high-quality corpus where IoT-driven workflows guarantee full traceability, enabling retrospective review and robust vertical AI model training.

Our Industry Application

Our application scenarios span laboratories across industries including chemical engineering, new energy and materials science, and life sciences. These application scenarios represent the integrated and standardized deployment of our technology stack described above, tailored to meet the specific operational demands of each industry.

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Chemical engineering industry

In the chemical engineering industry, the testing of highly toxic and hazardous chemicals has long faced multiple challenges, including significant environmental risks, heavy manual workload, and stringent efficiency requirements, with samples of high viscosity, strong corrosiveness, volatility, and explosiveness. For high-toxicity products such as acrylonitrile, the detection process demands strict control while also meeting high-volume, multi-parameter, and rapid-response quality inspection needs in production.

To address these challenges, we have designed embodied intelligence modules specifically for chemical samples covering liquid and solid enabling full-process automation from pretreatment to analysis. We designed, among others, the liquid pretreatment module, the solid catalyst and particle property detection module, the online titration and analysis module, and the explosion-proof process design to address automated pretreatment, quality assessment, real-time chemical analysis, and safe operation in hazardous environments.

Case study 1—High-capacity acrylonitrile automated testing project

Our customer, a major player in China’s petrochemical sector, required the handling toxic chemical acrylonitrile samples to meet its testing needs. Each batch of samples required multiple tests including titration, pH measurement, density, moisture content, and chromatography, covering both finished products and in-process samples.

Focusing on the testing requirements for two key product lines, acrylonitrile and acetone cyanohydrin, we implemented a self-driving laboratory solution covering physical and chemical analysis, chromatographic analysis, and automated cleaning. This system seamlessly integrates the entire process, from sample sorting, splitting, pretreatment, and transfer, to loading/unloading, analysis, and finally bottle cleaning, drying, and recycling.

Our solution achieved a daily throughput of over 1,500 inspections with a data repeatability error rate below 1%. It also helped our customer eliminate direct personnel contact with toxic and hazardous substance of acrylonitrile by having a contact-free segregation among the personnel, sample, and machines significantly reducing operational costs.

Case study 2—Offshore platform testing project

Our customer, a leading oil and gas company operating offshore platforms, required the routine testing of parameters such as water content and viscosity in crude oil and oil content and suspended solids in production water offshore.

We developed a self-driving offshore laboratory testing system designed for oil and gas applications. The system integrates automated modules for sample preparation, testing and equipment self-cleaning, and incorporates high-precision liquid handling, intelligent dosing, heating and visual recognition functions. It is designed to support integrated and standardized testing workflows for crude oil and production water within a compact configuration suitable for offshore environments.

The system is designed to reduce manual intervention and support continuous laboratory operation on offshore platforms. By standardizing testing procedures and limiting direct handling of reagents, it improved our customer’s operational efficiency and controlled operating costs.

New energy industry

In the new energy sector, our self-driving laboratory solution is able to the full R&D workflow from material synthesis, electrode preparation and battery assembly to characterization testing and performance evaluation, supporting the development and testing of hydrogen storage materials, cathode and anode materials and electrolytes. Our solution allows for the integration of high-throughput synthesis and screening modules with multiple testing units, enabling precise

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powder batching, automated data acquisition and a closed-loop, full-chain workflow that significantly increases experimental throughput while ensuring data consistency and traceability. For high-risk experimental scenarios involving powder contamination, toxic gases or highly reactive materials, our solution replaces manual operations and achieves complete human-machine isolation, eliminating the need for frequent handling of hazardous substances and fundamentally enhancing occupational health and laboratory safety, thereby enabling customers to improve R&D efficiency, shorten development cycles and complete large-scale testing tasks in a safer and more reliable manner.

Case study 3—Hydrogen catalyst R&D project

Our collaborating partner, a leading institute engaged in the R&D of advanced materials, required an automated solution to replace manual, multi-step catalyst synthesis processes to ensure consistency and accelerate R&D in catalyst development. We provided a self-driving laboratory solution that seamlessly executes the entire catalysts synthesis process, from precision powder weighing and ink formulation to mixing, filtration, coating and drying. The solution allows the R&D team to validate manufacturing processes in real-time during catalyst development. The embodied intelligence technology transforms raw quality data into actionable process adjustments, autonomously optimizing parameters like material ratios, ultrasonic dwell times, and coating speeds. This closed-loop intelligence not only accelerated the development of high-performance catalysts but also de-risked the subsequent scale-up, providing a validated, automation-ready blueprint for seamless transition to mass production.

Case study 4—Graphite particle size testing project

Our customer, a battery material supplier, with its growth in production capacity, sought to enhance efficiency in its quality inspection demands for large scale synthetic graphite anode materials production. Particle size distribution is a critical quality indicator for graphite anode materials, as the size of graphite particles directly affects the performance, safety and consistency of lithium-ion batteries. In order to ensure stable battery performance, graphite particle size must be tightly controlled within specified ranges. The customer’s traditional reliance on manual sampling and offline testing faced challenges of high labor costs, the lack of representativeness on sampling, and delays in its testing data.

We developed an automated physical sampling and preprocessing system for the project. We used an automatic vacuum sampler and pneumatic transfer system to extract powder directly from the production line. Our sample loading module and the automatic cup dispensing module automate the injection of dispersion medium and de-agglomeration. We also deployed our sample needle cleaning module to clean and purge lines after each test to prevent cross-contamination. While significantly enhancing data reliability, this solution enabled the customer to reduce the quality inspection team and resulting in reduction in labor costs.

New materials industry

Traditional approaches in the new materials R&D give rise to low R&D efficiency and long development cycles, poor reproducibility and unstable experimental quality due to subjective manual operations, as well as heightened safety risks and compliance pressure arising from frequent human exposure to hazardous chemicals and insufficient traceability. By integrating automated composite robots and service robots, our self-driving laboratory solution enables automated reagent inbound and outbound storage, as well as unmanned delivery and return across laboratories, ensuring accuracy and traceability throughout the entire process. Our self-driving laboratory addresses these challenges by covering the full workflow from synthesis and preparation to testing and characterization, achieving full-process automation across multiple application scenarios, including catalyst and membrane electrode material synthesis, organic and polymer material synthesis, formulation screening and development, and elemental analysis, thereby significantly improving R&D efficiency while ensuring consistent and reliable experimental quality.

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Case study 5—Coprecipitation catalysts preparation project

Our customer, a company engaged in catalyst R&D, engaged in advanced catalyst formulation and performance optimization. As research intensity increased and catalyst screening requirements expanded, the customer sought to modernize its catalyst preparation process to support higher throughput, better reproducibility and safer laboratory operations. Further, frequent manual handling of nickel- and cobalt-based heavy metal powders, as well as strong acids and alkalis, exposed the customer’s laboratory personnel to elevated safety risks and increased compliance pressure.

To address these issues, we designed and built an automated high-throughput catalyst preparation platform based on impregnation and co-precipitation processes. Our solution integrates, among others, liquid preparation module, high-precision solid dosing module, and the pH detection module with closed-loop feedback control. This architecture enables an end-to-end automated workflow covering material preparation, dosing, liquid addition, stirring, mixing and reaction, ageing, and automatic granulation. The solution help our customer improve preparation accuracy and repeatability, increase experimental throughput, and materially reduce exposure to hazardous materials.

Case study 6—Surfactant formulation optimization project

Our customer operates in the new materials R&D sector, focusing on surfactant formulation development and performance optimization. Under traditional laboratory practices, formulation screening relied heavily on manual operations, resulting in low efficiency, operator-dependent errors and limited data traceability. As formulation complexity increased, the customer sought to improve R&D efficiency while reducing reagent consumption and labor costs.

To address these challenges, we developed an automated surfactant compounding and interfacial tension prediction system with our self-driving laboratory solution. The solution integrates AI algorithms, robotic automation and high-precision chemical testing, and establishes a closed-loop automated workflow covering experimental planning, automated liquid compounding, testing and results feedback. The system comprises an automated compounding platform, an AI-based interfacial tension prediction model and a centralized data management system. In testing, the solution achieved interfacial tension measurement accuracy at the $10^{(-3)}$ mN/m level, increased experimental efficiency by approximately 3.6 times compared to manual operations. The solution is widely applicable to fine chemicals and new materials R&D, particularly for formulation screening of complex fluid systems.

Life sciences industry

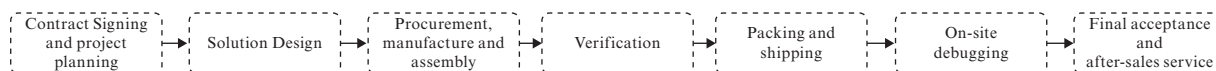
In the life sciences sector, research and development as well as quality control processes impose stringent requirements on experimental accuracy, cleanroom conditions, and data reliability. Our self-driving laboratory solutions are designed to support this sector by delivering high-precision and high-efficiency experimental workflows. These capabilities include high-throughput sample pretreatment module that enable automated handling of complex-matrix samples; precision liquid handling platforms integrated with advanced analytical modules for accurate component quantification; sample preparation module that supports standardized processing prior to multi-dimensional analysis; and visual monitoring of drug cultivation and automated testing systems that enhance process standardization and data integrity across the laboratory workflow. Collectively, these solutions help customers significantly improve R&D efficiency, reduce human error, and ensure the reproducibility of experimental results.

Laboratory Solutions Workflow

The project implementation workflow of our laboratory solution encompasses several key phases comprising project planning and initiation, design, procurement and assembly, packaging and shipping phase, and final acceptance.

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The following diagram illustrates the general workflow of our laboratory solutions.



- *Project planning.* We launch a formal project after signing the contract. A project manager (“PM”) and an implementation manager (“IM”) are appointed, and a project team is formed. The PM develops the overall project plan, and creates initial documents like the resource status summary, hardware cost budget, and procurement plan. We work closely with the customer to define the relevant system functions, performance indicators and technical parameters, and identify key evaluation criteria. Based on these definitions, the project team explores and assesses feasible technical and implementation solutions, forming a clear and structured execution roadmap for subsequent deployment and delivery.
- *Solution design.* The project team develops and refines the technical solution in accordance with the customer’s requirements after conducting internal reviews. Engineers create detailed drawings and specifications, which undergo formal review and approval before being released for manufacturing. Digitally simulated animation is created before the design enters the execution stage. The PM also provides a key parts inspection checklist to the quality control team.
- *Procurement, manufacture, and assembly.* The production team procures and manufactures modular and custom parts. The IM tracks progress and reports issues. The IM coordinates the physical assembly of the system in the production base. Issues arising during the assembly phase are tracked and reported weekly.
- *Verification.* The IM leads system end-to-end system verification and debugging according to a predefined plan. The PM organizes a pre-acceptance with the customer prior to packing and shipping. A pre-acceptance summary is created and signed, listing any agreed-upon rectifications.
- *Packing and shipping.* The validated system is prepared for shipment to the customer’s site. The IM is responsible for packing and shipping logistics.
- *On-site debugging and final acceptance.* The system is installed and formally handed over at the customer’s facility. The IM manages on-site installation and debugging, reporting progress weekly. The PM organizes the final acceptance with the client. A final acceptance summary is drafted and must be reviewed by the executive director before the customer signs off.
- *After-sales maintenance services.* After the customer’s final acceptance and during the warranty period, the after-sales service team provide support and maintenance for any after-sales issues.

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Key Operating Data

The table below sets forth key metrics of our solutions.

	Year ended December 31,		
	2023	2024	2025
Number of customers during the year	111	112	121
Number of new customers ⁽¹⁾	50	59	76
Average customer value ⁽²⁾ (RMB in millions)	5.5	4.9	5.3
Number of contracts that recognized revenue during the year	270	394	263
Order backlog as of the end of year (RMB in millions)	433.2	388.0	502.5

(1) Number of new customer equals to the number of customers in the current period who did not contribute revenue in the previous year.

(2) Average customer value for a given period is calculated by dividing revenue in that period by the number of customers for the same period.

BACKLOG AND LOSS-MAKING CONTRACTS

Backlog

Backlog represents our estimate of contract value that remains to be completed as of a certain date. New contract value represents the amount that we expect to receive under the terms of the contract, assuming the contract is performed in accordance with its terms. To the extent the work under these contracts advances, amounts are progressively removed from backlog. Backlog is not an audited measure defined by IFRS and our methodology in determining backlog may not be comparable to the methodology used by other companies.

Backlog might not be indicative of our future operating results and difficulties in contract performance could lead to inaccuracies with respect to the ultimate income from uncompleted contracts. The termination or modification of any one or more sizeable contracts or the addition of other contracts could have a substantial and immediate effect on the amount of our backlog and the revenue and profits we may earn from such contracts, and could have a material adverse effect on our profitability and financial condition. As a result, our backlog information presented in this document should not be relied on as an indicator of our future earnings.

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The following table sets forth, without considering the VAT, our backlog, new contract value, number of contracts and recognized revenue for each of the periods indicated. In a given period, our backlog at the beginning of the period plus our new contract value less our recognized revenue for the period equals our backlog at the end of the period.

	Year ended December 31,		
	2023	2024	2025
Backlog at the beginning of the year (exclusive of VAT) (<i>RMB in millions</i>)	598.5	433.2	388.0
New contract value (<i>RMB in millions</i>)	448.8	508.8	759.4
Number of new contracts	269	252	212
Recognized revenue for the year (<i>RMB in millions</i>)	614.1	554.0	644.9
Backlog at the end of the year (<i>RMB in millions</i>)	433.2	388.0	502.5

Loss-making Projects

Our Directors consider a loss-making project arose when the revenue generated from the project was insufficient to cover the costs related to the work performed for the project at the time of its completion.

During the Track Record Period, we had three loss-making projects, with aggregated gross loss of RMB4.9 million. The aggregated revenue of such loss-making projects was RMB47.5 million, representing 2.6% of our total revenue during the Track Record Period. Our Directors consider that the losses recognized as a result of these loss-making projects were acceptable losses that may arise out of our ordinary course of business and such losses were insignificant to our operations, financial performance and profitability as a whole.

RESEARCH AND DEVELOPMENT

We believe that R&D is pivotal to our value creation, which has driven our rapid growth since our inception and will continue to lead our future development. We have made, and will continue to make, substantial investments in our R&D initiatives to continually upgrade our products and advance our technological competitive edge. In 2023, 2024 and 2025, we recorded research and development costs of RMB45.4 million, RMB44.6 million and RMB59.4 million, respectively, accounting for 7.4%, 8.1% and 9.2% of our revenue for the same period, respectively.

Our Core Technologies

At the backbone of our intelligent laboratory solutions and self-driving laboratory solutions lies our core technologies, which include, among others, the multi-modal perception and fusion technology, embodied intelligence and robotic control technology, and the scientific discovery decision engine technology of the *Dyna Brain*.

Multi-modal Perception and Fusion Technology

Our multi-modal perception and fusion technology forms the foundational “sensory system” of our self-driving laboratory, which addresses the fragmentation and inconsistency of data generated by different instruments, operating conditions and laboratory environments. We have independently developed UDI Stack, a unified device interface protocol, to enable the disparate devices to connect through a single, standardized interface and support maintain industrial communication protocols. Through this protocol, instruments from different manufacturers that operate under different communication standards and protocols can be recognized and connected on a plug-and-play basis.

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As a result, our system can currently support more than 20 instrument brands and over 100 instrument models, significantly reducing integration time and cost for customers while providing a scalable foundation for future laboratory expansion.

Our multi-modal perception and fusion technology also enables the synchronous collection of different categories of laboratory data through unified drivers and interfaces. This system simultaneously captures (1) instrument data, such as raw spectra, images and measurement outputs, (2) equipment operating condition data, including temperature, pressure, voltage and vacuum levels, and (3) environmental data, such as laboratory temperature and humidity, vibration, electromagnetic interference, particulate matter and microbial indicators. These data are collected through laboratory equipment, including multi-modal data collectors, edge computing nodes and protocol conversion gateways, and are standardized at source to ensure consistency and usability. By deploying edge computing nodes, we are able to perform time-critical processing locally while transmitting more complex analytical tasks to the cloud, thereby balancing response speed with analytical depth.

Embodied Intelligence and Robotic Control Technology

Our embodied intelligence and robotic control technology deeply integrates AI decision-making with our *Dyna Arms* modules, enabling robots not only to execute predefined instructions, but also to understand experimental tasks, autonomously plan actions and flexibly adapt to changing laboratory conditions.

At the foundation of this technology stack is our multi-robot collaborative scheduling system, which is designed specifically for the complex and space-constrained laboratory environment. Our scheduling algorithms dynamically coordinate among our *Dyna Arms* modules, task allocation, path planning and resource usage, resolving conflicts such as congestion and equipment contention in real time. This enables seamless transfer of samples and reagents between workstations and significantly improves overall laboratory efficiency.

Building on this coordination layer, we have developed a laboratory operation skills library, which translates human laboratory expertise into standardized, AI-executable robotic skills. Rather than relying on bespoke programming for each task, we encapsulate common laboratory operations—ranging from simple sample handling to complex precision procedures—into reusable skill modules. These skills cover areas such as high-precision weighing, micro-volume liquid handling, automated instrument operation and predictive instrument maintenance. Each skill is defined with clear performance parameters, enabling consistent execution and continuous optimization. Over time, this skills library is designed to expand into a comprehensive catalogue of standard laboratory capabilities, forming a key differentiator from general-purpose industrial robots that lack laboratory-specific intelligence.

A critical enabling layer of our technology stack is machine-vision-guided intelligent operation. We integrate high-resolution cameras and advanced computer vision algorithms directly into the robotic operating platform, allowing robots to accurately recognize laboratory consumables such as microplates, test tubes and reagent bottles. This visual intelligence enables precise positioning, dynamic tracking and automatic posture correction during operations, which is essential for maintaining accuracy in high-throughput and high-precision laboratory tasks. In addition, the vision system supports real-time detection of experimental anomalies, such as abnormal liquid levels, color changes or sediment formation, allowing the system to respond promptly to potential issues and maintain experimental integrity.

Dyna Brain Scientific Discovery Decision Engine Technology

Serving as the decision hub of our self-driving laboratory, our *Dyna Brain* combines scientific data, domain knowledge structures, and advanced decision algorithm to make end-to-end decisions across experiment planning, intelligent scheduling, and knowledge management.

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At its core, *Dyna Brain* is built upon a scientific discovery and decision algorithm engine that supports the autonomous design, execution, and optimization of experiments. This engine systematically transforms experimental objectives into executable strategies by combining Bayesian optimization, active learning, reinforcement-based decision strategies, causal inference, and model-driven prediction. Through iterative feedback from experimental data, the system dynamically refines hypotheses, adjusts experimental parameters, and prioritizes the most informative experiments.

Dyna Brain will further incorporate cross-domain scientific knowledge structures derived from scientific literature, historical experimental records, and proprietary laboratory data. These structured knowledge assets enable intelligent hypothesis generation, experimental risk assessment, and strategy recommendation across chemistry, materials science, and life sciences. By linking experimental variables, outcomes, and underlying mechanisms, the system supports informed decision-making beyond simple trial-and-error approaches.

Our R&D Achievements

We are dedicated to establishing the benchmark standard system for China’s laboratory industry. In the domain of controlled laboratory environments, we have participated in the formulation of ten national standards and two industry standards that have been implemented or are implemented, including *Technical Requirements for Airborne Chemical Contamination Control in Cleanrooms and Associated Controlled Environments* (潔淨室及相關受控環境空氣化學污染控制技術要求) (GB/T 36306–2024), *Technical Requirements and Applications for Cleanrooms and Associated Controlled Environments testing* (潔淨室及相關受控環境檢測技術要求與應用) (GB/T 36066–2025), and *Technical Requirements for Electrostatic Control in Cleanrooms and Associated Controlled Environments Testing* (潔淨室及相關受控環境靜電控制技術要求) (GB/T 33555–2025). Concurrently, we actively promote the advancement of high-quality national consortium standards, having contributed to the development of 12 consortium standards covering biosafety laboratories, prefabricated laboratories, food safety rapid testing laboratories, and smart low-carbon park design.

In the realm of self-driving laboratory, we have participated in the formulation of multiple industry and national standards in the field of intelligent laboratories. We participated in the formulation of the group standard *Specification for Intelligent Evaluation of Self-driving Laboratories* (黑燈實驗室智能化評價規範) (T/CITS 693–2026), issued by the China Inspection and Testing Society, which has been formally published and implemented in 2026. This group standard provides evaluation guidelines for the intelligent construction and operation of self-driving laboratories and serves as an industry reference. We have also participated in the formulation of eight national standards, including *Intelligent Laboratory: Terminology and Definitions* (智能實驗室術語與定義), *Intelligent Models and Systems: Technical Requirements for Lightweight Models* (智能模型與系統輕量化模型技術要求) and *Intelligent Models and Systems: Interface Integration and Interoperability Requirements* (智能模型與系統介面集成互操作要求). These standards address core aspects of intelligent laboratory development, including the standardization of fundamental concepts, data governance frameworks and technical requirements for laboratory planning, design and construction. Our participation in the drafting of these national standards reflects our technical experience in intelligent laboratory solutions and contributes to the establishment of unified technical references for the development and implementation of intelligent laboratories in the industry.

We have undertaken and participated in national-level government-funded R&D projects, including a sub-project under the National Key R&D Program of China on intelligent rapid detection technologies for pathogenic microorganisms, and a National Science and Technology Major Project on key technologies and equipment for integrated atmospheric monitoring in smart laboratories, demonstrating our capabilities in intelligent laboratory systems and system integration.

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Furthermore, Mr. Chi has been appointed as a member of the Subcommittee on Intelligent Laboratory Equipment (SAC/TC526/SC1) under the National Technical Committee on Laboratory Instruments and Equipment, where he will actively contribute to the development and promotion of national intelligent laboratory standards. Currently, we are pursuing approval for additional national and industry standards in the intelligent laboratory field. These initiatives mark our strategic transition from participating in existing standards development to constructing the foundational architecture and industry benchmarks for the future intelligent laboratory ecosystem.

We are also a member of the Beijing Key Laboratory of Fully Automated AI Experimental Systems and the leading founding enterprise of the Zhongguancun Smart Laboratory Alliance. This enables us to closely align with policy resources, lead discussions on industrial technology roadmaps, and gain priority access to major national and provincial/ministerial-level demonstration projects. This has firmly established our position as an industry leader and connector, while also helping us to deeply integrate top universities, research institutes, leading enterprises, and industry chain partners to jointly drive the development of the smart laboratory industry.

Our R&D Team

The engagement of R&D talents with professional expertise and industry experience is crucial to the long-term success of our business. To that end, we have assembled a strong and well-qualified R&D team with backgrounds in chemical engineering and polymer materials. As of December 31, 2025, our R&D team comprised 203 members, representing approximately 36% of our total employees as of the same date.

Our R&D team comprises professional engineers responsible for foundational, common and general-purpose technology research, overall R&D planning, alignment of the technology roadmap with our Company’s development strategy, and the coordination and implementation of special projects and national- and provincial-level scientific research initiatives. In parallel, we have also established project-based engineering teams for specific application scenarios to carry out applied engineering research.

Our R&D Process

We establish a structured, multi-stage R&D process and adopt a milestone-based management approach, to evaluate whether the product meets functional and performance benchmarks at each stage. We place particular emphasis on product reliability, stability, usability, compliance with technical standards, and cost efficiency. Our R&D process typically involves the following stages.

- *Project planning and proposal review.* Before the start of an R&D project, we typically conduct an early market search and a necessity assessment.
- *Technical review and development.* The formulated R&D plan is submitted to our internal technical review committee for evaluation, which focuses on the technical feasibility, innovation potential, resource alignment, and alignment with our strategic objectives. The approved R&D plan then proceeds to be implemented.
- *Project development.* The process is actively managed through stage-gate reviews. During execution, there is continuous oversight and evaluation of R&D outputs and interim milestones against the plan. Development is execution-focused, driven by the goal of having an immediate end-user application.
- *Trial and final review.* The final stage involves a comprehensive assessment to determine if the project has met its initial intended goals. The process includes a formal corrective mechanism. If significant deviation is identified, projects are promptly corrected through variable adjustments or terminated. Upon successful completion of trial production and final review, we will determine whether to proceed with mass production. The customized R&D projects typically will be delivered to our customers for acceptance testing upon completion of independent evaluation.

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We have not in-licensed any material intellectual property rights or outsourced any R&D processes to third parties. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material legal claims or proceedings that may have a negative impact on the R&D of our product and service offerings.

Our Strategic R&D Collaborations

We place strong emphasis on collaborations with top universities and national research institutes to accelerate innovation and had established long-term collaboration with renowned universities and research institutes on joint research and talent development, which has introduced us to new technologies and resources.

We generally maintain clear delineation of intellectual property rights prior to the collaboration to ensure that we retain exclusive ownership of the application and commercialization rights of the resulting products and technologies. These partnerships are conducted at multiple levels, ranging from project-based collaborations to the establishment of long-term joint laboratories where mutual research interests align closely.

The salient terms of our typical R&D contracts with collaborating government entities and institutions during the Track Record Period are set out below.

- *Scope.* We contribute our expertise in laboratory automation, equipment engineering, and system integration. Collaborating partner typically provides fund for research on a particular scientific area and research objective as specified in the agreement, or technical support.
- *Payment.* Our collaborating partner typically provides funding to the research project, and we receive a portion of these funds to cover our direct research and development costs. The government may provide a certain percentage of funding for science and technology, with the remaining R&D costs shared by the participating parties.
- *Intellectual property rights.* We retain rights to any intellectual property we owned prior to the collaboration. We own any intellectual property independently developed using our own resources, provided that we remark the intellectual property outcome was supported by our collaborating partner in any resulting publications or patent filings. We own jointly with our partners for jointly developed intellectual properties. In some cases, we may have the priority right to commercialize our technological outcomes. For jointly owned intellectual property, neither party may license, sell, or transfer the rights to a third party for commercial purposes without mutual written consent. Any revenue generated from commercialization shall be shared based on contribution or as separately agreed.
- *Confidentiality.* We agree to protect all unpublished research data, technical specifications, and business information shared by our partners during the project. Such information shall be used only for the purpose of this collaboration and shall not be disclosed to third parties without written consent.
- *Termination.* The agreement will terminate automatically upon the completion of the collaborating project. The agreement may also be terminated if we or the other party fails to meet technical milestones, or if there is violation of intellectual property ownership or confidentiality of the agreement.

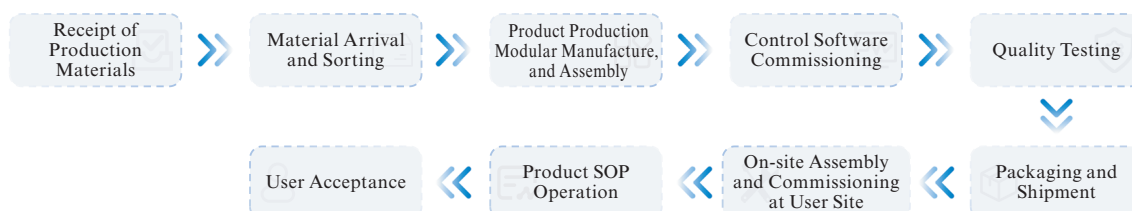
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PRODUCTION

Production Process

We generally commence project execution and product assembly upon receiving a confirmed customer order. We follow structured and standardized production processes across the two business lines. While the specifics vary slightly depending on the customized requirements of each laboratory solution, the core implementation flow integrates precision hardware assembly, quality testing, software deployment, and rigorous validation testing.

Each project typically begins with design and component preparation based on the specific experimental processes we aim to automate. This is followed by a modular manufacture and assembly phase, where key components such as robotic arms, sensors, control units, and analytical instruments are integrated. We incorporate multiple quality and functionality checkpoints throughout the process. These validations range from hardware calibration and software logic testing to full-process simulation runs, ensuring that every system meets the stringent reliability standards required for unattended operation. For deployment in high-stakes environments such as chemical and energy production, we implement additional pre-delivery procedures, including stability tests under continuous operation and scenario-specific stress testing. The following flowchart illustrates the key stages in our production process.



Production Facilities

During the Track Record Period, we had three sites of production facilities in Hebei Province Shandong Province, and Jilin Province. The following table sets forth the details of our production facilities.

Production Facility	Year of Commencement of Operation	Primary Products/Activities	Total GFA (m ²)
Hebei Production Base	2020	Production, integration and debugging of components and drive assemblies for self-driving laboratory solutions	9,792
Shandong Production Base ⁽¹⁾	2022	Components and modular assemblies for intelligent laboratories	15,786
Jilin Production Base	2025	Components and modular assemblies for intelligent laboratories	12,606

(1) As of the Latest Practicable Date, we had ceased to operate the Shandong Production Base.

The following table sets forth the production capacity, production volume and utilization rate of our production bases during the Track Record Period for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	Utilization rate ⁽¹⁾	Utilization rate ⁽¹⁾	Utilization rate ⁽¹⁾
Hebei Production Base.	84.4%	86.2%	82.2%
Shandong Production Base	81.8%	85.6%	86.8%
Jilin Production Base	—	—	88.6%

(1) Utilization rate was estimated by our management based on the actual and optimal working hours of our production workers during the respective year.

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During the Track Record Period, we had not experienced any material or prolonged stoppage of production due to equipment failure, and we had not experienced any material accidents during our manufacturing process.

QUALITY CONTROL

Product quality and system reliability are fundamental to our business, as any defect or failure could disrupt our customers. We are committed to delivering high-quality, stable intelligent laboratory solutions that comply with international standards and stringent industry requirements.

Our quality control is embedded at every stage throughout the project’s lifecycle. Our production process mandates the generation of detailed quality and test reports at key milestones such as assembly and pre-acceptance on-site debugging phases. We maintain a proactive issue feedback mechanism to address any discrepancies immediately. Our quality oversight focuses on several critical performance indicators, including defect rate and first pass yield, reliability, stability, process capability index, and customer satisfaction.

In manufacturing and procurement, we enforce strict supplier management with biannual multi-dimensional performance reviews that determine future procurement share, and we maintain a zero-tolerance anti-corruption culture to uphold integrity.

As of December 31, 2025, we had a dedicated quality control team of five members. Our quality control team is responsible for formulating and implementing our quality control policies, and overseeing the planning, implementation and supervision of our internal quality initiatives. We have established a comprehensive quality management system, which governs our entire project lifecycle from design and supplier qualification to manufacturing, integration, validation, and after-sales support. Our quality management system has been certified to ISO 9001, reflecting our standardized procedures, internal controls and continuous improvement mechanisms. In addition, our environmental management system and occupational health and safety management system have been certified to ISO 14001 and ISO 45001, respectively, demonstrating our commitment to responsible operations, environmental protection and workplace safety. Together, these management systems provide a structured framework to help us consistently deliver products and services that meet customer requirements while managing operational, environmental and safety-related risks.

During the Track Record Period and up to the Latest Practicable Date, we had not received any material complaints about product quality and our products had not been subject to any material claim, litigation or investigation. In addition, during the Track Record Period and up to the Latest Practicable Date, there were no product recalls or fatal accidents related to our products that may cause material adverse impact to our operation.

SALES AND MARKETING

Sales Arrangements

We adopt a direct sales model, as most of our solutions are made to order and cater to the different needs of our customers. Customer engagement is primarily achieved through a competitive bidding process. To enhance efficiency and optimize project execution, we have implemented a project-based approach to ensure a structured and streamlined workflow. Under this model, dedicated cross-functional project teams are formed, integrating sales, technical, and delivery personnel who work closely to manage the project lifecycle and ensure customer satisfaction. By combining a customer-centric direct sales approach with a structured project management framework, we ensure our solutions meet precise requirements and are delivered with high quality.

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Pricing

Our product pricing strategy is primarily influenced by our cost structure and prevailing market competition. During the Track Record Period, we established a pricing framework that reflects our production and operational costs, while remaining sensitive to market dynamics across different sectors and business customer. We closely monitor competitive landscapes and adjust our pricing to maintain commercial attractiveness, ensure reasonable margins, and support sustainable business growth.

Marketing and Branding

We believe that our deep industry expertise, first-mover advantage in “Self-driving Laboratory” solutions, and extensive track record of successful project deliveries have established a robust foundation for our marketing and branding. Our sales and marketing strategy is designed to enhance brand visibility and drive business growth through a project-led and technology-driven approach. We prioritize direct engagement with key decision-makers at large enterprises and research institutions, primarily through formal bidding processes. Our long-established leadership in traditional and intelligent laboratory design and integration serves as a critical channel for market insight and entry, allowing us to identify and cultivate opportunities for our advanced automation solutions. We are enhancing market recognition of our “Dynaflow” and “Self-driving Laboratory” brands by creating flagship reference projects, which serve as powerful demonstrations of our capabilities to potential clients.

We actively participate in industry exhibitions and summits to showcase our latest technological achievements. While we maintain a digital presence through our official website, our marketing strategy is predominantly anchored in technical reputation and project success. We allocate considerable resources to demonstrating value in high-potential application domains like chemical processing, energy, and new materials. Our extensive partnerships with leading customers across these industries exemplify our exceptional business capacity, further consolidating our strong brand reputation as a provider of mission-critical, customized automation solutions.

After-sales Services

We are committed to ensuring the long-term reliability and performance of our delivered systems. Our service model is built on proactive support and rapid response. As of December 31, 2025, we have a dedicated customer service team comprising of 44 members to ensure timely responses to our customers’ communications, reinforcing our stringent quality control standards and strengthening customer confidence in our solutions. Our team is equipped with vast technical knowledge and experience to provide accurate and timely assistance.

We have established a structured issue feedback and resolution mechanism. During operation, any performance discrepancies or defects are documented in quality reports and addressed through a defined feedback process.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any incidents related to product recall, product exchange or product liability claims that would have a material adverse impact on our business, financial condition and results of operations.

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OUR CUSTOMERS

Our customers primarily consist of enterprises across a variety of industry verticals, such as petrochemical and energy companies, biopharmaceutical companies and medical institutions, food companies, universities, research institutions, and industrial enterprises. In 2023, 2024 and 2025, revenue generated from our top five customers in each period during the Track Record Period accounted for 58.0%, 67.8% and 51.6% of our total revenue for such period, respectively, and revenue generated from our largest customer in each period during the Track Record Period accounted for 17.8%, 33.2% and 16.0% of our total revenue for such period, respectively. We typically settle payments with our top five customers by bank transfer and bank bills. The following table sets forth certain information of our top five customers during the Track Record Period.

<u>Customer⁽¹⁾</u>	<u>Transaction amount</u> (RMB in thousands)	<u>Percentage of total revenue</u> (%)	<u>Year of commencement of business relationship</u>	<u>Payment terms</u>	<u>Major products purchased</u>
For the year ended December 31, 2023					
Customer A	109,495	17.8	2017	Payments made based on delivery and installation progress, with 5% retained as a quality retention fund upon project completion	Intelligent laboratory integrated solutions; modular laboratories and components; design, operation and maintenance
Customer B	75,677	12.3	2020	Advance payment of 10% required; payments made based on project progress, with cumulative progress payments up to 80% of the contract price, and the remaining payable upon final discharge	Intelligent laboratory integrated solutions
Customer C	72,231	11.8	2013	Advance payment of 30% required; payments made based on production and delivery progress, with 3% retained as a quality retention fund	Intelligent laboratory integrated solutions; modular laboratories and components; design, operation and maintenance
Customer D	55,374	9.1	2022	Advance payment of 10% required; payments made based on project progress, with 3% retained as a quality retention fund	Intelligent laboratory integrated solutions; design, operation and maintenance
Customer E	43,264	7.0	2016	Advance payment of 30% required, with the remaining payable upon final acceptance, and 5% retained as a warranty deposit	Intelligent laboratory integrated solutions; modular laboratories and components; design, operation and maintenance
Total	355,987	58.0			

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<u>Customer⁽¹⁾</u>	<u>Transaction amount</u> (RMB in thousands)	<u>Percentage of total revenue</u> (%)	<u>Year of commencement of business relationship</u>	<u>Payment terms</u>	<u>Major products purchased</u>
For the year ended December 31, 2024					
Customer F	184,002	33.2	2023	Payment by instalments based on agreed milestones	Modular laboratories and components
Customer A	98,971	17.9	2017	Advance payment of 30% required against guarantee; payments made based on delivery progress, with 5% retained as a quality retention fund upon expiry of the warranty period	Intelligent laboratory integrated solutions; modular laboratories and components; design, operation and maintenance
Customer C	36,696	6.6	2013	Advance payment of 30% required; payments made based on project progress, with 3% retained as a quality retention fund	Intelligent laboratory integrated solutions; modular laboratories and components; design, operation and maintenance
Customer G	28,606	5.1	2023	Payments made based on project progress, with cumulative monthly payments up to 85% of the contract price, and 3% retained as a quality retention fund	Intelligent laboratory integrated solutions; modular laboratories and components
Customer H	27,523	5.0	2023	Advance payment of 20% required; payments made based on project progress, with cumulative monthly payments up to 85% of the contract price, and 3% retained as a quality retention fund	Intelligent laboratory integrated solutions
Total	375,798	67.8			

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<u>Customer⁽¹⁾</u>	<u>Transaction amount</u> (RMB in thousands)	<u>Percentage of total revenue</u> (%)	<u>Year of commencement of business relationship</u>	<u>Payment terms</u>	<u>Major products purchased</u>
For the year ended December 31, 2025					
Customer G	102,967	16.0	2023	Payments made based on project progress, with cumulative monthly payments up to 80% of the approved completed work, and 3% retained as a quality retention fund	Intelligent laboratory integrated solutions; modular laboratories and components
Customer D	98,390	15.2	2022	Advance payment of 10% required; payments made based on project progress, with 3% retained as a quality retention fund	Intelligent laboratory integrated solutions, self-driving laboratory solutions
Customer I	53,610	8.3	2013	Payments made based on project progress, with a portion retained as a quality retention fund	Intelligent laboratory integrated solutions; modular laboratories and components; design, operation and maintenance
Customer F	40,991	6.4	2023	Advance payment of 30% required, deducted monthly; payments made based on project progress, with 3% retained as a warranty deposit	Intelligent laboratory integrated solutions
Customer C	36,756	5.7	2013	Full payment within 60 working days after delivery and acceptance of the specified documents	Intelligent laboratory integrated solutions; modular laboratories and components; design, operation and maintenance
Total	332,686	51.6			

(1) Customer A is a publicly listed company engaged in chemical and new materials manufacturing. Customer A is located in Yantai, Shandong Province, China with a registered capital of RMB3.1 billion.

Customer B is a state-owned private company engaged in engineering construction, real estate development, and design services. Customer B is located in Beijing, China with a registered capital of RMB75.0 billion.

Customer C is a state-owned private company engaged in petroleum refining, petrochemicals, and energy exploration. Customer C is located in Beijing, China with a registered capital of RMB326.5 billion.

Customer D is a publicly listed company engaged in building construction, infrastructure development, and real estate. Customer D is located in Beijing, China with a registered capital of RMB30.0 billion.

Customer E is a publicly listed company engaged in the distribution of dairy products, including liquid milk, milk powder, yogurt, and frozen drink. Customer E is located in Hohhot, Inner Mongolia, China with a registered capital of RMB6.3 billion.

Customer F is a private company engaged in construction engineering and municipal infrastructure works. Customer F is located in Jilin Province, China with a registered capital of RMB57.1 million. We entered into agreements with Customer F and/or several other parties to facilitate the financing for the underlying project.

Customer G is a publicly listed company engaged in petrochemicals, chemical new materials and polyester manufacturing, with a registered capital of approximately RMB66.1 billion.

Customer H is a public non-profit tertiary general hospital engaged in healthcare services, clinical treatment, teaching and medical research, with a registered capital of RMB0.05 million.

Customer I is a state-owned enterprise engaged in oil and gas exploration, production, refining, and marketing. Customer I is located in Beijing, China with a registered capital of RMB486.9 billion.

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We typically enter into framework agreements with major customers, who place orders based on actual demand under the framework agreements. Although the contract terms vary among different customers, they usually include the following key terms.

- *Quality control.* The quality of the products shall be in compliance with the specific standards designated by our customers, or in compliance with applicable national, local or industry standards.
- *Price.* The prices of the product are generally specified in each purchase order in the case where the main sales agreement is a framework agreement.
- *Payment terms.* Payments are generally made by milestones. We generally grant our major customers a credit period ranging from seven to 180 days.
- *Delivery and packing.* We follow the delivery and packing requirements set out in each purchase order. We may accommodate the customer’s request to advance or delay delivery, provided that any reasonable costs incurred are borne by the customer.
- *Risk transfer.* We solely bear the risk of loss or damage to all works, materials, and equipment until the engineering service is completed. The risk is transferred to the customers upon acceptance.
- *Product returns and warranty.* We usually set out warranty periods depending on the products and the sales agreement. During the warranty period, our customers may request that we replace or repair defective parts and components free of charge.
- *Intellectual property.* We retain ownership to all intellectual property developed by us in the performance of the agreement.

All of our top five customers in each period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five customers in each period during the Track Record Period.

RAW MATERIALS AND SUPPLIERS

Raw Materials and Procurement

Given the project-based and often customized nature of our laboratory solutions, we primarily follow a made-to-order procurement model. Our raw materials primarily include mechanical parts, robotic parts, and electrical and electronic components. Materials and equipment are purchased based on confirmed project requirements. We maintain minimal inventory, operating on a “project-determined procurement” principle where standard items are purchased in consolidated batches when possible, and specialized items are sourced per project need. This model allows us to control inventory, optimize costs, and respond efficiently to specific customer requirements.

In addition to raw materials, we also procure various types of services, including design services and testing services. Procurement of these services allows us to focus our internal resources on R&D, solution design and optimization, and on-site project supervision and management, thereby enhancing cost efficiency and ensuring project quality. Most of our raw materials, components, parts and services are sourced from Chinese Mainland.

To ensure consistency and transparency, we have implemented structured procurement control procedures. As of December 31, 2025, our procurement department has 17 members. Our dedicated procurement department is responsible for supplier onboarding, daily management, and executing a strict multi-level approval process for all purchases.

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Our Suppliers

In 2023, 2024 and 2025, purchase from our top five suppliers in each period during the Track Record Period accounted for 23.8%, 29.3% and 16.1% of our total purchases for such period, respectively, and purchase from our largest supplier in each period during the Track Record Period accounted for 7.5%, 11.4% and 3.9% of our total purchases for such period, respectively. We typically settle payments with our top five suppliers by bank transfer and bank bills. The following table sets forth certain information of our top five suppliers during the Track Record Period.

<u>Supplier⁽¹⁾</u>	<u>Transaction amount</u> (RMB in thousands)	<u>Percentage of total purchases</u> (%)	<u>Year of commencement of business relationship</u>	<u>Payment terms</u>	<u>Major products purchased or services procured</u>
For the year ended December 31, 2023					
Supplier A	43,780	7.5	2021	Payments made based on project progress, with monthly payments up to 70% of the approved completed work, and 5% retained as a warranty deposit	Labor subcontracting services
Supplier B	26,581	4.5	2021	Advance payment of 30% required; remaining balance payable before shipment	Cables
Supplier C	26,059	4.4	2018	Advance payment of 30% required; remaining settled based on actual delivered quantities	Components and installation services
Supplier D	24,111	4.1	2022	Advance payment of 20% required; payments made based on project progress, with 3% retained as a quality retention fund	Labor subcontracting services
Supplier E	19,093	3.3	2017	Advance payment of 30% required; remaining payable based on delivery progress	Laboratory equipment
Total	139,624	23.8			

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Supplier ⁽¹⁾	Transaction amount (RMB in thousands)	Percentage of total purchases (%)	Year of commencement of business relationship	Payment terms	Major products purchased or services procured
For the year ended December 31, 2024					
Supplier A	28,569	11.4	2021	Payments made based on project progress, with monthly payments up to 70% of the approved completed work, and 5% retained as a warranty deposit	Labor subcontracting services
Supplier F	14,358	5.8	2017	Payment within 6 months of delivery	Laboratory equipment
Supplier C	12,572	5.0	2018	95% of contract amount payable upon delivery and acceptance; 5% retained as a warranty deposit	Components and installation services
Supplier G	9,062	3.6	2018	Full payment upon delivery and acceptance	Laboratory equipment
Supplier E	8,730	3.5	2017	95% of contract amount payable upon delivery and acceptance; 5% retained as a warranty deposit	Laboratory equipment
Total	73,291	29.3			
For the year ended December 31, 2025					
Supplier H	18,112	3.9	2018	Payments made based on project progress, with monthly payments up to 70% of the approved completed work, and 5% retained as a warranty deposit	Labor subcontracting services
Supplier F	15,829	3.3	2017	Monthly settlement with 60 days credit	Cables
Supplier I	14,262	3.0	2025	Full payment before shipment	Cables
Supplier C	13,859	3.0	2018	Payments made based on project progress, with monthly payments up to 70% of the approved completed work, and 3% retained as a quality retention fund	Components and installation services
Supplier G	13,527	2.9	2018	Full payment upon delivery and acceptance	Laboratory equipment
Total	75,589	16.1			

(1) Supplier A is a private company engaged in labor outsourcing services. Supplier A is located in Hebei Province, China with a registered capital of RMB16.0 million.

Supplier B is a private company engaged in intelligent system service. Supplier B is located in Nanjing, Jiangsu Province, China with a registered capital of RMB20.0 million.

Supplier C is a private company engaged in intelligent equipment manufacturing and installation services. Supplier C is located in Yantai, Shandong Province, China with a registered capital of RMB19.6 million.

Supplier D is a private company engaged in architectural engineering design and construction. Supplier D is located in Linyi, Shandong Province, China with a registered capital of RMB3.0 million.

Supplier E is a private company engaged in metal products manufacturing. Supplier E is located in Changzhou, Jiangsu Province, China with a registered capital of RMB10.0 million.

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Supplier F is a private company engaged in construction materials quotation system for industrial products. Supplier F is located in Beijing, China with a registered capital of RMB50.0 million.

Supplier G is a private company engaged in industrial supplies and equipment trading. Supplier G is located in Yantai, Shandong Province, China with a registered capital of RMB10.0 million.

Supplier H is a private company engaged in engineering technology services and labor outsourcing. Supplier H is located in Baoding, Hebei Province, China with a registered capital of RMB5.0 million.

Supplier I is a private company engaged in cable manufacturing. Supplier I is located in Shenyang, Liaoning Province, China with a registered capital of RMB168.0 million.

Our suppliers primarily consist of third-party providers of materials and equipment, substantially all of which were procured in China. We typically enter into framework supply agreements with suppliers, the salient terms of which are set out below.

- *Product specification.* 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 credit term.* We typically adopt a progress-based payments structure with our supplier, with payments made against monthly progress, and final settlement upon satisfactory completion of the works, subject to a retention for defects liability.
- *Logistics.* We are responsible for making timely payments to our suppliers, who are responsible for delivering qualifying products to our designated warehouses.
- *Quality guarantee.* Products are typically accepted in accordance with our specifications, as well as national, local and industry standards. Should any quality issues arise during the warranty period, the supplier shall be responsible for replacement.
- *Termination.* The agreement can be terminated without cause upon written consent from both parties. Either party can also terminate the agreement upon material breach by the other party.

All of our top five suppliers in each period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five suppliers in each period during the Track Record Period.

Supplier Selection and Management

The selection criteria prioritize quality assurance, favorable payment terms, and service responsiveness. While our core mechanical components such as sensors and robotic arms have multiple qualified suppliers, we do not depend on a single source for any critical item. For specialized technical needs, our project and engineering teams provide necessary specifications and technical support during the sourcing process. We believe this integrated, quality-focused framework enables us to maintain high standards, ensure timely project execution, and uphold the overall performance of our integrated solutions.

Supply Chain Management

Our supplier chain management is guided by our commitment to establishing a well-defined supplier management procedure and implementing a rigorous supplier risk management process. The procurement department and finance department are primarily responsible for managing purchasing activities. The procurement department must obtain and compare quotes from at least three suppliers before finalizing a purchase order and contract. We conduct a comprehensive four-step process when introducing new suppliers, which includes comprehensive investigation, qualification

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review, sample testing, and collective evaluation by relevant departments. Monitored through monthly records, quarterly reviews, and annual formal assessments, our suppliers are evaluated based on quality, delivery, price, service, and compliance.

Subcontracting

During the Track Record Period, we entered into certain labor subcontracting arrangements with independent third-party labor subcontractor agencies to meet the need of our business operations. Historically during the Track Record Period, pursuant to our agreements with such labor subcontractor agencies, we typically pay service fees to labor subcontractor agencies based on the actual volume of work completed and work results delivered by the subcontracted personnel, and are settled in stages according to the progress of completion by the subcontracted staff. We are responsible for inspecting and supervising the on-site work quality and verifying the completion status of the tasks performed by the subcontracted personnel.

Below sets forth salient terms of our subcontracting agreements.

- *Duration.* The agreements generally specify a defined construction period commencing on an agreed start date and concluding upon completion of the subcontracted works.
- *Responsibilities of subcontractors.* Subcontractors are generally responsible for performing the contracted works in full, including the provision of qualified labor, on-site management, and necessary technical and safety personnel.
- *Fee arrangements.* We generally adopt a fixed-price basis, which cover all costs associated with performance of the subcontracted works. Payments are typically made upon completion of certain milestones.
- *Termination and Renewal.* The subcontract arrangements do not usually provide for automatic renewal. We may terminate the agreement in circumstances such as material breach, failure to meet quality or progress requirements.
- *Quality requirements.* Subcontractors are required to carry out the works in accordance with contractual specifications and construction standards in compliance with applicable industry norms.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, one of our major suppliers was also our customer. Specifically, in 2025, Supplier D purchased certain laboratory pipeline system components from us. Revenue from Supplier D accounted for approximately 0.001% of our total revenue in 2025.

Negotiations of the terms of our sales to and purchases from such overlapping customer/supplier were conducted on an individual basis, and the sales and purchases were neither inter-connected nor inter-conditional with each other. All of our sales to and purchases from such overlapping customers/suppliers were conducted in the ordinary course of business under normal commercial terms and in arm’s length transactions. Our Directors confirmed that, save as disclosed herein, none of our major customers was also a supplier, and vice versa, during the Track Record Period.

SEASONALITY

Our business is subject to seasonal patterns in business activity due to the procurement cycles of our customers. We typically observe a concentration of business development and customer engagement activities in the first half of a year, reflecting the budgeting processes of our customers, a majority of whom finalize their budget approvals and initiate procurement during this period. Consequently, our efforts in the first half of a year are predominantly focused on business development, customer engagement, and the timing of contract execution and project delivery may be influenced by these cycles, which could result in seasonal fluctuations in our financial

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performance. However, the actual timing of revenue recognition can vary significantly from period to period depending on the progress and completion of individual large-scale projects. As such, our interim operating and financial results may not accurately reflect our full-year performance.

INVENTORY AND LOGISTICS MANAGEMENT

Our inventories mainly include raw materials, including mechanical parts, robotic parts, and electrical and electronic components, work in progress, finished goods and goods in transit. As we primarily adopt a made-to-order production model and, accordingly, a procurement model, we generally are able to minimize our inventory buildup and improve capital turnover. In 2023, 2024 and 2025, our inventory turnover days in was 138.4 days, 119.7 days and 36.5 days, respectively. See “Financial Information—Discussion of Major Balance Sheet Items—Inventories.”

We typically engage third party logistics providers to deliver our products. Below sets forth the salient terms of our agreement with logistics providers.

- *Term.* Our agreement with logistics providers is typically for a term of two years, automatically covering any shipments tendered during the period.
- *Service scope.* Our logistics providers typically provide for nationwide road transport for any goods.
- *Payment terms.* Payment is typically made quarterly and based on confirmed order status.
- *Transfer of risk.* Our logistics provider is responsible for any loss or damage to the goods during transit, and the risk is transferred upon our confirmed receipt of the goods.

As of the Latest Practicable Date, we had not experienced any significant delay or inappropriate handling of goods that materially and adversely affected our business operations.

COMPETITION

The market in which we operate is competitive and evolving. We face competition from other intelligent laboratory solution providers in China’s intelligent laboratory market. According to the Report, top five intelligent laboratory solution providers in China’s accounted for 26.5% of the total market size in terms of revenue in 2025. We compete primarily on the basis of integration of industry-specific AI models, end-to-end and system integration ability, and real-world high-quality data.

We believe that we are well-positioned to effectively compete on the basis of the factors listed above. However, the market in which we operate is highly competitive. For more information about our competitive strengths, please refer to “—Our Competitive Strengths” in this section. For more information about the risks we face related to competition, see “Risk Factors—Risks Relating to Our Business and Industry—We may fail to maintain or improve our market position or respond successfully to changes in the competitive landscape.”

LICENSES, PERMITS AND APPROVALS

Our PRC Legal Advisor has advised us that during the Track Record Period and up to the Latest Practicable Date, we had obtained all licenses, permits and approvals necessary to conduct our operations in all material respects from the relevant government authorities in China, and such licenses, permits and approvals remained in full effect.

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The following table sets out a list of material licenses, permits and approvals currently held by us.

License/Permit/Approval	Holder	Granting authority	Expiry date
Work Safety License (Building Construction) (安全生產許可證 (建築施工))	the Company	Beijing Municipal Commission of Housing and Urban-Rural Development (北京市住房和城鄉建設委員會)	September 2, 2028
Construction Enterprise Qualification Certificate — Professional Contracting of Building Decoration and Renovation Engineering (Class I)(建築業企業資質證書 — 建築裝修裝飾工程專業承包壹級)	the Company	Beijing Municipal Commission of Housing and Urban-Rural Development(北京市住房和城鄉建設委員會)	November 11, 2029
Construction Enterprise Qualification Certificate — Professional Contracting of Fire Protection Facilities Engineering (Class II)(建築業企業資質證書 — 消防設施工程專業承包貳級)	the Company	Beijing Municipal Commission of Housing and Urban-Rural Development(北京市住房和城鄉建設委員會)	November 11, 2029
Construction Enterprise Qualification Certificate — Professional Contracting of Environmental Protection Engineering (Class II)(建築業企業資質證書 — 環保工程專業承包貳級)	the Company	Beijing Municipal Commission of Housing and Urban-Rural Development(北京市住房和城鄉建設委員會)	November 11, 2029
Construction Enterprise Qualification Certificate — Professional Contracting of Electronic and Intelligent Engineering (Class II)(建築業企業資質證書 — 電子與智能化工程專業承包貳級)	the Company	Beijing Municipal Commission of Housing and Urban-Rural Development(北京市住房和城鄉建設委員會)	November 11, 2029
Construction Enterprise Qualification Certificate — Professional Contracting of Mechanical and Electrical Installation Engineering (Class I)(建築業企業資質證書 — 建築機電安裝工程專業承包壹級)	the Company	Beijing Municipal Commission of Housing and Urban-Rural Development(北京市住房和城鄉建設委員會)	November 11, 2029
Construction Enterprise Qualification Certificate — General Contracting of Building Engineering Construction (Class II)(建築業企業資質證書 — 建築工程施工總承包貳級)	the Company	Beijing Municipal Commission of Housing and Urban-Rural Development(北京市住房和城鄉建設委員會)	November 11, 2029
Construction Enterprise Qualification Certificate — General Contracting of Mechanical and Electrical Engineering Construction (Class II)(建築業企業資質證書 — 機電工程施工總承包貳級)	the Company	Beijing Municipal Commission of Housing and Urban-Rural Development(北京市住房和城鄉建設委員會)	November 11, 2029
Engineering Design Qualification Certificate — Building Decoration Engineering Design (Class A)(工程設計資質證書 — 建築裝飾工程設計專項甲級)	the Company	Ministry of Housing and Urban-Rural Development of the People's Republic of China(中華人民共和國住房和城鄉建設部)	August 19, 2026
Special Equipment Production License — Installation, Repair, Alteration of Pressure-bearing Special Equipment(特種設備生產許可證 — 承壓類特種設備安裝、修理、改造)	the Company	Beijing Municipal Administration for Market Regulation(北京市市場監督管理局)	July 1, 2027
Special Equipment Production License — Pressure Piping Design(特種設備生產許可證 — 壓力管道設計)	the Company	Beijing Municipal Administration for Market Regulation(北京市市場監督管理局)	July 20, 2030

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INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business, and we devote significant time and resources to their development and protection. We rely on a combination of contractual restrictions, confidentiality procedures, and intellectual property registration to establish and protect our proprietary technologies. We have set up a compliance department to curate and implement our intellectual property strategies, coordinate related internal trainings and monitor and protect against risks relating to our intellectual properties.

As of December 31, 2025, we had registered 139 trademarks, 302 patents, including 148 patents for invention, and 40 software copyrights in China, together with 166 pending patent applications. For details, see “Statutory and General Information—2. Further Information about Our Business—B. Intellectual Property Rights” in Appendix IV to this document.

Examples of patents held by us which we consider to be material to our business include the following.

<u>Patent name</u>	<u>Place of registration</u>	<u>Patent number</u>	<u>Major function</u>
Laboratory Big Data Management System (一種實驗室大數據管理系統)	PRC	ZL201910858644.7	Store and classify basic laboratory data for subsequent retrieval, enabling effective management of laboratory big data.
Laboratory Data Acquisition and Management System (一種實驗室數據採集及管理系統)	PRC	ZL201910858268.1	Include a data acquisition system, a management system, and a cloud server, allowing users to remotely control a robot for data collection and enabling multi-user concurrent queries via the cloud.
Laboratory Data Processing Method and Processing System (一種實驗室數據處理方法及處理系統)	PRC	ZL201910858643.2	Acquire and preprocess target experimental data, then verify it against pre-stored standards, determining data consistency to ensure experimental accuracy.
Data Source-Based Item Health Query Method (一種基於數據源的物品健康查詢方法)	PRC	ZL202110282224.6	Monitor real-time food status based on data sources, reducing traceability computational load and enabling prompt and accurate identification of source data.
Laboratory Management System and Method (一種實驗室管理系統和方法)	PRC	ZL202110308366.5	Record and store experimental data and operational procedures in real time, providing a comprehensive log of the laboratory process.
Cell Counter-Based Precision Instrument Management System (一種基於細胞計數儀的精密儀器管理系統)	PRC	ZL202110568491.X	Acquire cell counter usage data via a module and transmit it to an office cloud, enabling centralized storage and access to instrument usage records.

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<u>Patent name</u>	<u>Place of registration</u>	<u>Patent number</u>	<u>Major function</u>
Inverted Fluorescence Microscope Precision Instrument Management System (一種用於倒置螢光顯微鏡的精密儀器管理系統)	PRC	ZL202110568040.6	Improve the utilization efficiency of an inverted fluorescence microscope, while also ensuring its protection and longevity.
Aerosol Leak Detection System (一種氣溶膠泄漏檢測系統)	PRC	ZL202110314934.2	Effectively supervise biological samples and issue timely warnings, ensuring rapid response in the event of a biological aerosol leak.
Laboratory Liquid Transfer Device (一種實驗室用移液裝置)	PRC	ZL202211028814.7	Drive the liquid transfer body horizontally via a worktable-mounted device, enabling precise aspiration and dispensing of solutions between containers.
Laboratory Multidimensional Manipulator (一種實驗室用多維機械手)	PRC	ZL202110522442.2	Utilize a manipulator to grasp experimental items, with an integrated bucket synchronously mixing materials during the process, thereby improving efficiency and reducing manual intervention.
Library Location Management System (庫位管理系統)	PRC	ZL202110181741.4	Establish a database of storage locations and recommend optimal placements for incoming items, thereby improving space utilization and reducing inventory costs.
Shared Instrument Management Method and System (共享儀器的管理方法及系統)	PRC	ZL202110166263.X	Generate a reservation order based on user selection and provide corresponding specialized training, confirming user authorization through learning results to enable an online reservation system for shared instruments.
Item Traceability and Alert Method (一種物品溯源和警示方法)	PRC	ZL202110275892.6	Obtain logistics information from both supply and distribution ends via blockchain, and generate dynamic safety alerts based on this data, allowing users to access and act upon real-time safety information.
Item-Based Virus Safety Alert Method and System (一種基於物品的病毒安全警示方法和系統)	PRC	ZL202110260715.0	Assign a data unit with stage-specific nodes for each item batch, linking all nodes to allow comprehensive data retrieval from any single point, and issue alerts to management while recording any detected viral safety risks within the corresponding node.

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<u>Patent name</u>	<u>Place of registration</u>	<u>Patent number</u>	<u>Major function</u>
Indoor Gas Leak Monitoring Method and System (室內氣體泄漏監控方法及系統)	PRC	ZL202110146833.9	Deploy laser reflection plates in each gas detection area to transmit and receive laser signals, replacing traditional sensors to prevent false alarms and missed detections, thereby enhancing system stability and safeguarding personnel.

During the Track Record Period and up to the Latest Practicable Date, we had not identified breaches of our intellectual property rights which, viewed alone or in the aggregate, had a material impact on our business, results of operations or financial condition, nor had we had any material dispute or legal proceeding concerning intellectual property rights with third parties.

EMPLOYEES

Our success depends on our ability to attract, retain and motivate qualified personnel with background and experience in the relevant industries. As of December 31, 2025, we had 567 full-time employees. The following table sets forth a breakdown of our full-time employees by function as of December 31, 2025.

<u>Function</u>	<u>As of December 31, 2025</u>	
	<u>Number of employees</u>	<u>% of total</u>
Sales and marketing	37	6.5
Administration	100	17.6
Production, delivery and maintenance	227	40.0
R&D	203	35.8
Total	567	100.0

We recruit our employees through different channels, including online recruitment, job fairs, referrals and recruitment agencies. As part of our human resource strategy, we offer employees competitive salaries, performance-based bonuses and other incentives. We also strive to enhance our talent base and human resource management through organizing systematic training programs and improving our employee performance evaluation system.

As required under PRC labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety and grounds for termination. We generally enter into standard confidentiality with our employees, and in addition, we enter into non-compete agreements with our key employees. In compliance with PRC regulations, we participate in and make contributions to social insurance, including pension, medical, maternity, work-related injury and unemployment, and housing provident fund. We believe that we maintain a good working relationship with our employees, and we had not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

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We are required by PRC social insurance and housing provident fund laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees. During the Track Record Period, we did not make full social insurance and housing provident funds contributions for certain of our employees as required by relevant laws and regulations. We estimate that the shortfall of social insurance contributions in 2023, 2024 and 2025 was nil, RMB0.1 million and RMB0.4 million, respectively. As a result, we may be required to make additional contributions of social insurance fund and late payments and fines under PRC laws and regulations. As advised by our PRC Legal Advisor, pursuant to Ren She Ting Han [2018] No. 246 issued by the Ministry of Human Resources and Social Security (人力資源社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知(人社廳函[2018]246號)), Shui Zong Fa [2018] No. 174 issued by the State Administration of Taxation (國家稅務總局關於實施進一步支持和服務民營經濟發展若干措施的通知(稅總發[2018]174號)), and Guo Ban Fa [2019] No. 13 issued by the General Office of the State Council (關於〈印發降低社會保險費率綜合方案〉的通知(國辦發[2019]13號)), the competent authorities shall strictly implement the then-effective social insurance premium collection policies and shall not organize any centralized collection of historical overdue social insurance contributions from enterprises. Accordingly, unless affected employees lodge complaints or claims with the competent government authorities requesting that the relevant companies settle any outstanding social insurance premiums, the risk that such companies would be subject to proactive centralized collection actions by the competent social insurance authorities that would result in a material adverse effect on such companies is considered to be remote. As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant competent regulatory authorities on us with respect to our housing provident fund contributions. We believe that the incident would not have a material adverse effect on our business. See “Risk Factors—Risks Relating to Our Business and Industry—We face certain legal and regulatory risks relating to labor-related laws and regulations, which may adversely affect our business, results of operations and financial condition.”

PROPERTIES

As of the Latest Practicable Date, we operated our businesses through one owned property and four leased properties in Hebei, Beijing and Jilin. Our owned property occupies a total land area of approximately 35,333 square meters. Our leased properties have a total gross floor area of approximately 15,524 square meters. All of our leased properties have been used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are primarily used as office premises and manufacturing facilities for our business operations. All lessors are independent third parties, and we plan to renew our leases or negotiate new terms when the existing leases expire. We did not experience material difficulties in negotiating renewal of our leases with our lessors during the Track Record Period and up to the Latest Practicable Date.

As of the Latest Practicable Date, none of the properties leased or owned 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.

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部). The registration of such leases will require the cooperation of our lessors. As of the Latest Practicable Date, we had not obtained lease registration for three of our leased properties in China, primarily due to the difficulty of procuring our lessors’ cooperation to register such leases. We will take all practicable and reasonable steps to ensure that such leases are registered. As advised by our PRC Legal Advisor, the lack of the abovementioned registration of the lease agreements will not affect the validity of such lease

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agreements, according to applicable PRC laws and regulations. According to the relevant PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. The maximum potential penalty is RMB30,000. We have not received any order or notice from the relevant government authorities requiring us to complete the registration, nor have we been subject to any fines in this regard during the Track Record Period and up to the Latest Practicable Date. We undertake to cooperate fully to facilitate the registration of lease agreements once we receive any requirements from relevant government authorities.

As advised by our PRC Legal Advisor, during the Track Record Period, we had complied with the PRC property laws and regulations in all material respects. For potential risks relating to our usage of certain properties. See “Risk Factors—Risks Relating to Our Business and Industry—Failure to protect our leasehold interests could adversely affect our business operations.”

INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practice in our industry. Our employee-related insurance includes the social insurance and housing provident fund as required by PRC laws and regulations.

We also maintain insurance policies as required by the project, including among others, construction all-risk insurance, performance bond insurance, property insurance, and legal expenses insurance in accordance with industry practices. During the Track Record Period and up to the Latest Practicable Date, we had not made or been the subject of any material insurance claims. For details, see “Risk Factors—Risks Relating to Our Business and Industry—The insurance coverage we have may not adequately protect us against all operating risks.”

AWARDS AND RECOGNITION

We have established strong brand and reputation with our technological capabilities and trustworthy products and services. The following table sets forth certain significant awards and recognition we have received.

<u>Awarding year</u>	<u>Award/Recognition</u>	<u>Issuing Organization</u>
2025	Hebei Province Science and Technology Award—Technological Invention Award (河北省科學技術獎—技術發明獎)	The People’s Government of Hebei Province (河北省人民政府)
2025	New Construction Excellence in Low Carbon Construction (新建建築低碳建設卓越獎)	International Institute for Sustainable Laboratories (I2SL) (國際可持續發展實驗室協會)
2024	Qilin Science and Technology Award—Award for Scientific and Technological Innovation (麒麟科學技術獎—科技創新獎)	Beijing Association for Science and Technology Talents (北京市科技人才研究會)

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<u>Awarding year</u>	<u>Award/Recognition</u>	<u>Issuing Organization</u>
2024	Hundred New Technologies and Products—Microgravity Simulation Device (百項新科技新產品—模擬微重力裝置)	Zhongguancun Forum-Zhongguancun International Technology Transaction Conference (中關村論壇—中關村國際技術交易大會)
2024	Chinese Preventive Medicine Association Science and Technology Award—First Prize of Science and Technology Award (中華預防醫學會科學技術獎—科技獎一等獎)	Chinese Preventive Medicine Association (中華預防醫學會)

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period, certain our customers (individually or collectively, the “Relevant Customers”) settled payments with us through accounts that do not belong to the contractual parties under the corresponding sales and purchase agreements (the “Third-Party Payment Arrangements”). The Relevant Customers during the Track Record Period primarily consisted of customers in the form of universities.

In 2023, 2024 and 2025, the number of the Relevant Customers was nil, one and one, respectively. Among them, all of the third-party payors of such Relevant Customers during the Track Record Period were affiliates of the respective Relevant Customers. The aggregate amount they settled under the Third-Party Payment Arrangements in 2023, 2024 and 2025 was nil, RMB99.6 thousand, and RMB429.5 thousand, respectively, which accounted for nil, 0.02%, and 0.07% of our total revenue, respectively, in the same periods. No individual Relevant Customer has made material contribution to our revenue during the Track Record Period.

To the best of knowledge of our Directors, the Relevant Customers chose to settle through the Third-Party Payment Arrangements primarily due to payment convenience and faster transaction cycle.

Termination and Implication of Third-Party Payment Arrangements

We ceased the Third-Party Payment Arrangements in April 2026. As of the Latest Practicable Date, none of our customers utilized the Third-Party Payment Arrangements to settle payments with us.

We consider that the termination of the Third-party Payment Arrangements did not have, nor will have, any material adverse effect on the liquidity, business operation and financial performance of the Group, primarily because the aggregate amount they settled under the Third-Party Payment Arrangements was immaterial.

As confirmed by our Company, (1) the Third-party Payment Arrangement was initiated by the Relevant Customers and was not an arrangement by us to circumvent applicable tax laws and regulations or other applicable laws and regulations in China, and all the customer payments previously received under the Third-party Payment Arrangement were duly booked according to the accounting procedures and policies. And all payments under the Third-party Payment Arrangement are based on actual transactions; (2) our Third-party Payment Entities had not been identified for violating any applicable tax laws as a result of the Third-party Payment Arrangement during the Track Record Period; (3) our Third-party Payment Entities had not been subject to any disputes or administrative penalties by the relevant government authorities with respect to the Third-party

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Payment Arrangement as of the Latest Practicable Date. Based on the facts mentioned above, the confirmation letters obtained from the relevant third-party payors, and the consultation with Beijing Branch of the People’s Bank of China and the interview with the relevant commercial bank, our PRC Legal Advisor is of the view that the likelihood that our Third-party Payment Arrangement would be deemed as constituting the crime of money laundering and be subject to the relevant criminal liability pursuant to the relevant PRC laws and regulations is remote; the Third-party Payment Arrangement is not in breach of applicable mandatory requirements of PRC laws and regulations. As further advised by our PRC Legal Advisor, the Third-party Payment Arrangement is valid under the applicable laws or regulations in China as according to the Civil Code of the PRC, a civil legal act can be established based on the unanimous expression of intent by two or more parties, or based on the expression of intent by one party, and a civil legal act takes effect upon its establishment, and our Company has obtained confirmation letters from the relevant third-party payors.

Based on the foregoing, our Directors confirm that, to the best of their knowledge and based on the know-your-customer procedures and internal control measures implemented, during the Track Record Period, the relevant payments were based on bona fide underlying transactions and valid contractual relationships, and there were no instances of commercial bribery, money laundering, tax evasion, or existing or potential disputes with our Group related to the Third-Party Payment Arrangements.

Enhanced Internal Control Measures of Third-Party Payment Arrangements

To safeguard our interest against risks associated with Third-Party Payment Arrangements, since April 2026, we have significantly enhanced and implemented various internal control measures in order to rectify the Third-Party Payment Arrangements. Our efforts to rectify the Third-Party Payment Arrangements include, among other things:

- We initiated the implementation of rectification measures and informed our employees regarding the enhanced internal control measures.
- We strictly prohibit customers from using third-party accounts for payments. All funds must be paid directly from the customer’s own official bank account to our Company’s designated account, except in special circumstances with justifications. Accepting an unauthorized third-party payment will result in disciplinary action, ranging from internal warnings and financial penalties to termination. The responsible employee and their manager will be held liable for any financial or legal losses incurred by us.
- Our finance department is required to verify the application and documents required for an exception.

Based on the follow-up review of the implementation of these measures, our Directors are of the view that these measures are effective and adequate in preventing unauthorized Third-Party Payment Arrangements and the associated risks.

DATA SECURITY AND PRIVACY

In the course of our business, we collect, store and process business data and transaction data. As we only make transactions with enterprises, We only collect the names and phone numbers of the contact persons of the cooperating enterprises. We believe that the confidentiality, integrity and availability of data are vital to our business operations. To mitigate data security risks, we have implemented a comprehensive approach that includes stringent data encryption, secure data storage protocols and strict transmission policies to ensure the confidentiality and integrity of sensitive information.

We have established clear and detailed protocols that govern the use, storage and sharing of corporate data, ensuring that only employees with the appropriate authorization can access sensitive information on a need-to-know basis. We also conducted regular data security training for

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employees to strengthen their data security awareness. Our employees are required to sign confidentiality agreements as part of their employment, which strictly prohibit the unauthorized disclosure of any company-related confidential information. This policy ensures that our employees understand the critical nature of safeguarding company data and are held accountable for maintaining confidentiality. To safeguard against data loss, we have implemented a robust backup system that stores data in multiple locations. For our core business data, we have established primary and backup redundancy systems. We implement multi-tiered security backups to ensure data integrity and uninterrupted business continuity. Multiple backup copies of data are stored across different locations, ensuring that data can be quickly restored in the event of any technical issues, natural disasters, or unforeseen circumstances.

In addition, we continue to pay close attention to the legislative and regulatory developments in cybersecurity to keep pace with regulatory development. In particular, we have established a comprehensive information security management framework that covers organizational systems, institutional norms, and technical safeguards. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of customers’ or distributors’ personal information. We have complied, in all material respects, with the relevant PRC laws and regulations in respect of data security and privacy during the Track Record Period and up to the Latest Practicable Date.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We integrate environmental, social, and governance (“ESG”) principles into our strategic planning and daily operations to create value not only for our customers and us but also for our employees, our communities and the society.

ESG Governance Structure

We are committed to integrating ESG principles throughout our entire business process and plan to establish a three-tier, top-down ESG management structure. The Board of Directors serves as our highest decision-making and oversight body for ESG matters; the Sustainability Committee is responsible for providing decision-making support and oversight; and the ESG Executive Working Group coordinates cross-departmental efforts and assigns responsibilities to ensure the effective implementation of ESG initiatives. The Board of Directors bears ultimate responsibility for ESG strategy, disclosure, and risk management. It is responsible for approving the ESG vision, objectives, relevant policies, and annual reports; integrating ESG risks, including climate change and supply chain risks, into the overall risk management system; ensuring the allocation of necessary resources; linking ESG performance to executive compensation; and overseeing internal controls for ESG data and compliance with disclosure requirements to ensure that disclosures are truthful, accurate, and in line with regulatory and relevant international standards.

Anti-Corruption

We adhere to high standards of business ethics and have established anti-money laundering policies, as well as anti-bribery, anti-fraud, and whistleblowing management systems, which explicitly prohibit any form of corruption, bribery, fraud, or money laundering. To establish a closed-loop supervision system that integrates internal and external oversight, we provide business ethics training for our directors, senior executives, and all employees, communicating the various anti-corruption policies the company has established to continuously enhance integrity awareness and risk management capabilities. During the Track Record Period, we did not encounter any judicial cases related to corruption.

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Environmental Metrics and Management

We adhere to the principles of sustainable development and have integrated environmental management into our research and development, sales and daily operations. Leveraging our ISO 14001 environmental management system certification, we have established a standardised management framework to promote energy conservation, improve resource efficiency and fulfil our environmental responsibilities.

Waste Management and Resource Consumption

We are principally engaged in research and development, sales and engineering construction activities. We have established a waste classification and management mechanism and strictly implement the segregation, enclosed transfer and compliant disposal of waste, including general waste, construction waste, hazardous waste and domestic waste. Through standardised storage facilities and record-keeping management, we effectively mitigate risks of spillage, leakage and improper mixing, ensuring that waste disposal complies with applicable environmental requirements.

We have also implemented electricity and water management policies, including scheduled shutdown of equipment in common areas and the installation of energy- and water-saving signage. In addition, we promote paperless operations and green office practices to continuously improve resource utilisation efficiency.

Our resource consumption during the Track Record Period is set out below.

	<u>Unit</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Electricity	MWh	375.0	434.0	512.7
Water	tonnes	8,700.8	10,464.6	11,551.7

Carbon Management

We have established a carbon emissions management approach covering our operations and implement measures including optimising electricity usage and promoting paperless operations to reduce emissions. Our greenhouse gas emissions primarily comprise Scope 1 emissions from vehicle fuel consumption and Scope 2 emissions from purchased electricity.

Our greenhouse gas emissions during the Track Record Period are set out below.

	<u>Unit</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Scope 1	tCO ₂ e	50.8	51.4	49.1
Scope 2	tCO ₂ e	213.9	247.5	297.5
Scope 3	tCO ₂ e	3.5	4.3	4.7

Climate-related Risks and Opportunities Identification

We value climate risk management and have established the Policy on Identification and Mitigation of Climate-related Material Issues, under which our Board is responsible for overseeing the identification, assessment and management of climate-related risks. As at the Latest Practicable Date, no climate-related issues have had a material impact on our operations. To mitigate potential impacts arising from climate-related risks, we will continue to monitor developments in climate policies, environmental changes and industry trends, and will adopt appropriate measures in light of our operational circumstances. We aim to enhance our operational resilience and risk management capabilities, while capturing opportunities arising from the transition to a low-carbon economy to support our long-term and stable development.

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Social Metrics and Management

We deeply integrate social responsibility into our strategy and operations, viewing it as the cornerstone of sustainable development. We have obtained ISO 45001 Occupational Health and Safety Management System and ISO 9001 Quality Management System certifications, and are committed to achieving the harmonious development of our company and society.

Employee Hiring and Development

We provide equal employment opportunities and have implemented anti-discrimination policies and measures that prohibit discrimination based on gender, physical ability, sexual orientation, age, ethnicity, or race. To foster employee motivation, we have established a performance evaluation and incentive management system. This system evaluates, manages, and incentivizes employee performance based on job responsibilities to enhance overall work efficiency. During the Track Record Period, we strictly complied with relevant laws and regulations to ensure that no instances of forced labor or the employment of minors occurred.

Occupational Health and Safety

We prioritize employee safety and have established the Quality, Environment, and Occupational Health and Safety Management System Manual. This manual clearly defines the responsibilities of safety oversight organizations and personnel at all levels, ensures safety officers are appointed in accordance with regulations, enforces strict inspection and acceptance procedures for personal protective equipment, and specifies management requirements regarding qualifications, training, and physical fitness for personnel engaged in high-risk operations; In procurement, equipment acquisition, and service outsourcing, we promptly communicate occupational health and safety risks and clarify the responsibilities of both parties through contracts. At the same time, we implement effective, end-to-end control over on-site equipment, hazardous chemicals, hazardous waste, personal protective equipment, labor protection for female employees, and the prevention and control of occupational diseases.

Supply Chain Management

We adhere to the principle of “responsible procurement” and work hand in hand with our suppliers to build a green, fair, transparent, and sustainable supply chain system. We have established a comprehensive policy for managing environmental and social risks in the supply chain and prioritize suppliers with outstanding sustainability performance in our partnerships. The procurement department conducts basic due diligence on suppliers during the onboarding phase and, through annual assessments, monitors and guides suppliers to strictly comply with the company’s relevant requirements.

Data Privacy and Intellectual Property Protection

To mitigate internal and external security risks and safeguard information assets, we have established a clear and standardized information security framework and code of conduct for all employees, contractors, and third-party users. We have formulated specific policies such as the Science and Technology Information Security Policy and the Cybersecurity Management Guidelines to ensure the confidentiality, integrity, and availability of information. At the same time, to prevent the loss of intellectual property resulting from improper conduct and to fully leverage the core value of intellectual property in market competition, we have established robust intellectual property protection systems and software legalization management regulations in accordance with laws, regulations, and our operational realities.

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Community and Philanthropy

We actively fulfill our social responsibilities, demonstrating our corporate commitment through practical actions and giving back to society through concrete initiatives. In 2025, to support the development of public welfare initiatives at a public museum and promote the advancement of automotive culture and technology, we donated 20 air disinfection units to the museum. That same year, in recognition of our proactive efforts in sustainability and public welfare, we were honored with the 2025 I2SL Sustainable Laboratory Award—Lab Buildings and Projects Award, demonstrating our commitment to corporate responsibility in advancing social sustainability.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We are subject to investigations, commercial disagreements and legal proceedings arising in the ordinary course of our business from time to time. As of the Latest Practicable Date, we were not involved in any material litigation, arbitration or administrative proceeding pending or, to our knowledge, threatened against us or any of our Directors that could have a material and adverse effect on our business, results of operations and financial condition.

Compliance

We are subject to a number of regulatory requirements and guidelines issued by the regulatory authorities in China. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, or experience any systemic noncompliance incident which, taken as a whole, is likely to have a material adverse effect on our business, results of operations and financial condition. Therefore, our Directors believe that during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant PRC laws and regulations in all material respects.

INTERNAL CONTROL AND RISK MANAGEMENT

Our Board is responsible for the overall effectiveness of our risk management and establishing our internal control system and reviewing its effectiveness. We have established and maintain risk management and internal control systems consisting of policies and procedures that are appropriate for our business operations, and we are dedicated to continuously improving and implementing these systems to ensure our policies and implementation are effective and sufficient.

In preparation for the [REDACTED], we have engaged an independent third-party consultant (the “Internal Control Consultant”) to perform a review over selected areas of our internal controls over financial reporting (the “Internal Control Review”). The selected areas of our internal controls over financial reporting that were reviewed by the Internal Control Consultant included entity-level controls and business process level controls, including (1) sales, accounts receivable and collection, (2) procurement, accounts payable and payment, (3) inventory managements, (4) production and costing, (5) research and development, (6) human resource and payroll, (7) fixed assets and construction management, (8) cash and treasury management, (9) insurance management, (10) financial reporting and disclosure controls, (11) taxes management, (12) intangible assets and intellectual properties, (13) IT general controls, and other procedures for our operations.

The Internal Control Consultant conducted follow-up reviews on our enhanced internal control measures, and did not have any further recommendations in their review. Going forward, we will continue to regularly review and improve these internal control policies, measures and procedures.

BUSINESS

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted, among other things, the following risk management measures:

- established an Audit Committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see “Directors and Senior Management—Board Committees—Audit Committee”;
- adopted policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- organized training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;
- established a set of emergency procedures in the event of major quality-related issues;
- provided enhanced training programs on quality assurance and production safety; and
- distributed employee handbooks to enhance employees’ awareness of complying with laws and regulations.

Our Directors are of the view that our enhanced internal control measures are adequate and effective to ensure compliance with relevant laws and regulations going forward.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

To formalize the acting in concert arrangement, Mr. Chi, our chairman, executive Director and Chief Executive Officer, Mr. Zhang Huaidong, our executive Director, Ms. Jin Hui (spouse of Mr. Gong Changhua, our executive Director and vice president), Mr. Zhang Jingjun, our early Shareholder, and Mr. Xing Xixue, our executive Director, entered into the Concert Party Agreement in March 2026, pursuant to which such parties confirmed that they had acted in concert and followed Mr. Chi’s decision since they became shareholders of our Company, and they agreed to continue to act in concert until the end of 36 months after the date of the [REDACTED].

As of the Latest Practicable Date, Mr. Chi, Mr. Zhang Huaidong, Ms. Jin Hui, Mr. Zhang Jingjun, and Mr. Xing Xixue, through the acting-in-concert arrangement, jointly controlled approximately 72.63% of our total share capital, comprising: (1) 19.53% held by Mr. Chi and 9.50%, 2.35% and 2.84% held by Dynaflow No.1 LP, Dynaflow No.2 LP and Dynaflow No.3 LP respectively; (2) 13.67% held by Mr. Zhang Huaidong; (3) 11.72% held by Ms. Jin Hui; (4) 9.11% held by Mr. Zhang Jingjun; and (5) 3.91% held by Mr. Xing Xixue. Dynaflow No.1 LP, Dynaflow No.2 LP and Dynaflow No.3 LP are all controlled by Beijing Juhe as their general partner, which is controlled by Mr. Chi. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), they will in aggregate control approximately [REDACTED]% of our total issued share capital.

Therefore, Mr. Chi, Mr. Zhang Huaidong, Ms. Jin Hui, Mr. Zhang Jingjun, Mr. Xing Xixue, Dynaflow No.1 LP, Dynaflow No.2 LP, Dynaflow No.3 LP and Beijing Juhe constituted the group of our controlling shareholder as of the Latest Practicable Date and will be the group of our Controlling Shareholders following the [REDACTED].

CONFIRMATION IN RELATION TO ANY COMPETING INTEREST

Our Controlling Shareholders and Directors have confirmed that they do not have any interests in any business (apart from the business of the Group) that competes or is likely to compete, directly or indirectly, with our principal business, which is required to be disclosed under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are of the view that we are able to conduct our business independently from our Controlling Shareholders after the [REDACTED].

Management Independence

Our business has been managed and conducted by our Board and senior management. Upon the [REDACTED], our Board consists of eight Directors, comprising five executive Directors and three independent non-executive Directors, and we also have five senior management members. Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, see “Directors and Senior Management.”

Our Directors are of the view that our Board and senior management are able to manage our business and function independently from our Controlling Shareholders based on the following reasons:

- (1) each of our Directors is aware of his/her fiduciary duties as a Director of our Company which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (2) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Directors shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum;
- (3) we have three independent non-executive Directors, who have extensive experience in different fields and have been appointed to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions. Certain matters of our Company will be referred to the independent non-executive Directors for review in accordance with the Listing Rules, applicable laws and our Articles of Association and internal policies; and
- (4) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders, which support our independent management. See “—Corporate Governance Measures.”

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Company independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

Operational Independence

Our Directors are of the view that we are able to continue operating independently of our Controlling Shareholders after the [REDACTED]. We hold and enjoy the benefit of all relevant permits and licenses necessary for carrying out our business in all material respects, and we have sufficient capital, facilities, equipment and employees to operate our business independently of our Controlling Shareholders. We have also established a comprehensive set of internal control measures to facilitate effective business operations, and we maintain independent customer acquisition channels. Our business operations do not rely on the support of our Controlling Shareholders in relation to suppliers. In addition, our access to, and relationship with, our key customers and suppliers are independent from our Controlling Shareholders.

In light of the above, our Directors are of the view that our Group have been operating independently of our Controlling Shareholders and their respective close associates during the Track Record Period and will continue to be able to operate independently upon the [REDACTED].

Financial Independence

We have adopted our own independent internal control, accounting, funding, reporting and financial management systems, and we also have an independent accounting and finance department responsible for discharging relevant financial management function with relevant finance personnel. Moreover, we open and manage our bank accounts independently and have never shared any bank account with our Controlling Shareholders.

We are also capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders in view of our Group’s strong financial position, steady cash flow and level of liquid assets as well as our ability to raise funds on a standalone basis. As of the Latest Practicable Date, our outstanding bank borrowings in the aggregate amount of RMB245.15 million were guaranteed by our Controlling Shareholders. All such guarantees are expected to be terminated upon the [REDACTED]. We do not expect to rely on our Controlling Shareholders or their respective close associates for financing after the [REDACTED] as we expect that our working capital will be funded by cash flows generated from operating activities, the cash and cash equivalents on the balance sheet as well as the [REDACTED] from the [REDACTED].

In light of the above, our Directors are of the view that our Group will be financially independent of our Controlling Shareholders and their respective close associates following the completion of the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We will adopt the following measures to safeguard sound corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

- (a) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules which will take effect upon [REDACTED]. Pursuant to our Articles of Association, Directors shall avoid any conflict of interest between themselves and the Company and shall not improperly use their position to benefit themselves. In particular, our Articles of Association provide that, in reviewing a connected transaction or related party transaction, the connected or related Director shall make appropriate disclosure to the Board and shall not vote on the resolution, and the Director shall not be counted in the quorum present at the meeting;
- (b) we are committed that our Board should include a balanced composition with not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. We have appointed three independent non-executive Directors and believe that our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders. For details of our independent non-executive Directors, see “Directors and Senior Management—Board of Directors—Independent Non-executive Directors” in this document;
- (c) we have appointed Mango Financial Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors’ duties and corporate governance;
- (d) our Company has established internal control mechanisms to identify connected transactions. Upon and after the [REDACTED], if our Company enters into connected transactions (if any) with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules; and
- (e) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole.

In light of the above, our Directors are of the view that there are sufficient and adequate corporate governance measures in place to manage existing and potential conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Upon the [REDACTED], Our Board comprises eight Directors, including five executive Directors and three independent non-executive Directors. The Board is responsible for, and has general authority over, the management and operation of our Company. Our Directors are appointed for three-year terms and are eligible for re-election upon the expiry of their term. Our senior management is responsible for the day-to-day operations of our Group. As of the date of this [REDACTED], we do not have supervisors.

All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

Our Board comprises eight Directors, including five executive Directors and three independent non-executive Directors.

The following table sets forth certain information regarding the Directors as of the date of this [REDACTED].

Name ⁽¹⁾	Age	Position(s)	Date of joining our Group	Date of appointment as a Director	Responsibilities	Relationship with other Directors and senior management
<i>Executive Directors</i>						
Mr. Chi Haipeng (遲海鵬)	46	Chairman of the Board, Executive Director and Chief Executive Officer	January 1, 2012	July 26, 2021	Responsible for the overall strategic planning and business management of our Group	N/A
Mr. Zhang Huaidong (張懷東)	57	Executive Director and Vice President	January 1, 2012	November 4, 2021	Responsible for overseeing our Group's Manufacturing operations and ensuring the attainment of its business objectives	N/A
Mr. Gong Changhua (龔長華)	45	Executive Director and Vice President	September 1, 2012	November 4, 2021	Responsible for overseeing our Group's sales activities	N/A
Mr. Xing Xixue (邢希學)	45	Executive Director	January 1, 2012	November 4, 2021	Responsible for the expansion of Overseas Operations of our Group	N/A
Mr. Li Kun (李坤)	37	Executive Director and Chief Financial Officer	April 1, 2021	March 25, 2024	Responsible for the investment and financing activities and overall financial management of the Group	N/A

DIRECTORS AND SENIOR MANAGEMENT

Name ⁽¹⁾	Age	Position(s)	Date of joining our Group	Date of appointment as a Director	Responsibilities	Relationship with other Directors and senior management
Independent non-executive Directors						
Mr. Luan Yizheng (樂依曄)	41	Independent non-executive Director	April 24, 2026	April 24, 2026	Responsible for providing independent advice and judgment to our Board	N/A
Ms. Hao Bin (郝彬)	44	Independent non-executive Director	April 24, 2026	April 24, 2026	Responsible for providing independent advice and judgment to our Board	N/A
Ms. Wong Ka Ki Ada (王家琦)	45	Independent non-executive Director	April 24, 2026	April 24, 2026	Responsible for providing independent advice and judgment to our Board	N/A

(1) Our Directors are not relatives to the other Director or senior management of our Company.

Executive Directors

Mr. Chi Haipeng (遲海鵬), aged 46, is the chairman of our Board, executive Director and Chief Executive Officer of our Company. Mr. Chi joined our company in January 2012, and was appointed as a Director on July 26, 2021. He is primarily responsible for the overall strategic planning and business management of our Group.

Mr. Chi has nearly 22 years of experience in the experimental instrument industry. From August 2001 to July 2002, he worked for Yantai Taihong Rubber Co., Ltd. (煙台泰鴻橡膠有限公司). From August 2004 to July 2011, Mr. Chi served as senior technical manager at Thermo Fisher Scientific (Shanghai) Instruments Co., Ltd. (賽默飛世爾實驗器材(上海)有限公司), where he was responsible for technical management and project management relating to laboratory instruments, consumables, and reagents.

Mr. Chi obtained a bachelor’s degree in Polymer Chemical Engineering from Beijing University of Chemical Technology (北京化工大學) in July 2001. He further earned a master’s degree in Biomedical Engineering from The Hong Kong Polytechnic University (香港理工大學) in July 2024. Currently, he is a Ph.D. candidate in Electronic Information at Qingdao University (青島大學), having commenced his studies in September 2025.

Mr. Zhang Huaidong (張懷東), aged 57, is the executive Director and vice president of our Company. Mr. Zhang joined our Group on January 1, 2012 and was appointed as an Director on November 4, 2021. He is primarily responsible for overseeing our Group’s Manufacturing operations and ensuring the attainment of its business objectives.

From March 2003 to December 2011, he has held the position of general manager of Beijing Dongshijia Trading Co., Ltd. (北京東世佳商貿有限公司) in Beijing, with similar responsibilities encompassing the formulation of the company’s overall strategy, its daily operations, and the attainment of its goals.

Mr. Zhang obtained a bachelor’s degree in Printing Technology from Wuhan Technical University of Surveying and Mapping (武漢測繪科技大學) in July 1990, which now is School of Geodesy and Geomatics, Wuhan University, having commenced his studies in September 1988.

Mr. Gong Changhua (龔長華), aged 45, is the executive Director and Vice President of our Company. He joined our company in September 2012, and was appointed as a Director on November 4, 2021. He is primarily responsible for overseeing our Group’s sales activities.

DIRECTORS AND SENIOR MANAGEMENT

From May 2006 to July 2006, Mr. Gong worked for China HuanQiu Contracting & Engineering Co., Ltd. (中國寰球工程有限公司), where he was responsible for the design of pipelines in the energy and chemical sector. He served as a project manager at Thermo Fisher Scientific (Shanghai) Instruments Co., Ltd. (賽默飛世爾實驗器材(上海)有限公司) from September 2006 to August 2012, primarily responsible for the establishment of new laboratories.

Mr. Gong obtained a bachelor’s degree in Polymer Materials Science and Engineering from Tianjin University (天津大學) in June 2003. He further earned a master’s degree in Materials Science from Tianjin University (天津大學) in February 2006. Currently, he is a Ph.D. candidate in Department of Materials and Chemical Engineering at Beijing University of Chemical Technology (北京化工大學), having commenced his studies in June 2025.

Mr. Xing Xixue (邢希學), aged 45, is the executive Director of our Company. He joined our company in January 2012 and was appointed as a Director on November 4, 2021. He is primarily responsible for the expansion of Overseas Operation of our Group.

From August 2006 to April 2008, Mr. Xing worked for the Shandong Provincial Product Quality Supervision and Inspection Institute (山東省產品質量監督檢測研究院) (SDQI). Mr. Xing also worked for Thermo Fisher Scientific (Shanghai) Instruments Co., Ltd. (賽默飛世爾實驗器材(上海)有限公司) and he was primarily responsible for providing technical guidance and support.

Mr. Xing obtained a bachelor’s degree in chemical engineering and technology from Heilongjiang University of Science and Technology (黑龍江科技大學) in July 2003. He further earned a master’s degree in Chemical Technology from Jinan University (濟南大學) in July 2006.

Mr. Li Kun (李坤), aged 37, is the executive director and the Chief Financial Officer of our Company. He joined our company in April 2021, and was appointed as a Director on March 25, 2024. He is primarily responsible for our Group’s investment and financing activities and overall financial management.

From October 2010 to December 2016, Mr. Li served as a manager at KPMG Enterprise Advisory (China) Co., Ltd. (畢馬威企業諮詢(中國)有限公司). From January 2017 to July 2018, Mr. Li worked for the Beijing Branch of Industrial Bank Co., Ltd. (興業銀行股份有限公司北京分行). From August 2018 to March 2021, Mr. Li served as investment director at Zhongjian Qidi (Beijing) Technology Co., Ltd. (中檢啓迪(北京)科技有限公司).

Mr. Li graduated from Central University of Finance and Economics (中央財經大學) with a bachelor of Engineering in Computer Science and Technology in July 2010 and a bachelor of Economics in Finance in June 2010.

Independent Non-executive Directors

Mr. Luan Yizheng (樂依嶧), aged 41, was appointed as independent non-executive Director of our company with effect from April 24, 2026. He is primarily responsible for providing independent advice and judgement to our Board.

From September 2009 to January 2013, he worked for UBS Securities Co., Ltd. (瑞銀證券有限公司). From April 2015 to June 2016, he worked for Beijing Hongyi Yuanfang Investment Consultant Co., Ltd (北京弘毅遠方投資顧問有限公司). From July 2016 to April 2017, he worked as an Investment Manager in the PE Investment Department of Hony Capital (弘毅投資). From May 2017 to September 2018, he held the roles of Vice President in the Healthcare Group of Hillhouse Capital (高瓴資本). From September 2018 to July 2025, he served as Deputy General Manager, Chief Financial Officer and Business Vice President of Bloomage Biotechnology Co., Ltd. (華熙生物科技股份有限公司) (stock code: 688363.SH). Since August 2025, he has been the Managing Director at Funland Management Limited.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Luan obtained a bachelor’s degree in Accounting from Renmin University of China (中國人民大學) in July 2007. He obtained dual master’s degrees in Management (master of Business Administration) June 2010 from Tsinghua University (清華大學) and Northwestern University (美國西北大學).

Ms. Hao Bin (郝彬), aged 44, was appointed as independent non-executive Director of our company with effect from April 24, 2026. She is primarily responsible for providing independent advice and judgement to our Board.

From March 2006 to May 2011, she worked as an associate at Beijing Kingall Law Firm (北京君都律師事務所). From June 2011 to May 2025, she has been working at China Frontier Technology Group (中國前沿科技集團) (former known as Wisdom Sports Group) (stock code: 1661.HK) where she has held the positions of Company Secretary, Deputy General Manager, and General Manager of the Internal Control Center. Since June 2025, Ms. Hao has served as General Manager of Beijing Hexin Julili Culture Co., Ltd. (北京合心聚力文化有限公司).

Ms. Hao obtained a bachelor’s degree in Law from Peking University (北京大學) in July 2006 and a master’s degree in Civil and Commercial Law from China University of Political science and Law (中國政法大學) in March 2011.

Ms. Wong Ka Ki Ada (王家琦), aged 45, was appointed as independent non-executive Director of our company with effect from April 24, 2026. She is primarily responsible for providing independent advice and judgement to our Board.

Ms. Wong has more than 20 years of experience in finance and corporate management and has served as a member of senior management in several prominent companies. She held investment banking positions at leading global financiers including J.P. Morgan (November 2003–October 2006) and Citibank (October 2006–March 2014). From March 2014 to October 2021, Ms. Wong progressed from deputy Chief Executive Officer to Chief Executive Officer and Executive Director of Champion REIT, a company listed on the Stock Exchange (stock code: 2778). She then became the chief strategy officer, chief investment officer and executive director of EC Healthcare, a company listed on the Stock Exchange (stock code: 2138), from October 2021 to November 2023. She had been the chief executive officer of PURE Group from February 2024 to November 2024. She has served as an independent non-executive director of China New Higher Education Group Limited, a company listed on the Stock Exchange (stock code: 2001), since December 2024. She served as the Director and Responsible Officer of Milestone Capital Limited since April 2026. Since April 2026, Ms. Wong has served as Director and Responsible Officer of Milestone Capital Limited.

Ms. Wong received a bachelor’s degree of business administration with high distinction from the University of Michigan in the United States in April 2002. She has been a fellow member of Royal Institution of Chartered Surveyors and a fellow member of the Hong Kong Institute of Directors since August 2021.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth the key information about our senior management.

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a member of senior management	Responsibilities	Relationship with other Directors and senior management
Mr. Chi Haipeng (遲海鵬)	46	Chairman of the Board, Executive Director and Chief Executive Officer	January 1, 2012	September 20, 2018	Responsible for the overall strategic planning and business management of our Group	N/A

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a member of senior management	Responsibilities	Relationship with other Directors and senior management
Mr. Li Kun (李坤)	37	Executive Director and Chief Financial Officer	April 1, 2021	December 20, 2022	Responsible for investment and financing activities and overall financial management of our Group	N/A
Mr. Zhang Huaidong (張懷東)	57	Executive Director and Vice President	January 1, 2012	March 25, 2024	Responsible for overseeing our Group’s Manufacturing operations and ensuring the attainment of its business objectives	N/A
Mr. Gong Changhua (龔長華)	45	Executive Director and Vice President	September 1, 2012	March 25, 2024	Responsible for overseeing our Group’s sales activities	N/A
Ms. Dong Yuchong (董羽翀)	43	Board Secretary and Vice President	August 15, 2022	March 25, 2024	Responsible for Board operations, director affairs and public relations management of our Group	N/A

Mr. Chi Haipeng (遲海鵬), aged 46, is the chairman of our Board, executive Director and Chief Executive Officer of our Group. See “—Board of Directors—Executive Directors” for his biographical details.

Mr. Li Kun (李坤), aged 37, is the executive Director and Chief Financial Officer of our Group. See “—Board of Directors—Executive Directors” for his biographical details.

Mr. Zhang Huaidong (張懷東), aged 57, is the executive Director and Vice President of our Group. See “—Board of Directors—Executive Directors” for his biographical details.

Mr. Gong Changhua (龔長華), aged 45, is the executive Director and Vice President of our Group. See “—Board of Directors—Executive Directors” for his biographical details.

Ms. Dong Yuchong (董羽翀), aged 43, is the Board Secretary and the Vice President of our Group. She joined our company on August 15, 2022 and has served as the board secretary and vice president since March 25, 2024. She is primarily responsible for the Company’s Board operations, director affairs and public relations management. Since May 2025, she has also served as a director of Beijing Huairou Dynaflo Technology Service Co., Ltd. (北京懷柔戴納科技服務有限公司), responsible for making decisions on major corporate matters.

From October 2011 to August 2022, Ms. Dong worked at Heaven-Sent Industrial Group Co., Ltd. (矽谷天堂產業集團股份有限公司) (stock code: 833044.NQ), where her position was the Board Secretary, responsible for investor relations and operational management of the Group. From February 2010 to October 2011, she served as the Securities Affairs Representative at Beijing Hayden Co., Ltd. (北京海頓新科技技術股份有限公司). From July 2005 to January 2010, she worked at ENN Group Co., Ltd. (新奧集團股份有限公司), serving as the Corporate Governance Researcher.

Ms. Dong obtained a Bachelor of Laws degree from Beijing Normal University (北京師範大學) in July 2005, and a Master of Business Administration degree from the same university in June 2013. Ms. Dong has obtained the Board Secretary Qualification Certificate issued by the Shenzhen Stock Exchange in April 2011 and the Board Secretary Qualification Certificate issued by the Shanghai Stock Exchange in May 2021.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Ms. Dong Yuchong (董羽翀), aged 43, is the board secretary and Vice President. She has been appointed as one of our joint company secretaries with effect from the [REDACTED]. See “—Senior Management” for her biographical details.

Ms. Yip Hoi Lam (葉凱琳) has been appointed as our joint company secretary with effect from the [REDACTED]. Ms. Yip is a Manager of Company Secretarial Services of Tricor Services Limited. She has over seven years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as private and offshore companies.

Ms. Yip is an associate of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute in the United Kingdom (CGI). She obtained her master’s degree in corporate governance from the Hong Kong Metropolitan University.

BOARD COMMITTEES

Our Company has established three committees under the Board of Directors, namely the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee.

Audit Committee

We have established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Mr. Luan Yizheng, Ms. Hao Bin and Ms. Wong Ka Ki Ada, with Mr. Luan Yizheng being the chairperson. Mr. Luan Yizheng has the appropriate professional qualification and experience as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration and Appraisal Committee consists of three Directors, namely Ms. Hao Bin, Mr. Chi and Mr. Luan Yizheng, with Ms. Hao Bin being the chairperson. The Remuneration and Appraisal Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board of Directors.

Nomination Committee

We have established the Nomination Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Mr. Chi, Mr. Luan Yizheng and Ms. Wong Ka Ki Ada, with Mr. Chi being the chairperson. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has established a board diversity policy (the “Board Diversity Policy”) with effect upon the [REDACTED] in order to enhance the effectiveness of our Board of Directors and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of Directors, including but not limited to gender, age,

DIRECTORS AND SENIOR MANAGEMENT

cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board of Directors.

The Nomination Committee is responsible for reviewing the diversity of our Board. After the [REDACTED], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

We have two female Directors on the Board and one female Director on the Nomination Committee, and thus are satisfy the board diversity requirement under the Listing Rules. We will continue to improve the gender diversity at the Board level after the [REDACTED]. We will continue to apply the principle of appointments based on merits with reference to our diversity policy as a whole. Our Company is committed to board diversity and will maintain at least one Director of different gender in our Board and Nomination Committee after the [REDACTED]. In addition, our Board will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will take into consideration of gender diversity when recruit staff at mid to senior level management and continue to emphasize training of female talent and providing long-term development opportunities for our female staff. Our Board and the Nomination Committee will also conduct annual review on our gender diversity and will take into consideration of gender diversity when recommending and appoint new board members to further enhance the gender diversity in our Board after the [REDACTED].

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of the Directors and members of the senior management of our Company are determined by the Shareholders’ meetings and our Board as appropriate in the form of salaries and bonuses. Our Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to our Company or discharging their duties in relation to the operations of our Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders’ meetings and our Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

Our Company offers executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. Our independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses) paid to the Directors for the year ended December 31, 2023, 2024 and 2025, were RMB4.66 million, RMB5.88 million and RMB6.09 million, respectively.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses) paid to the five highest paid individuals for the year ended December 31, 2023, 2024 and 2025, were RMB4.66 million, RMB5.31 million and RMB5.52 million, respectively.

DIRECTORS AND SENIOR MANAGEMENT

It is estimated that remuneration equivalent to approximately RMB5.60 million in aggregate will be paid to the Directors by our Company for the year ending December 31, 2026, based on the arrangements in force as of the date of the document.

No remuneration was paid by our Company to the Directors or the five highest paid individuals as inducement to join or upon joining our Company or as compensation for loss of office during the Track Record Period. Furthermore, none of the Directors waived or agreed to waive any remuneration during the Track Record Period.

CORPORATE GOVERNANCE

Our Directors recognize the importance of a high standard of corporate governance in management and internal procedures so as to achieve effective accountability and transparency and to enhance shareholder value. Save as disclosed below, our Group is expected to comply with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies [REDACTED] on the Stock Exchange are expected to comply with but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Chi currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and the Chief Executive Officer of our Company in the same person has the benefit of (1) ensuring consistent leadership within our Group, (2) enabling more effective and efficient overall strategic planning for our Company, and (3) facilitating the flow of information between the management and our Board. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Group to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and the president of our Group at a time when it is appropriate by taking into account the circumstances of our Group as a whole.

Save as disclosed above, our Company intends to comply with all code provisions under the Corporate Governance Code upon [REDACTED].

RULE 3.09D AND RULE 3.13 CONFIRMATION

Each of our Directors confirms with respect to himself or herself that (1) he or she obtained the legal advice referred to under Rule 3.09D of the Listing Rules on April 20, 2026, and (2) he or she understands his or her obligations as a director of a [REDACTED] issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (1) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (2) he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the date of this [REDACTED], and (3) that there are no other factors that may affect his or her independence at the time of his or her appointments.

COMPETING INTERESTS

Each of our Directors confirms that he/she or his/her respective close associates do not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

MANAGEMENT PRESENCE

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules in relation to the requirement of management presence in Hong Kong. For details of the waiver, see “Waivers and Exemptions—Waiver in Respect of Management Presence in Hong Kong”.

COMPLIANCE ADVISOR

Our Company appointed Mango Financial Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company in the following circumstances.

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and
- (iv) where the [REDACTED] makes an inquiry of our Company pursuant to Rule 13.10 of the Listing Rules.

Meanwhile, pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor shall inform us on a timely basis of any amendment or supplement to the Listing Rules issued by the [REDACTED] [REDACTED] from time to time and any new or amended laws and regulations in Hong Kong applicable to our Company. The compliance advisor shall also provide advice to us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The terms of the appointment of the compliance advisor will commence on the [REDACTED] and end on the date when our Company distributes the annual report of its financial results for the first full financial year commencing after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as known to our Directors as at the Latest Practicable Date, the [REDACTED] and the [REDACTED] of [REDACTED] Shares into [REDACTED] (assuming the [REDACTED] is not exercised), the following persons will have an interest and/or short position (as applicable) in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, once the [REDACTED] are [REDACTED] on the [REDACTED]:

Name of Shareholder	Nature of interest	As of the Latest Practicable Date			Immediately after the completion of the Share Subdivision, the [REDACTED] and the [REDACTED] of [REDACTED] Shares into H Shares (assuming the [REDACTED] is not exercised)			
		Number of [REDACTED] Shares (before the Share Subdivision)	Number of Shares (after the Share Subdivision)	Approximate Percentage of shareholding in the total issued share capital of our Company (%)	Number of Shares	Nature of Shares	Approximate percentage of shareholding in our [REDACTED] H Shares (as appropriate) (%)	Approximate percentage of shareholding in total issued share capital of our Company after the [REDACTED] (%)
Mr. Chi ⁽²⁾	Beneficial owner	12,000,000	120,000,000	19.53	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽⁴⁾	9,028,157	90,281,570	14.69	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	23,600,000	236,000,000	38.41	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang Huaidong ⁽²⁾	Beneficial owner	8,400,000	84,000,000	13.67	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	36,228,157	362,281,570	58.96	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Jin Hui ⁽²⁾	Beneficial owner	7,200,000	72,000,000	11.72	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	37,428,157	374,281,570	60.91	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang Jingjun ⁽²⁾	Beneficial owner	5,600,000	56,000,000	9.11	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	39,028,157	390,281,570	63.52	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Xing Xixue ⁽²⁾	Beneficial owner	2,400,000	24,000,000	3.91	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	42,228,157	422,281,570	68.72	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dynaflow No.1 LP ⁽²⁾	Beneficial owner	5,836,668	58,366,680	9.50	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	38,791,489	387,914,890	63.13	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dynaflow No.2 LP ⁽²⁾	Beneficial owner	1,443,815	14,438,150	2.35	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	43,184,342	431,843,420	70.28	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dynaflow No.3 LP ⁽²⁾	Beneficial owner	1,747,674	17,476,740	2.84	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	42,880,483	428,804,830	69.79	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Juhe ⁽²⁾	Interest in controlled corporation	9,028,157	90,281,570	14.69	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	35,600,000	356,000,000	57.94	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Xing Xiaodong	Beneficial owner	4,325,000	43,250,000	7.04	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
CICC Zhirun ⁽³⁾	Beneficial owner	3,555,621	35,556,210	5.79	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Gui'an Zeyu ⁽³⁾	Interest in controlled corporation	2,244,262	22,442,620	3.65	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

(1) All interests stated are long positions.

(2) See “Relationship with Our Controlling Shareholders”.

(3) See “History, Development and Corporate Structure — Pre-[REDACTED] Investments.”

(4) As of the Latest Practicable Date, Dynaflow No.1 LP, Dynaflow No.2 LP and Dynaflow No.3 LP have been controlled by Mr. Chi through Beijing Juhe as the general partner. Under the SFO, Mr. Chi is deemed to be interested in the entire Shares held by Dynaflow No.1 LP, Dynaflow No.2 LP and Dynaflow No.3 LP.

SUBSTANTIAL SHAREHOLDERS

- (5) See the Concert Party Agreement set forth in “Relationship with Our Controlling Shareholders” for details. Under the SFO, Mr. Chi, Mr. Zhang Huaidong, Ms. Jin Hui, Mr. Zhang Jingjun and Mr. Xing Xixue are deemed to be interested in the entire Shares held by each other.

Save as disclosed above and the section headed “Appendix IV—Statutory and General Information—3. Further Information About Our Directors and Substantial Shareholders — C. Disclosure of Interests” to this document, our Directors are not aware of any persons who will have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any member of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the total issued share capital of our Company was RMB61,446,531 comprising 61,446,531 [REDACTED] Shares with a nominal value of RMB1.00 each.

Pursuant to the resolutions of our Shareholders dated April 24, 2026, each of our Share with nominal value of RMB1.00 will be subdivided into ten Shares with nominal value of RMB0.1 each immediately prior to the [REDACTED]. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB61,446,531, will be divided into 614,465,310 Shares of par value RMB0.1 each.

UPON COMPLETION OF THE [REDACTED]

Immediately after the Share Subdivision, upon completion of the [REDACTED] and [REDACTED] of [REDACTED] Shares into [REDACTED], assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital (%)
[REDACTED] Shares in issue ^(Note)	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] from [REDACTED] Shares ^(Note)	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Immediately after the Share Subdivision upon completion of the [REDACTED] and [REDACTED] of [REDACTED] Shares into [REDACTED], assuming the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital (%)
[REDACTED] Shares in issue ^(Note)	[REDACTED]	[REDACTED]
H Shares to be [REDACTED] from [REDACTED] Shares ^(Note)	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Note: For details of the identities of the Shareholders whose Shares will be [REDACTED] into H Shares upon [REDACTED], see the section headed “History, Development and Corporate Structure—Capitalization of Our Company” in this document.

SHARE CAPITAL

OUR SHARES CLASSES AND RANKING

Upon the completion of the [REDACTED] and the [REDACTED] of [REDACTED], the Shares will consist of [REDACTED] and [REDACTED] Shares. [REDACTED] Shares and [REDACTED] are all ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association.

Apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold [REDACTED] pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities (such as our certain existing shareholders the [REDACTED] Shares held by whom will be [REDACTED] into [REDACTED] according to the filing with the CSRC), [REDACTED] generally may not be subscribed for by, or traded between, legal or natural persons of the PRC.

[REDACTED] Shares and [REDACTED] shall rank *pari passu* with each other in all respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividend for [REDACTED] will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for [REDACTED] Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

[REDACTED] OF OUR [REDACTED] SHARES INTO [REDACTED]

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council, the [REDACTED] Shares may be [REDACTED] into [REDACTED]. Such [REDACTED] Shares could be [REDACTED] or traded on an overseas [REDACTED], provided that prior to the [REDACTED] and [REDACTED] of such [REDACTED] Shares, any requisite internal approval process has been duly completed and all the filing procedures with the relevant regulatory authorities, including CSRC which requires administrative filing procedures for the [REDACTED] and [REDACTED] of such [REDACTED] Shares, have been obtained. In addition, such [REDACTED] and [REDACTED] shall comply with the regulations, requirements and procedures prescribed by the relevant overseas [REDACTED]. If any of the [REDACTED] Shares are to be [REDACTED], [REDACTED] and traded as [REDACTED] on the [REDACTED], such [REDACTED], [REDACTED] and [REDACTED] will need to be filed with the relevant PRC regulatory authorities, including the CSRC, and the approval of the [REDACTED]. We will perform the following procedures for the [REDACTED] of [REDACTED] Shares into [REDACTED] after receiving the approval of the [REDACTED]: (a) giving instructions to our [REDACTED] Registrar regarding relevant share certificates of the [REDACTED] [REDACTED]; and (b) enabling the [REDACTED] [REDACTED] to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the [REDACTED].

The [REDACTED] of [REDACTED] Shares into [REDACTED] will involve an aggregate of [REDACTED] [REDACTED] Shares (taking into account the Share Subdivision) held by [REDACTED] existing Shareholders, representing approximately [REDACTED]% of total issued Shares of the Company as of the Latest Practicable Date and approximately [REDACTED]% of total issued Shares of the Company upon completion of the [REDACTED] of [REDACTED] Shares into [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised).

Filing with the CSRC and [REDACTED] Application

In accordance with the Guidelines for the “[REDACTED]” Program for Domestic [REDACTED] Shares of [REDACTED] Companies ([REDACTED]) and the Overseas [REDACTED] Trial Measures announced by the CSRC, [REDACTED] companies which apply for the [REDACTED] of domestic shares and [REDACTED] foreign shares into [REDACTED] for [REDACTED] and [REDACTED] on the [REDACTED] shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas [REDACTED] Trial Measures. An [REDACTED] company may apply for a “[REDACTED]” separately or when applying for refinancing overseas. An [REDACTED] domestic joint stock company may apply for “[REDACTED]” when applying for an overseas [REDACTED].

SHARE CAPITAL

We have filed with the CSRC for, and received the filing notice from the CSRC dated [•] in relation to the [REDACTED] and the [REDACTED] of [REDACTED] Shares (taking into account the Share Subdivision) into [REDACTED] on a one-for-one basis upon [REDACTED].

[REDACTED] Approval by the [REDACTED]

We have applied to the [REDACTED] for the approval for the granting of [REDACTED] of, and permission to [REDACTED] to be [REDACTED] pursuant to the [REDACTED] (including any [REDACTED] which may be [REDACTED] pursuant to the exercise of the [REDACTED]) and the [REDACTED] to be [REDACTED] from [REDACTED] Shares (taking into account the Share Subdivision) on the [REDACTED], which is subject to the approval by the [REDACTED].

TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED]

According to the Company Law, the Shares issued by our Company prior to the [REDACTED] are restricted from trading within [REDACTED] year from the [REDACTED].

Our Directors and members of the senior management (as defined in our Articles of Association) of our Company are required to declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and such members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons hold in our Company cannot be transferred within one year from the date on which the shares are [REDACTED] and traded, nor within six months after they leave their positions in our Company. The Articles of Association may contain other restrictions or conditions on the transfer of the Shares held by our Directors, members of senior management of our Company and other Shareholders. For further details, see the section headed “Summary of Articles of Association of the Company” in Appendix III to this document.

Our Company has made arrangements with the domestic securities company engaged by our Company to technically restrict the trading of the [REDACTED] from [REDACTED] within [REDACTED] year after the [REDACTED].

REGISTRATION OF SHARES NOT [REDACTED] ON THE OVERSEAS [REDACTED]

According to the Guidelines for the “[REDACTED]” Program for Domestic [REDACTED] Shares of [REDACTED] Companies ([REDACTED]公司境內[REDACTED]股份申請「全流通」業務指引) promulgated by the CSRC, the domestic shareholders of our Shares are required to handle share transfer registration matters in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Furthermore, [REDACTED] companies are required to submit relevant status reports to the CSRC within 15 days after the completion of the transfer registration with the China Securities Depository and Clearing Corporation Limited of such shares involved in the application.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Pursuant to the PRC Company Law and the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital. For details of circumstances under which our Shareholders’ general meetings are required, see “Appendix III—Summary of Articles of Association of the Company” in this document.

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

For details of the circumstances under which our Shareholders’ general meeting is required, see the section headed “Appendix III—Summary of Articles of Association of the Company” in this document.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements, including the notes thereto included in the Accountants’ Report set out in Appendix I to this document. You should read the entire Accountants’ Report in Appendix I to this document and not rely merely on the information contained in this section. The Accountants’ Report has been prepared in accordance with the IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed “Forward-looking Statements” and “Risk Factors” in this document.

OVERVIEW

We are a leading provider of full-lifecycle intelligent laboratory solutions in China. We ranked second in China’s intelligent laboratory solutions market and first among providers headquartered in China, each as measured by revenue in 2025, according to the F&S Report. We ranked first in China’s self-driving laboratory solutions segment, the most advanced form of intelligent laboratories, with a market share of approximately 34.2% in the same year, according to the same source. Leveraging our proprietary multimodal embodied intelligence technologies, industry-specific AI model platforms and integrated capabilities, we provide one-stop services for AI-enabled R&D, quality control and quality optimization across sectors including chemicals, new materials, new energy, and life sciences. Our full-lifecycle solutions encompass laboratory planning, embodied intelligence module manufacturing, algorithm and automation integration, and intelligent operation, all underpinned by an integrated design, manufacturing, deployment and self-iteration system powered by high-quality data.

Our revenue was RMB614.1 million, RMB554.0 million and RMB644.9 million in 2023, 2024 and 2025, respectively. We recorded gross profit of RMB98.6 million, RMB130.9 million and RMB181.2 million in 2023, 2024 and 2025, respectively, and profit for the year of RMB2.4 million, RMB4.9 million and RMB16.4 million in the same years, respectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a number of general factors influencing China’s intelligent laboratory solutions industry. These factors include macroeconomic trends, industry development, downstream demands, competitive landscape and government policies. Specifically, the development of China’s intelligent laboratory solutions industry has been driven by the increasing adoption of automation and digitalization in R&D activities, the growing demand for high-quality experimental data, the advancement of AI and robotics technologies, and supportive government policies promoting scientific and industrial innovation.

In addition to these general factors, our results of operations are affected by the following company-specific factors:

Our Ability to Continue Offering Products and Solutions that Address Customer Demands

We specialize in the delivery of full-lifecycle intelligent laboratory solutions, providing customers with integrated laboratory planning, embodied intelligence module manufacturing, algorithm and automation integration, and intelligent operation. We leverage the synergistic

FINANCIAL INFORMATION

integration of our proprietary embodied intelligence technologies, industry-specific vertical AI models, and deep process knowledge to create a competitive edge across the entire value chain. We have developed and deployed self-driving laboratory solutions for several major industry verticals, including chemicals, new materials, new energy, and life sciences. Given the relatively sophisticated nature of our offerings, which involve dedicated technology, know-how and modular construction capabilities, and the peculiar business needs of our customers, our ability to constantly and efficiently offer satisfactory products and solutions is fundamental to our results of operations and market competitiveness. Specifically, the perceived benefits of our products and solutions are crucial to customers’ willingness to procure from us and our ability to price effectively.

Our ability to offer satisfactory products and solutions in turn depends on, among others, (1) our ability to optimize and upgrade our products and solutions to effectively serve existing demands from customers, and innovate with new products and solutions that align with industry trends, technology developments, and changes in the preferences and requirements of our customers, some of which may be from new verticals that we have limited prior experience with; (2) our ability to precisely and timely identify, understand and cater to our customers’ business needs; (3) the effectiveness and agility of our product development process; and (4) our project delivery and integration capabilities to ensure the successful delivery of our products and solutions with desired functionality and quality. In addition, as we proactively expand our customer base and diversify our sector coverage, the demand of our products and solutions is also increasingly influenced by changes in the industries and markets that our customers operate in. We underwent significant shifts in the composition of our business during the Track Record Period. In particular, revenue from our self-driving laboratory solutions grew substantially, increasing from nil in 2023 to RMB36.2 million in 2024 and further to RMB170.7 million in 2025, demonstrating accelerating market adoption of this offering. Gross profit margin for intelligent laboratory solutions improved from 16.1% in 2023 to 23.7% in 2025, driven by enhanced delivery efficiency and cost control measures. Gross profit margin for self-driving laboratory solutions was 50.0% in 2024 and 40.2% in 2025, primarily attributable to initial lower-margin projects as we expanded into new verticals and application scenarios. We expect to continue to offer attractive products and solutions to drive our revenue growth.

Our Ability to Reinforce Our Customer Relationship and Develop Our Customer Base

Our offerings are made to order and cater to the different needs of our customers. Therefore, our results of operations have been and are expected to continue to be affected by our ability to solidify and deepen our relationship with our customers. We have undertaken a customer-centric direct sales approach, coupled with a project-based approach from initial design to full-scale manufacturing and implementation, to fit with customer demands and optimize our delivery and execution. We expect to further such approaches, which enable us to closely work with our customers, address their demands in a satisfactory and agile manner and, ultimately, anchor their collaborations with us to drive our growth. Our relationship with customers depends on a wide array of factors, including the attractiveness of our offerings based on their benefits and costs to customers, the availability and relative advantages of alternative offerings from our competitors, and the specific demand of our customers, over which we have limited control. We must continually reinforce our customer relationship in view of such factors, so that we can ensure their procurement from us, maintain our market share and competitive advantages and price our products effectively.

Moreover, our results of operations and sustainable growth are also influenced by the breadth and depth of our customer base. Our customers currently consist of enterprises across a variety of industry verticals, such as petrochemical companies, biopharmaceutical and life science companies, new energy companies and food companies, while we derived a significant portion of our revenue from certain key customers from each of these verticals during the Track Record Period. For instance, in 2023, 2024 and 2025, revenue generated from our top five customers in each period during the Track Record Period accounted for 58.0%, 67.8% and 51.6% of our total revenue for such period, respectively. In parallel, our new contract value (exclusive of VAT) increased from RMB448.8 million in 2023 to RMB759.4 million in 2025, reflecting robust demand for our solutions

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and strong commercial momentum. This growth in new contract value, coupled with a year-end backlog of RMB502.5 million as of December 31, 2025, provides meaningful visibility into our future revenue streams. Our ability to maintain favorable and stable relationship with such customers is important to our financial performance. We expect to further expand our customer base along with the proliferation of each business line, which could diversify our revenue streams and improve our resilience.

Our Ability to Maintain or Enhance the Effectiveness of Our R&D Efforts

We believe that research and development is the foundation of our innovation and is pivotal to our long-term growth. Our strategy is built upon the synergistic integration of our proprietary technologies, encompassing design and manufacturing, key components development, control system development and key algorithm formulation, to establish a comprehensive competitive advantage across the entire intelligent laboratory development cycle. Given that our intelligent laboratory solutions are highly customized to meet the specific experimental processes and requirements of our diverse customer base across sectors such as petrochemicals, healthcare, biopharmaceuticals and new energy, a significant portion of our offerings involves tailored design and system integration, with relatively low levels of standardization. We have accumulated advanced design capabilities and developed a series of core manufacturing and digital management technologies that enable us to deliver high-precision, reliable and premium quality solutions for a wide spectrum of industry verticals. These sustained efforts underpin the performance and competitive differentiation of our solutions and, in turn, our historical business results. We have steadily invested and will commit to investing in our research and development efforts to upgrade our solutions and advance our technological competitive edge.

In 2023, 2024 and 2025, our research and development costs were RMB45.4 million, RMB44.6 million and RMB59.4 million, respectively, accounting for 7.4%, 8.1% and 9.2% of our total revenue for the same periods, respectively. Specifically, we have made significant investment into our research and development personnel, to drive our innovations and lead our technological advancements. In 2023, 2024 and 2025, the employee benefit expenses of our research and development personnel accounted for 52.7%, 59.4% and 63.1% of our total research and development costs, respectively. Going forward, we expect to continue to invest in our research and development efforts in a prudent and efficient manner that closely aligns with our business objectives and enables us to capture industry trends.

Our Ability to Manage Costs and Expenses and Maintain Operational Efficiency

Our ability to control our cost of sales is crucial to our financial performance, in particular our profitability. Specifically, cost of sales accounted for 83.9%, 76.4% and 71.9% of our total revenue for 2023, 2024 and 2025, respectively, thereby representing a significant proportion of our total costs and expenses. We believe that we have achieved effective cost management during the Track Record Period, as demonstrated by our gradually increasing gross profit margin. Our cost management in turn depends on our ability to control each of the major cost components, including costs of materials of our solutions and labor costs. In particular, cost of materials represented the most significant portion of our total costs, accounting for 58.7%, 65.9% and 61.8% of our total cost of sales for 2023, 2024 and 2025, respectively. Given the nature of our offerings, we primarily follow a made-to-order procurement model, in which materials are purchased based on confirmed customer orders or order forecasts. As a result, our cost of materials depends in part on the particular needs of customers for the products and solutions ordered, and our ability to maintain a robust, resilient and efficient supply chain and harness our relationship with suppliers, and is also affected by changes in the supply chain, such as the price fluctuations and availability of the raw materials.

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Our profit margin is also affected by our operating expenses, which primarily comprised selling and marketing expenses, administrative expenses and research and development costs during the Track Record Period. We formulate, implement and constantly monitor the execution of financial budgets that enable us to accomplish effective control of our operating expenses in parallel with the growth of our business scale. As we continue to expand our business, we expect to continually maintain our operating expenses at reasonable levels corresponding to our growth, and, in the long term, realize greater economies of scale that further optimizes our cost structure and improves our profitability.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with IFRS Accounting Standards. The Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2025.

The historical financial information has been prepared on a historical cost basis, except for certain financial assets and financial liabilities, which are measured at fair value. All effective standards, amendments to standards and interpretation, mandatory for any financial year during the Track Record Period, are consistently applied to our Group for the Track Record Period.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events which are deemed to be reasonable under the circumstances. There has not been any material deviation from our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

For a discussion of the critical accounting policies, estimates, assumptions and judgments, see Notes 2 and 3 of the Accountants’ Report in Appendix I to this document.

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RESULTS OF OPERATIONS

The following table set forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>% of Revenue</i>	<i>RMB</i>	<i>% of Revenue</i>	<i>RMB</i>	<i>% of Revenue</i>
	<i>(RMB in thousands except for percentages)</i>					
Revenue	614,076	100.0	554,027	100.0	644,913	100.0
Cost of sales	(515,513)	(83.9)	(423,097)	(76.4)	(463,721)	(71.9)
Gross profit	98,563	16.1	130,930	23.6	181,192	28.1
Other income and losses, net	22,464	3.7	3,114	0.6	5,677	0.9
Selling and marketing expenses	(19,635)	(3.2)	(24,972)	(4.5)	(32,461)	(5.0)
Administrative expenses	(37,548)	(6.1)	(39,646)	(7.2)	(42,683)	(6.6)
Research and development costs	(45,374)	(7.4)	(44,611)	(8.1)	(59,395)	(9.2)
Impairment losses on trade and other receivables and contract assets	(9,508)	(1.5)	(7,550)	(1.4)	(28,613)	(4.4)
Profit from operations	8,962	1.5	17,265	3.1	23,717	3.7
Finance costs	(6,714)	(1.1)	(10,248)	(1.8)	(7,518)	(1.2)
Share of losses of joint ventures	(4,173)	(0.7)	(3,929)	(0.7)	(1,884)	(0.3)
(Loss)/profit before taxation	(1,925)	(0.3)	3,088	0.6	14,315	2.2
Income tax	4,283	0.7	1,808	0.3	2,082	0.3
Profit for the year	2,358	0.4	4,896	0.9	16,397	2.5

NON-IFRS MEASURE

To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRS Accounting Standards. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items and provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

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We define adjusted net profit (non-IFRS measure) as profit for the period adjusted for equity-settled share-based payment expenses and [REDACTED]. Equity-settled share-based payment expenses are non-cash expenses arising from granting share options to employees. [REDACTED] represent the costs incurred in connection with our [REDACTED] on the [REDACTED]. Such expenses in any specific period are not expected to result in future cash payments after completion of the [REDACTED] process. The following table sets out a reconciliation from adjusted net profit (non-IFRS measure) to profit for the period which is presented in accordance with IFRS Accounting Standards.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Profit for the year	2,358	4,896	16,397
Add:			
Equity-settled share-based payment expenses	1,323	1,466	2,308
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit (Non-IFRS measures)	3,681	6,362	19,306

KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we primarily generated revenue from the delivery of intelligent laboratory solutions and self-driving laboratory solutions. We recorded total revenue of RMB614.1 million, RMB554.0 million and RMB644.9 million for 2023, 2024 and 2025, respectively. Our intelligent laboratory solutions (excluding SLS) consist of three categories: intelligent laboratory integrated solutions, modular laboratories and components, and design, operation and maintenance. We provide tailored design and implementation services for intelligent laboratories, delivered through the integration of four principal systems: (1) the intelligent laboratory environment management system, (2) the laboratory support system, (3) the laboratory instrument management system, and (4) the intelligent control platform. These four systems form the technological foundation of our intelligent laboratory solutions and may be deployed either in an integrated manner or on a modular basis, depending on customer needs. For customers seeking a fully integrated intelligent laboratory, we provide tailored design and implementation services that selectively integrate these principal systems into a unified and fully functional solution. We refer to such offering as our intelligent laboratory integrated solutions, for which we typically charge an all-in-one project-based fee payable in installments. In addition, we offer modular laboratories and components, which are modularized solutions derived from these principal systems. Unlike our intelligent laboratory integrated solutions, modular laboratories are delivered on a prefabricated and modular basis, whereby core functional units are assembled and manufactured in our facilities and subsequently transported and installed at the customer’s site. Such solutions are typically deployed to meet specific environmental control and automation requirements and are primarily applied in high-standard environments, such as clean rooms, negative-pressure wards and GMP-compliant cell production workshops. Before we start any integration, we often provide design services, and after we complete the integration, we also offer ongoing operation and maintenance services. These together constitute our design, operation and maintenance revenue. The following table sets forth our total revenue by business line for the periods indicated, both in absolute amount and as a percentage of our total revenue.

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	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands except for percentages)</i>					
Intelligent laboratory solutions (excluding SLS)	614,076	100.0	517,798	93.5	474,222	73.5
— <i>Intelligent laboratory integrated solutions</i>	501,416	81.7	249,056	45.0	334,701	51.9
— <i>Modular laboratories and components</i>	86,419	14.0	232,876	42.0	108,530	16.8
— <i>Design, operation and maintenance</i>	26,241	4.3	35,866	6.5	30,991	4.8
Self-driving laboratory solutions	—	—	36,229	6.5	170,691	26.5
Total	614,076	100.0	554,027	100.0	644,913	100.0

Cost of Sales

Our cost of sales primarily consisted of (1) costs of materials of our solutions, such as mechanical parts, robotic parts, and electrical and electronic components; and (2) labor costs of our manufacturing and installation personnel, including outsourced labor. The following table sets forth a breakdown of our cost of sales by nature, both in absolute amount and as a percentage of the total cost of sales, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands except for percentages)</i>					
Cost of materials	302,797	58.7	278,761	65.9	286,810	61.8
Labor costs	181,784	35.3	105,136	24.8	142,574	30.7
Others ⁽¹⁾	30,932	6.0	39,200	9.3	34,337	7.5
Total	515,513	100.0	423,097	100.0	463,721	100.0

(1) Others primarily represent transportation expenses and depreciation and amortization.

Gross Profit and Gross Profit Margin

Our gross profit was RMB98.6 million, RMB130.9 million and RMB181.2 million for 2023, 2024 and 2025, respectively, representing a gross profit margin of 16.1%, 23.6% and 28.1% for the same periods, respectively. The following table sets forth our gross profit and gross profit margin by business lines for the periods indicated.

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	Year ended December 31,					
	2023		2024		2025	
	<u>Gross profit</u>	<u>Gross profit margin</u>	<u>Gross profit</u>	<u>Gross profit margin</u>	<u>Gross profit</u>	<u>Gross profit margin</u>
	(RMB)	(%)	(RMB)	(%)	(RMB)	(%)
(RMB in thousands, except for percentages)						
Intelligent laboratory solutions (excluding SLS)	98,563	16.1	112,822	21.8	112,522	23.7
—Intelligent laboratory integrated solutions	72,960	14.6	43,186	17.3	76,886	23.0
—Modular laboratories and components	12,651	14.6	56,192	24.1	24,485	22.6
—Design, operation and maintenance	12,952	49.4	13,444	37.5	11,151	36.0
Self-driving laboratory solutions	—	—	18,108	50.0	68,670	40.2
Total	<u>98,563</u>	<u>16.1</u>	<u>130,930</u>	<u>23.6</u>	<u>181,192</u>	<u>28.1</u>

Other Income and Losses, net

Our other income primarily consisted of (1) government grants, which primarily represented incentives and awards granted for our research and development initiatives and manufacturing upgrades that were recognized in profit or loss during the relevant periods; (2) interest income from bank deposits; and (3) net income from sales of one-off medical equipment in 2023.

	Year ended December 31,		
	2023	2024	2025
Government grants	1,597	2,969	5,339
Interest income	257	238	167
Net losses on disposal of property, plant and equipment and other long-term assets	(1)	(17)	—
Net income from sales of one-off medical equipment	20,558	—	—
Foreign exchange loss	—	(5)	—
Others	53	(71)	171
Total other income	<u>22,464</u>	<u>3,114</u>	<u>5,677</u>

Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of (1) employee benefit expenses, which primarily represented the salaries, social insurance contributions, housing provident fund contributions and share-based expenses for our sales and marketing personnel; (2) business development expenses, which primarily represented expenses related to industry conferences and exhibitions; and (3) office and traveling expenses. The following table sets forth a breakdown of our selling and marketing expenses by nature, both in absolute amount and as a percentage of our total selling and marketing expenses, for the periods indicated.

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	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(RMB in thousands except for percentages)</i>						
Employee benefit expenses	10,100	51.4	15,138	60.6	20,084	61.9
Business development expenses	6,509	33.1	6,001	24.0	7,169	22.1
Office and traveling expenses	2,604	13.3	2,713	10.9	3,457	10.6
Depreciation and amortization	167	0.9	433	1.7	810	2.5
Others ⁽¹⁾	255	1.3	687	2.8	941	2.9
Total	19,635	100.0	24,972	100.0	32,461	100.0

(1) Others primarily included professional service fees.

Administrative Expenses

Our administrative expenses primarily consisted of (1) employee benefit expenses, which primarily represented the salaries, social insurance contributions, housing provident fund and share-based expenses for our administrative personnel; (2) office and traveling expenses; (3) professional service fees, which primarily represented fees paid for legal, consulting and other professional services; (4) depreciation and amortization, which primarily represented depreciation of right-of-use assets and property and equipment and amortization of intangible assets used for administrative purposes; and (5) taxes and surcharges. The following table sets forth a breakdown of our administrative expenses by nature, both in absolute amount and as a percentage of our total administrative expenses, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(RMB in thousands except for percentages)</i>						
Employee benefit expenses	20,165	53.7	23,633	59.6	25,486	59.7
Office and traveling expenses	6,211	16.5	4,833	12.2	5,299	12.4
Professional service fees	6,188	16.5	3,444	8.7	3,945	9.3
Depreciation and amortization	2,976	7.9	4,175	10.5	3,444	8.1
Taxes and surcharges	1,127	3.0	2,726	6.9	3,212	7.5
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others ⁽¹⁾	881	2.3	835	2.1	696	1.6
Total	37,548	100.0	39,646	100.0	42,683	100.0

(1) Others primarily included bank service charge and IP-related expenses.

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Research and Development Costs

Our research and development costs primarily consisted of (1) employee benefit expenses, which primarily represented the salaries, social insurance contributions, housing provident fund and share-based expenses for our research and development personnel; (2) materials costs, which primarily represented materials consumption costs directly attributable to our R&D activities; (3) technical service fees, which primarily represented outsourced software development and IT support, third-party testing services for our R&D activities, and R&D collaboration fees; and (4) depreciation and amortization, which primarily represented depreciation of property and equipment and right-of-use assets and amortization of intangible assets used in our R&D activities. The following table sets forth a breakdown of our research and development costs by nature, both in absolute amount and as a percentage of our total research and development costs, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(RMB in thousands except for percentages)</i>						
Employee benefit expenses	23,917	52.7	26,503	59.4	37,466	63.1
Materials costs	14,115	31.1	12,213	27.4	15,514	26.1
Technical service fees	3,131	6.9	2,275	5.1	1,548	2.6
Depreciation and amortization	2,012	4.4	2,146	4.8	2,867	4.8
Others ⁽¹⁾	2,199	4.9	1,474	3.3	2,000	3.4
Total	45,374	100.0	44,611	100.0	59,395	100.0

(1) Others primarily includes traveling fees and other miscellaneous fees relating to our R&D activities.

Impairment loss on trade and other receivables and contract assets

We recorded impairment losses on trade and other receivables and contract assets during the Track Record Period, primarily in connection with our expected credit losses (“ECLs”) on trade and other receivables and contract assets. We incurred impairment loss on trade and other receivables and contract assets of RMB9.5 million, RMB7.6 million and RMB28.6 million in 2023, 2024 and 2025, respectively.

Finance Costs

Finance costs primarily consisted of interest on bank loans, bank guarantee commission, and interest on lease liabilities. We incurred finance costs of RMB6.7 million, RMB10.2 million and RMB7.5 million for 2023, 2024 and 2025, respectively.

Income Tax

We recorded income tax credit of RMB4.3 million, RMB1.8 million and RMB2.1 million for 2023, 2024 and 2025, respectively, primarily arose from the recognition of deferred tax assets and deductible temporary differences associated with impairment provisions primarily on trade receivables, contract assets and inventories.

During the Track Record Period and up to the Latest Practicable Date, we had paid all relevant taxes when due and there were no matters in dispute or unresolved with the relevant tax authorities.

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate. The following description sets forth a summary of our major income tax exposures in relevant jurisdictions.

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The provision for corporate enterprise income tax in the PRC is based on the statutory rate of 25% of the taxable profits determined in accordance with the EIT Law, which was approved and became effective on January 1, 2008, except for certain subsidiaries of our Group in the PRC which are qualified as High and New Technology Enterprises (“HNTE”) and are entitled to a preferential tax rate of 15% during the Track Record Period. Specifically, the Company, Dynaflo Smart Manufacturing and Industrial Equipment(Hebei) Co., Ltd. and Beijing Dynaflo Aurora Technology Co., Ltd. each obtained the HNTE certificate and were subject to the 15% tax rate during the Track Record Period.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 16.4% from RMB554.0 million in 2024 to RMB644.9 million in 2025, primarily due to the significant growth in our self-driving laboratory solutions.

- ***Intelligent laboratory solutions (excluding SLS).*** Our revenue from intelligent laboratory solutions decreased by 8.4% from RMB517.8 million in 2024 to RMB474.2 million in 2025, primarily due to the fluctuation of revenue recognized from certain major projects in the relevant years.
- ***Intelligent laboratory integrated solutions.*** Revenue from intelligent laboratory integrated solutions increased by 34.4% from RMB249.1 million in 2024 to RMB334.7 million in 2025, primarily due to the delivery of several new large-scale integrated projects during the period.
- ***Modular laboratories and components.*** Revenue from modular laboratories and components decreased by 53.4% from RMB232.9 million in 2024 to RMB108.5 million in 2025, primarily due to the high base effect resulting from the one-off large-scale project that was delivered in 2024, with 2025 reflecting a return to normalized project levels.
- ***Design, operation and maintenance.*** Revenue from design, operation and maintenance decreased by 13.6% from RMB35.9 million in 2024 to RMB31.0 million in 2025, primarily due to a decrease in the number of separate design projects, as more design projects have been incorporated in our all-in-one intelligent laboratory integrated solutions.
- ***Self-driving laboratory solutions.*** Our revenue from self-driving laboratory solutions increased significantly from RMB36.2 million in 2024 to RMB170.7 million in 2025, primarily because we continued to expand our self-driving laboratory solutions, with increasing customer adoption across multiple industries and the successful delivery of key projects.

Cost of sales

Our cost of sales increased by 9.6% from RMB423.1 million in 2024 to RMB463.7 million in 2025, primarily due to (1) an increase in direct labor costs of RMB37.4 million and (2) an increase in cost of materials of RMB8.0 million, generally in line with the growth of our sales revenue over the same periods, while our enhanced delivery efficiency and cost control measures helped mitigate the overall cost increase relative to revenue growth.

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Gross profit

Our gross profit increased by 38.4% from RMB130.9 million in 2024 to RMB181.2 million in 2025, and our gross profit margin increased from 23.6% in 2024 to 28.1% in 2025, primarily driven by the continued strong growth in our high-margin self-driving laboratory solutions and continued improvement in the gross profit margin of our intelligent laboratory solutions, partially offset by a decrease in the gross profit margin of self-driving laboratory solutions as we pursued market expansion into new verticals and application scenarios, where initial projects typically yield lower margins before standardization and economies of scale are achieved.

- ***Intelligent laboratory solutions (excluding SLS).*** Our gross profit from intelligent laboratory solutions remained relatively stable at RMB112.8 million and RMB112.5 million in 2024 and 2025, respectively. Our gross profit margin improved from 21.8% in 2024 to 23.7% in 2025, primarily reflecting enhanced delivery efficiency and effective cost control measures.
- ***Intelligent laboratory integrated solutions.*** Gross profit from intelligent laboratory integrated solutions increased by 78.0% from RMB43.2 million in 2024 to RMB76.9 million in 2025. Gross profit margin improved from 17.3% in 2024 to 23.0% in 2025. This growth and margin expansion were primarily attributable to enhanced delivery efficiency, as we accumulated greater project execution experience, and effective cost control measures, as we engaged a number of new suppliers on more favorable terms.
- ***Modular laboratories and components.*** Gross profit from modular laboratories and components decreased by 56.4% from RMB56.2 million in 2024 to RMB24.5 million in 2025, primarily due to the absence of a one-off large-scale project delivered in 2024, with 2025 reflecting a return to normalized project mix. Gross profit margin remained relatively stable at 24.1% and 22.6% in 2024 and 2025, respectively.
- ***Design, operation and maintenance.*** Gross profit from design, operation and maintenance decreased by 17.1% from RMB13.4 million in 2024 to RMB11.2 million in 2025, primarily due to the corresponding revenue decrease. The gross profit margin remained relatively stable and was 37.5% and 36.0% in 2024 and 2025, respectively.
- ***Self-driving laboratory solutions.*** Our gross profit from self-driving laboratory solutions increased significantly from RMB18.1 million in 2024 to RMB68.7 million in 2025, primarily because we continued to expand our self-driving laboratory solutions, with revenue surging from RMB36.2 million to RMB170.7 million. The gross profit margin decreased from 50.0% in 2024 to 40.2% in 2025, reflecting the expansion into new verticals and new application scenarios, where initial projects typically involve higher customization and lower economies of scale, resulting in comparatively lower margins during the market penetration phase.

Other income and losses, net

Other income and losses, net increased by 82.3% from RMB3.1 million in 2024 to RMB5.7 million in 2025, primarily due to an increase in government grants from RMB3.0 million in 2024 to RMB5.3 million in 2025, mainly reflecting the recognition of government grants related to our R&D activities.

Selling and marketing expenses

Our selling and marketing expenses increased by 30.0% from RMB25.0 million in 2024 to RMB32.5 million in 2025, primarily due to (1) an increase in employee benefit expenses from RMB15.1 million in 2024 to RMB20.1 million in 2025, mainly attributable to increased headcount; (2) an increase in business development expenses from RMB6.0 million in 2024 to RMB7.2 million in

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2025, as we strengthened our participation in industry conferences and exhibitions; and (3) an increase in others, mainly driven by an increase in office and traveling expenses from RMB2.7 million in 2024 to RMB3.5 million in 2025, generally in line with our business growth.

Administrative expenses

Administrative expenses increased by 7.7% from RMB39.6 million in 2024 to RMB42.7 million in 2025, primarily due to an increase in employee benefit expenses from RMB23.6 million in 2024 to RMB25.5 million in 2025.

Research and development costs

Research and development costs increased by 33.1% from RMB44.6 million in 2024 to RMB59.4 million in 2025, primarily due to (1) an increase in employee benefit expenses from RMB26.5 million in 2024 to RMB37.5 million in 2025, mainly attributable to the increase in headcount of our R&D personnel for the expanded need of our self-driving laboratory solutions; (2) an increase in materials costs from RMB12.2 million in 2024 to RMB15.5 million in 2025, in line with the increasing needs of our R&D activities; and (3) an increase in depreciation and amortization from RMB2.1 million in 2024 to RMB2.9 million in 2025, primarily due to the addition of machinery and equipment for R&D purposes.

Impairment loss on trade and other receivables and contract assets

Our impairment loss on trade and other receivables and contract assets increased significantly from RMB7.6 million in 2024 to RMB28.6 million in 2025. The increase was primarily attributable to the aging of certain long-outstanding balances from trade receivables and contract assets, primarily as a result of the prolonged acceptance and settlement period with a major customer.

Share of losses of joint venture

Share of losses of joint ventures decreased by 52.0% from RMB3.9 million for 2024 to RMB1.9 million for 2025, primarily due to the decreased losses incurred by MGI Dynaflow. For details, see “—Discussion of Major Balance Sheet Items—Interest in Joint Venture.”

Finance costs

Finance costs decreased by 26.6% from RMB10.2 million in 2024 to RMB7.5 million in 2025, primarily due to (1) a decrease in interest on bank loans from RMB6.0 million in 2024 to RMB5.2 million in 2025, reflecting lower average interest rates and changes in the loan portfolio during the period; and (2) a decrease in other finance costs from RMB3.8 million in 2024 to RMB1.6 million in 2025, mainly as a result of a reduction in guarantee fees corresponding to a lower outstanding balance of guaranteed bank borrowings and the narrowing application of letter of guarantee from banks in 2025.

Income tax

Income tax credit increased by 15.2% from RMB1.8 million in 2024 to RMB2.1 million in 2025, primarily due to the increase in impairment losses during the period.

Profit for the year

As a result of the foregoing, our profit for the year increased significantly from RMB4.9 million in 2024 to RMB16.4 million in 2025, representing a net profit margin of 0.9% and 2.5% for the same periods, respectively.

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

Revenue

Revenue decreased by 9.8% from RMB614.1 million in 2023 to RMB554.0 million in 2024, primarily due to a decrease in revenue from intelligent laboratory solutions following the delivery of COVID-19 deferred projects in 2023, partially offset by the substantial growth in self-driving laboratory solutions.

- ***Intelligent laboratory solutions (excluding SLS).*** Our revenue from intelligent laboratory solutions decreased by 15.7% from RMB614.1 million in 2023 to RMB517.8 million in 2024, primarily driven by the heightened revenue in 2023 resulting from the delivery of projects delayed from 2022 due to the COVID-19 pandemic, while 2024 reflected a return to normalized project delivery levels.
- ***Intelligent laboratory integrated solutions.*** Revenue from intelligent laboratory integrated solutions decreased by 50.3% from RMB501.4 million in 2023 to RMB249.1 million in 2024, primarily due to the heightened revenue in 2023 resulting from the delivery of projects delayed from 2022, while 2024 reflected a return to normalized project delivery levels.
- ***Modular laboratories and components.*** Revenue from modular laboratories and components increased significantly from RMB86.4 million in 2023 to RMB232.9 million in 2024, primarily due to a large-scale project delivered in 2024.
- ***Design, operation and maintenance.*** Revenue from design, operation and maintenance increased by 36.7% from RMB26.2 million in 2023 to RMB35.9 million in 2024, primarily due to increased demand for operation and maintenance services as more laboratory projects entered the post-delivery phase.
- ***Self-driving laboratory solutions.*** Our revenue from self-driving laboratory solutions increased significantly from nil in 2023 to RMB36.2 million in 2024, primarily because we commenced the commercialization of our self-driving laboratory solutions in 2024.

Cost of sales

Our cost of sales decreased by 17.9% from RMB515.5 million in 2023 to RMB423.1 million in 2024, primarily due to (1) a decrease in cost of materials of RMB24.0 million, and (2) a decrease in labor costs of RMB76.6 million, primarily due to the decrease of our revenue over the same periods, while our enhanced delivery efficiency and effective cost control measures further contributed to the reduction.

Gross profit and gross profit margin

Our gross profit increased by 32.8% from RMB98.6 million in 2023 to RMB130.9 million in 2024, primarily driven by the improved gross profit margins across major business lines and the commercialization of our self-driving laboratory solutions.

- ***Intelligent laboratory solutions (excluding SLS).*** Gross profit from intelligent laboratory solutions increased by 14.5% from RMB98.6 million in 2023 to RMB112.8 million in 2024, reflecting improved gross profit margin from 16.1% in 2023 to 21.8% in 2024, which was primarily due to enhanced delivery efficiency and effective cost control measures, despite a decrease in revenue following the heightened revenue in 2023 resulting from the delivery of COVID-19 delayed projects. We recorded relatively low profit margin in 2023, primarily due to our low margin projects in the market penetration phase and our effort to maintain strategic relationship with certain customers.

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- ***Intelligent laboratory integrated solutions.*** Gross profit from intelligent laboratory integrated solutions decreased by 40.8% from RMB73.0 million in 2023 to RMB43.2 million in 2024, primarily due to a decrease in revenue following the delivery of previously delayed projects in 2023. Despite the revenue decline, gross profit margin improved from 14.6% in 2023 to 17.3% in 2024, reflecting enhanced delivery efficiency and effective cost control measures.
- ***Modular laboratories and components.*** Gross profit from modular laboratories and components increased significantly from RMB12.7 million in 2023 to RMB56.2 million in 2024. Gross profit margin improved from 14.6% in 2023 to 24.1% in 2024. This significant growth and margin expansion were primarily driven by our implementation of standardized production and assembly procedures in 2024.
- ***Design, operation and maintenance.*** Gross profit from design, operation and maintenance increased by 3.8% from RMB13.0 million in 2023 to RMB13.4 million in 2024. Gross profit margin decreased from 49.4% in 2023 to 37.5% in 2024, primarily reflecting the project-based nature of the services within this category and the corresponding fluctuations in gross profit margin from period to period.
- ***Self-driving laboratory solutions.*** Gross profit from self-driving laboratory solutions increased significantly from nil in 2023 to RMB18.1 million in 2024, primarily because we commenced the commercialization of our self-driving laboratory solutions in 2024. The gross profit margin for self-driving laboratory solutions reached 50.0% in 2024, higher than that of our intelligent laboratory solutions due to strong project execution and technology advantages.

Other income and losses, net

Other income and losses, net decreased by 86.1% from RMB22.5 million in 2023 to RMB3.1 million in 2024, primarily due to a significant decrease in net income from sales of one-off medical equipment from RMB20.6 million in 2023 to nil in 2024, as such temporary pandemic-related activities wound down following the pandemic.

Selling and marketing expenses

Selling and marketing expenses increased by 27.2% from RMB19.6 million in 2023 to RMB25.0 million in 2024, primarily due to an increase in employee benefit expenses from RMB10.1 million in 2023 to RMB15.1 million in 2024, mainly reflecting an increase in headcount to support enhanced marketing and business development activities.

Administrative expenses

Administrative expenses increased by 5.6% from RMB37.5 million in 2023 to RMB39.6 million in 2024, primarily due to an increase in employee benefit expenses from RMB20.2 million in 2023 to RMB23.6 million in 2024, mainly attributable to an increase in administrative headcount to support our business expansion.

Research and development costs

Research and development costs decreased by 1.7% from RMB45.4 million in 2023 to RMB44.6 million in 2024, primarily due to a decrease in materials costs from RMB14.1 million in 2023 to RMB12.2 million in 2024, as our R&D activities in 2024 shifted focus toward the development of our self-driving laboratory solutions, which required relatively lower direct materials consumption compared to prior periods; partially offset by an increase in employee benefit expenses from RMB23.9 million in 2023 to RMB26.5 million in 2024, primarily due to an increase in headcount to our R&D team.

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Impairment loss on trade and other receivables and contract assets

Our impairment loss on trade and other receivables and contract assets decreased by 20.6% from RMB9.5 million in 2023 to RMB7.6 million in 2024. This decrease was primarily due to our continued collection efforts, which prevented significant aging of outstanding balances.

Share of losses of joint venture

Share of losses of joint ventures decreased by 5.8% from RMB4.2 million for 2023 to RMB3.9 million for 2024, primarily due to the decrease in losses incurred by MGI Dynaflo and Dnyuntu. For details, see “—Discussion of Major Balance Sheet Items—Interest in Joint Venture.”

Finance costs

Finance costs increased by 52.6% from RMB6.7 million in 2023 to RMB10.2 million in 2024, primarily due to an increase in interest on bank loans from RMB3.6 million in 2023 to RMB6.0 million in 2024, reflecting an increase in the average balance of bank borrowings during the period.

Income tax

Income tax credit decreased by 57.8% from RMB4.3 million in 2023 to RMB1.8 million in 2024, primarily due to the decrease in our impairment losses.

Profit for the year

As a result of the foregoing, we recorded a profit of RMB2.4 million in 2023 and a profit of RMB4.9 million in 2024, representing a net profit margin of 0.4% for 2023 and 0.9% for 2024.

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DISCUSSION OF MAJOR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ITEMS

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

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-current assets			
Property, plant and equipment	63,340	61,164	62,854
Right-of-use assets	21,253	25,638	23,920
Intangible assets	835	466	384
Interests in joint ventures	9,675	5,822	4,015
Deferred tax assets	9,731	12,691	15,430
Total non-current assets	104,834	105,781	106,603
Total current assets	702,886	531,406	667,076
Total current liabilities	624,722	441,673	487,989
Net current assets	78,164	89,733	179,087
Total assets less current liabilities	182,998	195,514	285,690
Non-current liabilities			
Other borrowings	—	5,811	—
Lease liabilities	439	3,128	1,868
Deferred income	1,855	1,587	1,318
Provision for warranties	7,713	5,557	5,292
Total non-current liabilities	10,007	16,083	8,478
Net assets	172,991	179,431	277,212
Equity			
Paid-in capital/share capital	54,858	54,858	58,871
Reserves	118,134	124,582	218,350
Non-controlling interests	(1)	(9)	(9)
Total equity	172,991	179,431	277,212

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The following table sets forth our current assets, current liabilities and net current assets as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	February 28,
	(RMB in thousands)			2026
				(Unaudited)
Current assets				
Inventories	219,320	58,079	34,645	61,157
Contract assets	99,201	112,775	220,234	180,677
Trade and bills receivables	272,214	244,229	294,747	292,058
Deposits, prepayments and other receivables	47,939	39,832	38,017	12,423
Restricted bank deposits	1,765	1,326	1,224	1,266
Cash and cash equivalents	62,447	75,165	78,209	96,609
Total current assets	702,886	531,406	667,076	644,190
Current liabilities				
Trade and bills payables	186,282	155,342	193,116	115,598
Contract liabilities	237,192	49,027	33,357	28,127
Interest-bearing bank loans and other borrowings	168,777	200,231	217,513	244,331
Lease liabilities	613	2,819	2,668	4,269
Other payables	31,858	34,244	40,678	33,790
Current taxation	—	10	657	409
Total current liabilities	624,722	441,673	487,989	426,524
Net current assets	78,164	89,733	179,087	217,666

Net current assets increased from RMB78.2 million as of December 31, 2023 to RMB89.7 million as of December 31, 2024. This increase was primarily driven by a significant decrease in contract liabilities from RMB237.2 million to RMB49.0 million, mainly reflecting the completion and revenue recognition of major projects in late 2023. This positive impact was partially offset by a decrease in inventories from RMB219.3 million to RMB58.1 million as projects were completed and related costs were recognized in cost of sales, together with reductions in trade and bills receivables as we collected payments from customers.

Net current assets further increased significantly to RMB179.1 million as of December 31, 2025. This increase was primarily driven by (1) a substantial increase in contract assets from RMB112.8 million to RMB220.2 million, reflecting progress on new projects secured in 2025; and (2) an increase in trade and bills receivables from RMB244.2 million to RMB294.7 million, generally in line with our sales growth. This impact was partially offset by (1) an increase in trade and bills payables from RMB155.3 million to RMB193.1 million, (2) an increase in interest-bearing bank loans and other borrowings from RMB200.2 million to RMB217.5 million, and (3) a decrease in inventories from RMB58.1 million to RMB34.6 million, as projects advanced and related costs were recognized in cost of sales.

Net current assets further increased from RMB179.1 million as of December 31, 2025 to RMB217.7 million as of February 28, 2026. This increase was primarily driven by (1) a significant decrease in trade and bills payables from RMB193.1 million to RMB115.6 million, mainly reflecting the settlement of outstanding supplier balances during the period, which reduced current liabilities

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and strengthened our net current position; and (2) the increase in inventories from RMB34.6 million to RMB61.2 million, reflecting procurement and work-in-progress accumulation for ongoing projects. This impact was partially offset by (1) an increase in interest-bearing bank loans and other borrowings from RMB217.5 million to RMB244.3 million; and (2) a decrease in contract assets from RMB220.2 million to RMB180.7 million.

Property, Plant and Equipment

Our property, plant and equipment during the Track Record Period primarily consisted of (1) plant and buildings, primarily in connection with our production facilities in Hebei Province; (2) machinery and equipment primarily used for our manufacturing activities; (3) transportation vehicles; and (4) office and electronic equipment. The following table sets forth net book value of the components of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Plant and buildings	45,662	43,540	42,284
Machinery and equipment	13,799	14,539	17,704
Transportation vehicles	1,461	1,056	1,007
Office and electronic equipment	2,418	1,992	1,859
Construction in progress	—	37	—
Total	63,340	61,164	62,854

Property, plant and equipment decreased from RMB63.3 million as of December 31, 2023 to RMB61.2 million as of December 31, 2024, primarily due to depreciation, partially offset by additions of machinery and equipment.

Property, plant and equipment further increased to RMB62.9 million as of December 31, 2025, primarily due to additions of machinery and equipment to support business expansion, partially offset by continued depreciation.

Intangible Assets

Our intangible assets during the Track Record Period primarily consisted of software for office and design use. Intangible assets decreased from RMB0.8 million as of December 31, 2023 to RMB0.5 million as of December 31, 2024, primarily due to amortization, partially offset by procurement of certain software to meet our operational needs. Our intangible assets further decreased to RMB0.4 million as of December 31, 2025, primarily due to amortization with no significant new additions during the period.

Right-of-use Assets

Our right-of-use assets during the Track Record Period primarily consisted of our leased plant and buildings, as well as land use rights. Right-of-use assets increased from RMB21.3 million as of December 31, 2023 to RMB25.6 million as of December 31, 2024, primarily due to the renewal of an office lease for three years in March 2024, which resulted in the recognition of additional right-of-use assets of RMB7.4 million, partially offset by depreciation. Right-of-use assets decreased to RMB23.9 million as of December 31, 2025, primarily due to depreciation charges during the year, partially offset by new lease additions.

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Deferred Tax Assets

Our deferred tax assets during the Track Record Period primarily arose from the temporary differences between the tax basis of impairment of trade and other receivables and contract assets, impairment of inventories and their book value, government grants, as well as certain deductible tax losses. Deferred tax assets increased from RMB9.7 million as of December 31, 2023 to RMB12.7 million as of December 31, 2024, primarily due to an increase in deductible temporary differences arising from provisions for impairment. Deferred tax assets further increased to RMB15.4 million as of December 31, 2025, primarily due to the recognition of deferred tax assets on provisions for impairment.

Inventories

Our inventories consisted of (1) raw materials, representing the various kinds of supplies that we procure for manufacturing our products, (2) work in progress, (3) finished goods, and (4) goods in transit. The following table sets forth a breakdown of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Raw materials	74,900	44,899	30,627
Work in progress	5,473	4,539	4,810
Finished goods	5,663	8,297	7,504
Goods in transit	144,759	14,612	6,391
Write-down of inventories	(11,475)	(14,268)	(14,687)
Total	219,320	58,079	34,645

Inventories decreased from RMB219.3 million as of December 31, 2023 to RMB58.1 million as of December 31, 2024, primarily due to a significant decrease in goods in transit from RMB144.8 million to RMB14.6 million over the same period, as many large-scale projects were completed during 2024 and the related costs were recognized in cost of sales. Inventories further decreased to RMB34.6 million as of December 31, 2025, primarily due to (1) continued decrease in goods in transit from RMB14.6 million to RMB6.4 million, as the remaining projects were completed and recognized in cost of sales; and (2) a decrease in raw materials from RMB44.9 million to RMB30.6 million, reflecting improved inventory management and faster project execution, especially for our self-driving solutions.

The following table sets forth the number of our inventory turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days ⁽¹⁾	138.4	119.7	36.5

(1) Inventory turnover days were calculated based on the average of opening and closing inventory balance (net of impairment allowances) for the relevant period divided by the cost of sales for the same period, and multiplied by the number of days for that period (365 days for a given year).

Our inventory turnover days decreased from 138.4 days in 2023 to 119.7 days in 2024, primarily due to the completion and recognition of a number of large-scale projects during 2024, which resulted in a significant decrease in goods in transit from RMB144.8 million as of December 31, 2023 to RMB14.6 million as of December 31, 2024, as the related costs were transferred to cost of sales.

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Our inventory turnover days decreased further from 119.7 days in 2024 to 36.5 days in 2025, primarily due to (1) the continued completion and revenue recognition of remaining projects, which further reduced goods in transit from RMB14.6 million as of December 31, 2024 to RMB6.4 million as of December 31, 2025; (2) a substantial decrease in raw materials from RMB44.9 million to RMB30.6 million over the same period, reflecting improved inventory management and faster turnover; and (3) faster project execution, especially for our self-driving laboratory solutions.

The following table sets forth an aging analysis of our inventories, based on invoice date and net of loss allowance, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	206,810	56,731	31,884
Over one year	23,985	15,616	17,449
Less: loss allowance	<u>(11,475)</u>	<u>(14,268)</u>	<u>(14,687)</u>
Total	<u>219,320</u>	<u>58,079</u>	<u>34,645</u>

As of February 28, 2026, approximately RMB9.0 million, or 18.2%, of the gross amount of our inventories as of December 31, 2025 had been consumed or sold.

Contract Assets

Our contract assets represent our rights to receive consideration for obligations performed under some of our contracts. These considerations are not yet payable by the customers as they are subject to certain conditions under the relevant construction contracts, such as lapse of the warranty period. The following table sets out a breakdown of our contract assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Arising from performance under construction contracts	103,757	116,635	237,664
Less: loss allowance	<u>(4,556)</u>	<u>(3,860)</u>	<u>(17,430)</u>
Contract assets, net	<u>99,201</u>	<u>112,775</u>	<u>220,234</u>

Our contract assets increased from RMB99.2 million as of December 31, 2023, to RMB112.8 million as of December 31, 2024, as we secured new contracts and advanced on existing projects, leading to an increase in the amount of consideration recognized as conditional upon fulfilling future obligations. Our contract assets further increased to RMB220.2 million as of December 31, 2025, primarily due to progress on new projects secured in 2025.

As of February 28, 2026, RMB30.7 million, or 12.9%, of our contract assets as of December 31, 2025, had been settled.

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Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables	271,570	255,038	331,600
Bills receivables	19,236	12,977	1,794
Subtotal	290,806	268,015	333,394
Less: loss allowance	(18,592)	(23,786)	(38,647)
Trade and bills receivables, net	272,214	244,229	294,747

We mainly settle with our customers on credit. We may grant a credit period of up to 180 days. For certain projects, we usually require part of the payment in advance after signing the contract, and collect the remaining amount according to the project progress or after final acceptance by the customer.

Trade and bills receivables, net decreased from RMB272.2 million as of December 31, 2023 to RMB244.2 million as of December 31, 2024, primarily due to a decrease in revenue in 2024 following the heightened revenue in 2023 from certain delayed projects. Trade and bills receivables increased to RMB294.7 million as of December 31, 2025 as we recorded higher revenue in 2025 driven by the significant growth in our self-driving laboratory solutions.

The following table sets forth an aging analysis of our trade and bills receivables, based on invoice date and net of loss allowance, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	236,504	152,765	211,270
Over one year but within two years	40,857	85,422	44,967
Over two years but within three years	2,598	20,413	60,123
Over three years but within four years	8,469	2,237	13,126
Over four years but within five years	1,859	4,965	2,189
Over five years	519	2,213	1,719
Less: loss allowance	(18,592)	(23,786)	(38,647)
Total	272,214	244,229	294,747

We perform an impairment analysis at the end of each reporting period during the Track Record Period using a provision matrix based on the aging of receivables to measure ECLs. The provision rates are based on the aging of receivables for groupings of various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available during the Track Record Period about past events, current conditions and forecasts of future economic conditions. Trade and bills receivables for which the counterparties failed to make the demanded repayments are defaulted receivables. We consider a financial asset to be in default when the debtor is unlikely to pay its credit obligations in

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full, or the financial asset is 180 days past due. We have provided full impairment for the defaulted receivables. For details of the impairment provision of our trade and bills receivables and the credit risk exposure of our trade and bills receivables, see Note 30(a) to the Accountants’ Report in Appendix I to this document.

The following table sets forth the number of our trade and bills receivables turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade and bills receivables turnover days ⁽¹⁾	173.6	170.1	152.5

(1) Trade and bills receivables turnover days were calculated based on the average of opening and closing balance of trade and bills receivables, net of allowance for credit losses, for the relevant period, divided by the revenue for the same period, and multiplied by the number of days for that period (365 days for a given year).

Our trade and bills receivables turnover days decreased from 173.6 days in 2023 to 152.5 days in 2025. This improvement was primarily attributable to our enhanced collection efforts and the growing revenue contribution from our self-driving laboratory solutions, which typically have a shorter collection cycle than our intelligent laboratory solutions.

As of February 28, 2026, approximately RMB43.7 million, or 13.1%, of our trade and bills receivables as of December 31, 2025 had been settled.

Interest in Joint Venture

Our interest in joint ventures during the Track Record Period primarily represents our investments in MGI Dynaflow and Dnyuntu. We held 51% and 60% equity interests in these two joint ventures, respectively.

Our interest in joint ventures decreased from RMB9.7 million as of December 31, 2023 to RMB5.8 million as of December 31, 2024, primarily due to our share of losses in MGI Dynaflow and Dnyuntu of RMB3.9 million for 2024. Our interest in joint ventures further decreased to RMB4.0 million as of December 31, 2025, primarily due to our share of losses in MGI Dynaflow of RMB1.9 million for 2025.

For details of our interest in joint ventures, including our interests in and share of net assets and results of the joint ventures, see Note 15 to the Accountants’ Report in Appendix I to this document.

Deposits, Prepayments and Other Receivables

Deposits, prepayments and other receivables primarily consisted of (1) prepayments, which mainly represent advance payments to suppliers for the procurement of raw materials and services; (2) amounts due from related parties, which mainly represent interest-free loans extended to a joint venture of our Group to support its working capital needs; (3) deposits, including bidding and performance guarantees and rental deposits; (4) value-added tax recoverable, which arose primarily from the procurement of materials and services; (5) prepaid income tax, representing advance payments made toward our corporate income tax obligations in excess of the actual tax liability for the relevant period; (6) prepayments for [REDACTED] incurred in connection with the proposed [REDACTED] of our H Shares; and (7) other miscellaneous receivables.

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The following table sets forth a breakdown of our deposits, prepayments and other receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Prepayments ⁽¹⁾	28,225	32,008	30,122
Amounts due from a related party	700	3,500	3,500
Deposits	12,890	6,597	5,199
VAT recoverable	6,271	426	291
Prepaid income taxes	296	847	1,702
Prepayment for costs incurred in connection with the proposed [REDACTED] of [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	1,162	1,111	1,841
Less: loss allowance	(1,605)	(4,657)	(4,839)
Total	47,939	39,832	38,017

(1) Prepayments represent advance payments to suppliers for the procurement of materials, services and others.

Deposits, prepayments and other receivables decreased from RMB47.9 million as of December 31, 2023 to RMB39.8 million as of December 31, 2024, primarily due to (1) a decrease in deposits as a results of narrowing application of deposits for our projects; and (2) the decrease in value-added tax recoverable, primarily because our heightened procurement activities in 2023, resulting in an accumulation of new input VAT while previously recorded recoverable balances were progressively offset against output VAT from operating activities in 2024, partially offset by an increase in prepayments of RMB3.8 million in line with our procurement activities. Our deposits, prepayments and other receivables remained stable at RMB39.8 million and RMB38.0 million as of December 31, 2024 and 2025, respectively.

Restricted Bank Deposit

Restricted bank deposits primarily represent bank deposits deposited to banks for the letters of guarantee for project performance bond. The balance decreased from RMB1.8 million as of December 31, 2023 to RMB1.3 million as of December 31, 2024, and further to RMB1.2 million as of December 31, 2025, primarily due to the release of certain performance guarantees upon completion of projects and the release of bank guarantees upon maturity.

Trade and Bills Payables

The following table sets forth a breakdown of our trade and bills payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Bills payable	—	500	—
Payable for materials and services	186,282	154,842	193,116
Total	186,282	155,342	193,116

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Trade and bills payables decreased from RMB186.3 million as of December 31, 2023 to RMB155.3 million as of December 31, 2024, primarily due to our decreased procurement activities, generally in line with our revenue decrease in 2024. Trade and bills payables increased from RMB155.3 million as of December 31, 2024 to RMB193.1 million as of December 31, 2025, primarily due to an increase in procurement activities in 2025 to support our business growth, generally in line with our revenue growth during the Track Record Period.

Our trade and bills payables generally have a credit period of up to 180 days. The following table sets forth an aging analysis of our trade and bills payables, based on the invoice dates, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	137,995	113,150	147,401
Over one year but within two years	34,826	16,658	21,263
Over two years but within three years	13,461	14,400	6,544
Over three years	—	11,134	17,908
Total	186,282	155,342	193,116

The following table sets forth the number of our trade and bills payables turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade and bills payable turnover days ⁽¹⁾	121.7	147.4	137.1

- (1) Trade and bills payables turnover days were calculated based on the average of opening and closing balance of trade and bills payables for the relevant period, divided by the cost of sales for the same period, multiplied by the number of days for that period (365 days for a given year).

Our trade and bills payable turnover days increased from 121.7 days in 2023 to 147.4 days in 2024, primarily due to the change of procurement payment policy. Our trade and bills payable turnover days then decreased to 137.1 days for 2025, as we expanded our procurement from certain new suppliers for product development, especially for our self-driving laboratory solutions, which imposed a relatively short settlement period due to the shorter cooperation history and smaller amount of procurement.

As of February 28, 2026, approximately RMB42.5 million, or 22.0%, of our trade and bills payables as of December 31, 2025 had been settled.

Contract Liabilities

We recognize contract liabilities when a payment from customers is received or a payment is due (whichever is earlier) from a customer before we transfer the related goods or services. Our contract liabilities decreased from RMB237.2 million as of December 31, 2023 to RMB49.0 million as of December 31, 2024, primarily due to the completion and final acceptance of several large-scale projects at the end of 2023, which resulted in the recognition of related advances as revenue in 2024. Our contract liabilities further decreased to RMB33.4 million as of December 31, 2025, primarily due to the continuous recognition of advances as revenue as we continued to accelerate our execution cycle, especially for our self-driving laboratory solutions, partially offset by new advances received from newly signed projects in 2025.

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Other Payables

Our other payables during the Track Record Period primarily consisted of (1) payroll and welfare payables, representing accrued salaries and other benefits for our employees; (2) other taxes payable, mainly including value-added tax payable, individual income tax withheld and stamp duty; (3) payables for costs incurred in connection with the proposed issuance of our H Shares; and (4) other, which primarily represented payables for our construction project and accrued expenses. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Payroll and welfare payables	6,900	8,075	9,988
Other tax payables	22,104	23,645	28,650
Payables for costs incurred in connection with the proposed issuance of the Company’s H shares	—	—	850
Others	2,854	2,524	1,190
Total	31,858	34,244	40,678

Other payables increased from RMB31.9 million as of December 31, 2023 to RMB34.2 million as of December 31, 2024, primarily due to (1) the increase in other taxes payable of RMB1.5 million, primarily related to VAT payables; and (2) the increase in payroll and welfare payables of approximately RMB1.2 million, mainly due to an increase in headcount following the establishment of two new branches in 2024 and the expansion of the payroll accrual base. Other payables increased from RMB34.2 million as of December 31, 2024 to RMB40.7 million as of December 31, 2025, primarily due to higher VAT payables driven by increased revenue in 2025, higher payroll and welfare payables reflecting headcount expansion, and [REDACTED] accrued in connection with the [REDACTED].

Provisions

We record provision for warranties that we provided to customers during the warranty period. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of sales made within the warranty period prior to the end of each period during the Track Record Period. The amount of provision takes into account our recent claim experience and is only made where a warranty claim is probable.

We recorded provision for warranties of RMB7.7 million, RMB5.6 million and RMB5.3 million as of December 31, 2023, 2024 and 2025, respectively. The provision decreased from RMB7.7 million as of December 31, 2023 to RMB5.6 million as of December 31, 2024, primarily due to the relatively larger number of contracts in warranty period as of December 31, 2023, including certain old contracts deferred to 2023, as the warranty provision is generally estimated based on a percentage of project revenue. The provision remained relatively stable at RMB5.3 million as of December 31, 2025, generally in line with the number of contracts in warranty period as of December 31, 2025.

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LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity and Working Capital

Our primary use of cash is to fund our working capital requirements, including R&D activities, project delivery, sales expansion and other operational needs and payment for the purchase of property, plant and equipment for production. During the Track Record Period, we financed our capital expenditures and working capital requirements primarily through our existing cash, cash flows generated from our operations, our equity financing and, to a much lesser extent, through bank borrowings. Going forward, we believe that our liquidity requirements will be satisfied with cash flows generated from our operations, net [REDACTED] from the [REDACTED], and other debt and equity financing from time to time according to our needs.

Taking into account the financial resources available to us, including cash and cash equivalents, future cash flow from operating activities, bank facilities and the net [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Operating cash flows before movements in working capital	31,812	39,416	65,931
Changes in working capital	<u>(107,009)</u>	<u>(42,014)</u>	<u>(132,151)</u>
Cash used in operations	(75,197)	(2,598)	(66,220)
Tax paid	<u>(22,999)</u>	<u>(1,989)</u>	<u>(1,712)</u>
Net cash used in operating activities	<u>(98,196)</u>	<u>(4,587)</u>	<u>(67,932)</u>
Net cash generated from/(used in) investing activities	<u>12,490</u>	<u>(7,250)</u>	<u>(8,832)</u>
Net cash (used in)/generated from financing activities	<u>(2,568)</u>	<u>24,560</u>	<u>79,808</u>
Net (decrease)/increase in cash and cash equivalents	(88,274)	12,723	3,044
Cash and cash equivalents at beginning of the period	150,721	62,447	75,165
Effect of foreign exchange rate changes	<u>—</u>	<u>(5)</u>	<u>—</u>
Cash and cash equivalents at end of the period	<u>62,447</u>	<u>75,165</u>	<u>78,209</u>

Net cash used in operating activities

Net cash used in operating activities was RMB67.9 million in 2025, primarily due to our profit before tax of RMB14.3 million and tax paid of RMB1.7 million, as adjusted by (1) certain non-cash and non-operating items, primarily including depreciation of property, plant and equipment of RMB6.9 million, depreciation of right-of-use assets of RMB3.5 million, amortisation of intangible assets of RMB0.3 million, finance costs of RMB7.5 million, impairment loss on trade and other receivables and contract assets of RMB28.6 million, impairment loss of inventories of RMB0.9 million, equity-settled share-based payment expenses of RMB2.3 million, and share of losses of joint ventures of RMB1.9 million; and (2) changes in working capital that negatively affected our cash

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flows, primarily including an increase in trade and bills receivables of RMB67.0 million; an increase in contract assets of RMB119.4 million; and a decrease in contract liabilities of RMB15.7 million; partially offset by changes in working capital that positively affected our cash flows, primarily including a decrease in inventories of RMB22.5 million and an increase in trade and bills payables of RMB37.8 million.

Net cash used in operating activities was RMB4.6 million in 2024, primarily due to our profit before tax of RMB3.1 million and tax paid of RMB2.0 million, as adjusted by (1) certain non-cash and non-operating items, primarily including depreciation of property, plant and equipment of RMB6.4 million, depreciation of right-of-use assets of RMB3.0 million, amortisation of intangible assets of RMB0.6 million, finance costs of RMB10.2 million, impairment loss on trade and other receivables and contract assets of RMB7.6 million, impairment loss of inventories of RMB3.4 million, equity-settled share-based payment expenses of RMB1.5 million, and share of losses of joint ventures of RMB3.9 million; and (2) changes in working capital that negatively affected our cash flows, primarily including an increase in contract assets of RMB12.7 million, a decrease in contract liabilities of RMB188.2 million, a decrease in trade and bills payables of RMB30.9 million, and a decrease in provisions of RMB2.2 million; partially offset by changes in working capital that positively affected our cash flows, primarily including a decrease in inventories of RMB157.8 million and a decrease in trade and bills receivables of RMB22.6 million.

Net cash used in operating activities was RMB98.2 million in 2023, primarily due to our loss before tax of RMB1.9 million and tax paid of RMB23.0 million, as adjusted by (1) certain non-cash and non-operating items, primarily including depreciation of property, plant and equipment of RMB6.0 million, depreciation of right-of-use assets of RMB3.8 million, amortisation of intangible assets of RMB0.6 million, finance costs of RMB6.7 million, impairment loss on trade and other receivables and contract assets of RMB9.5 million, impairment loss of inventories of RMB1.9 million, equity-settled share-based payment expenses of RMB1.3 million, and share of losses of joint ventures of RMB4.2 million; and (2) changes in working capital that negatively affected our cash flows, primarily including an increase in inventories of RMB49.8 million; an increase in contract assets of RMB82.8 million; and a decrease in other payables of RMB27.5 million; partially offset by changes in working capital that positively affected our cash flows, primarily including a decrease in trade and bills receivables of RMB35.1 million and an increase in trade and bills payables of RMB28.7 million.

Net cash used in investing activities

Net cash flows used in investing activities was RMB8.8 million in 2025, primarily due to purchases of property, plant and equipment and intangible assets of RMB8.8 million.

Net cash flows used in investing activities was RMB7.3 million in 2024, primarily due to purchases of property, plant and equipment and intangible assets of RMB4.5 million and loans paid to joint ventures of RMB2.8 million.

Net cash flows generated from investing activities was RMB12.5 million in 2023, primarily due to loans repaid by related parties of RMB20.0 million, partially offset by purchases of property, plant and equipment and intangible assets of RMB6.8 million and loans paid to a joint venture of RMB0.7 million.

Net cash generated from financing activities

Net cash generated from financing activities was RMB79.8 million in 2025, primarily due to proceeds from new interest-bearing bank loans of RMB234.0 million and proceeds from shares issuance of RMB79.0 million, partially offset by repayment of interest-bearing bank loans of RMB217.1 million, repayment of other borrowings of RMB5.4 million, interest paid for interest-bearing bank loans of RMB5.2 million, and capital element of lease rentals paid of RMB3.2 million.

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Net cash generated from financing activities was RMB24.6 million in 2024, primarily due to proceeds from new interest-bearing bank loans of RMB194.9 million and income from other borrowings of RMB11.0 million, partially offset by repayment of interest-bearing bank loans of RMB168.8 million, interest paid for interest-bearing bank loans of RMB6.0 million, and capital element of lease rentals paid of RMB2.5 million.

Net cash used in financing activities was RMB2.6 million in 2023, primarily due to proceeds from new interest-bearing bank loans of RMB216.3 million, partially offset by repayment of interest-bearing bank loans of RMB154.2 million, dividends paid of RMB54.5 million, interest paid for interest-bearing bank loans of RMB3.7 million, and capital element of lease rentals paid of RMB3.4 million.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

Our capital expenditures during the Track Record Period were primarily related to purchases of property, plant and equipment, and, to a much lesser extent, additions of intangible assets (i.e., software). The following table sets forth our capital expenditures during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Purchases of property, plant and equipment	6,386	4,200	8,609
Additions of intangible assets	424	250	223
Total	6,810	4,450	8,832

We funded our capital expenditure requirements during the Track Record Period mainly from a combination of cash flows generated from our operating activities, proceeds from our equity financing and borrowings. We plan to fund our planned capital expenditure with a combination of cash flows generated from our operating activities and [REDACTED] from the [REDACTED], and other debt and equity financing from time to time according to our needs. See “Future Plans and Use of [REDACTED]” for the portion of capital expenditures to be funded by the [REDACTED] from the [REDACTED].

Capital Commitments

During the Track Record Period and up to the Latest Practicable Date, we did not have any material capital commitments.

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INDEBTEDNESS

Our indebtedness during the Track Record Period consisted of lease liabilities and interest-bearing bank loans and other borrowings. The following table sets forth the balances of our indebtedness items as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	February 28,
		(RMB in thousands)		2026
				(Unaudited)
Current				
Interest-bearing bank loans and other borrowings	168,777	200,231	217,513	244,331
Lease liabilities	613	2,819	2,668	4,269
Non-current				
Other borrowings	—	5,811	—	—
Lease liabilities	439	3,128	1,868	4,938
Total	169,829	211,989	222,049	253,538

Interest-bearing Bank Loans and Other Borrowings

Interest-bearing bank loans and other borrowings primarily consisted of bank loans and other borrowings. We recorded interest-bearing bank loans and other borrowings of RMB168.8 million, RMB206.0 million and RMB217.5 million, as of December 31, 2023, 2024 and 2025, respectively. The following table sets forth the breakdown of our borrowings as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	February 28,
		(RMB in thousands)		2026
				(Unaudited)
Current				
Interest-bearing bank loans				
— guaranteed but not secured	94,777	54,453	70,000	50,000
— unsecured and unguaranteed	74,000	140,431	141,780	194,331
Other borrowing	—	5,347	5,733	4,269
Total Current	168,777	200,231	217,513	248,600
Non-current				
Other borrowing	—	5,811	—	—
Total	168,777	206,042	217,513	248,600

During the Track Record Period, the effective interest rates of our interest-bearing bank loans and other borrowings ranged from 3.55% to 4.9%, 2.5% to 5.6% and 2.4% to 5.6%, per annum as of December 31, 2023, 2024 and 2025, respectively. For details of our borrowings, see Note 23 to the Accountants’ Report in Appendix I to this document.

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Our bank borrowing agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. Our Directors confirm that we did not experience any difficulty in obtaining bank borrowings, default in payment of bank borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Given our credit history and our current credit status, we believe that we will not encounter any major difficulties in obtaining additional bank borrowings in the future.

Lease Liabilities

Our lease liabilities were primarily related to our office premises and production facilities. We had lease liabilities of RMB1.1 million, RMB5.9 million and RMB4.5 million as of December 31, 2023, 2024 and 2025, respectively.

Our lease liabilities increased from RMB1.1 million as of December 31, 2023 to RMB5.9 million as of December 31, 2024, primarily due to the renewal of an office lease agreement in March 2024 for an additional three-year term, which resulted in the recognition of incremental right-of-use assets and corresponding lease liabilities of approximately RMB7.4 million, partially offset by scheduled lease payments made during the year. Our lease liabilities decreased from RMB5.9 million as of December 31, 2024 to RMB4.5 million as of December 31, 2025, primarily due to scheduled lease payments applied against outstanding lease obligations during the period, with no material new lease additions to offset the amortization of existing liabilities.

The following table sets forth the current and non-current lease liabilities as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Current lease liabilities	613	2,819	2,668	4,269
Non-current lease liabilities	439	3,128	1,868	4,938
Total	1,052	5,947	4,536	9,207

Statement of Indebtedness

Saved as disclosed above, as of February 28, 2026, we had no bank loans, or any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases, guarantees or other material contingent liabilities. Our Directors confirm that there had not been any material change in our indebtedness since February 28, 2026 and up to the Latest Practicable Date. As of the Latest Practicable Date, we have unutilized bank facilities of RMB194.8 million.

CONTINGENT LIABILITIES

During the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities or guarantees.

[REDACTED]

[REDACTED]

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[REDACTED]

KEY FINANCIAL RATIOS

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin ⁽¹⁾	16.1%	23.6%	28.1%
Net profit margin ⁽²⁾	0.4%	0.9%	2.5%
Adjusted net profit margin ⁽³⁾	0.6%	1.1%	3.0%
Current ratio ⁽⁴⁾	1.1	1.2	1.4
Quick ratio ⁽⁵⁾	0.8	1.1	1.3
Gearing ratio ⁽⁶⁾	98.2%	118.1%	80.1%

- (1) Gross profit divided by revenue.
- (2) Profit divided by revenue.
- (3) Adjusted net profit divided by revenue.
- (4) Current assets divided by current liabilities as of year end.
- (5) Current assets less inventories divided by current liabilities as of year end.
- (6) Total interest-bearing bank loans and other borrowings and lease liabilities divided by total equity as of year end.

Analysis of Key Financial Ratios

Gross profit margin, net profit margin and adjusted net profit margin

See “— Period to Period Comparison of Results of Operations” for further details.

Current ratio and quick ratio

Our current ratio increased from 1.1 as of December 31, 2023 to 1.2 as of December 31, 2024, and our quick ratio increased from 0.8 to 1.1 over the same period, primarily due to a significant decrease in contract liabilities from RMB237.2 million to RMB49.0 million, reflecting the completion and revenue recognition of major projects in 2024, which reduced current liabilities at a faster pace than the decrease in current assets. Our current ratio further increased to 1.4 as of December 31, 2025, and our quick ratio further increased to 1.3 as of December 31, 2025, primarily due to a substantial increase in contract assets from RMB112.8 million to RMB220.2 million, reflecting progress on new projects secured in 2025.

Gearing ratio

Our gearing ratio increased from 98.2% as of December 31, 2023 to 118.1% as of December 31, 2024, primarily due to an increase in total interest-bearing bank loans and other borrowings from RMB168.8 million to RMB206.0 million to support our business expansion, partially offset by an increase in total equity. Our gearing ratio decreased to 80.1% as of December 31, 2025, primarily due to a significant increase in total equity resulting from share issuance and retained profits, which outpaced the increase in bank borrowings.

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RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and on terms comparable to the terms of transactions with other entities that are not related parties. Our Directors are of the view that our related party transactions during the Track Record Period were conducted in the ordinary course of business at arm’s length with reference to normal commercial terms, and would not distort our track record results or make our historical results not reflective of our future performance. For further details, see Note 31 to the Accountants’ Report in Appendix I to this document.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Our principal financial instruments comprise bank loans, trade and bills receivables, trade and bills payables, and cash and cash equivalents. The main purpose of these financial instruments is to finance our operations and support our working capital requirements. We also have various other financial assets and liabilities which arise directly from our operations.

The main risks arising from our financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Our Board of Directors reviews and agrees on policies for managing each of these risks, as summarized below.

Interest Rate Risk

Our exposure to interest rate risk relates primarily to our variable-rate bank balances. We currently do not have a formal policy to manage interest rate risk, but we closely monitor interest rate levels. Our interest rate risk exposure arises from variable-rate bank deposits and cash equivalents. We control our financing scale and debt maturity profile to mitigate potential cash flow volatility arising from interest rate fluctuations. In addition, we incorporate pricing adjustment clauses in certain contracts to address fluctuations in underlying costs, which helps manage the broader impact of market price changes on our operations.

Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between Renminbi and other currencies in which we conduct business may affect our financial condition and results of operations. For details of our foreign currency risk exposure, including a sensitivity analysis to changes in foreign exchange rates, see Note 30(d) to the Accountants’ Report to this document.

Credit Risk

We trade with recognized and creditworthy parties. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to our Group. Our credit risk is primarily attributable to trade receivables, contract assets and other receivables. Our exposure to credit risk arising from cash and cash equivalents, restricted bank deposits, bank acceptance bills receivable is limited because the counterparties are banks and financial institutions with high credit standing, for which we consider to have low credit risk. We have established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. We have no significant concentration of credit risk in industries or countries in which our customers operate.

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Liquidity Risk

We monitor our risk of a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of our financial instruments and financial assets, as well as projected cash flows from operations. Our policy is to regularly monitor liquidity requirements and compliance with lending covenants to maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions. We centralize cash management through a treasury function to optimize fund utilization and reduce external financing needs. We maintain a portion of highly liquid reserve assets, such as bank wealth management products, as a buffer to enhance emergency payment capabilities. We have not identified any difficulties in complying with the covenants under our banking facilities.

DIVIDEND POLICY

In 2023, 2024 and 2025, our Company paid cash dividends of RMB54.5 million, nil and nil, respectively. See Note 29(b) to the Accountants’ Report included in Appendix I of this document for details.

PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, our Board may declare dividends by cash and/or by stock in the future after taking into account our profitability, cash flow conditions, corporate development and capital needs. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our PRC Legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company’s retained profits were RMB26.4 million, which represented our distributable reserves as of the same date.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE [REDACTED]

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2025 (being the period end date on which the latest consolidated financial statements of our Group was prepared) and there is no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants’ Report in Appendix I to this document.

[REDACTED] ADJUSTED CONSOLIDATED [REDACTED]

See Appendix II — “[REDACTED] Financial Information” to this document for details.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business—Our Growth Strategies.”

USE OF [REDACTED]

We estimate that the net [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED], will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative range of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]), without the exercise of the [REDACTED].

We currently intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below.

- approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to further strengthen our R&D capabilities. This [REDACTED] solidifies our core technological barrier in AI-driven laboratory automation. Specifically:
 - (1) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for the development of our proprietary AI models. We plan to recruit approximately 19 top-tier AI algorithm engineers, eight system architects, and five AI experts to enhance our foundational model capabilities over the next four years. These [REDACTED] will also cover related equipment costs and other research expenses; and
 - (2) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for R&D in embodied intelligence. We aim to integrate advanced perception, cognition, and physical interaction capabilities into our robotic and automated intelligent laboratory solutions. This will involve the recruitment of 20 software engineers, seven system architects, 30 mechanical and automation experts, and 10 intelligentization experts over the next four years, as well as the procurement of specialized components.
- approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used to establish and develop a new materials CRO platform. This platform will represent a critical realization of our self-driving laboratory solutions, providing customers with an integrated “AI prediction — automated experimentation — data feedback — model optimization” closed-loop service. We will primarily use these funds for the procurement of core equipment and related operating expenses for specialized laboratory facilities. In particular, we plan to invest in raw material handling and logistics systems, synthesis and reaction systems, molding and processing systems, performance characterization systems, and automated sample storage management, along with site rental fees for facilities, as well as personnel costs and other miscellaneous expenses.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used to expand our computing power clusters. The funds will be invested in the construction of infrastructure, including specialized server room renovations and the procurement of key hardware. The total equipment expenditure across the four-year period will primarily cover training servers, storage servers and network attached storage (NAS), backup servers, and network equipment, with successive upgrades and replacements planned to maintain peak computational performance. These [REDACTED] will also cover related operating expenses, including site rental fees for facilities, as well as personnel costs and other miscellaneous expenses.

FUTURE PLANS AND USE OF [REDACTED]

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be allocated to expanding our sales network and increasing customer coverage, both domestically and globally. Specifically:
 - (1) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used to deepen our engagement with key domestic accounts. We plan to strengthen our domestic sales team, technical pre-sales support, and an industry expert team to foster deeper collaborations with leading enterprises and top-tier universities, driving adoption of our solutions. We plan to hire 12 domestic sales personnel, 11 technical pre-sales support personnel, and four industry experts over the next four years; and
 - (2) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for our global promotion activities. This will support our market entry into strategic regions such as Europe and North America, including the establishment of overseas offices, recruitment of a localized sales and technical support team, and the execution of targeted marketing campaigns. We plan to recruit six overseas sales personnel, six technical pre-sales staff, two channel specialists, and three overseas industry experts over the next four years.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used to selectively pursue strategic alliances, [REDACTED], and acquisition opportunities both domestically and internationally. We intend to focus on targets that are complementary to our existing business, can provide access to new technologies or specialized talent, or help us enter adjacent markets and application scenarios. The criteria for evaluation will include strategic fit, technological synergy, financial performance, and team expertise. As of the Latest Practicable Date, we had not identified any specific investment or acquisition target, nor had we entered into any definitive agreement or letter of intent regarding any such transaction.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used for working capital and general corporate purposes.

The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed below or above the [REDACTED]. We will receive [REDACTED] of HK\$[REDACTED] million assuming an [REDACTED] of HK\$[REDACTED] (being the [REDACTED]), and net [REDACTED] of HK\$[REDACTED] million assuming an [REDACTED] of HK\$[REDACTED] (being the [REDACTED] of the indicative range of the [REDACTED]), without the exercise of the [REDACTED]. Any additional [REDACTED] received from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro rata basis. In the event that the [REDACTED] is exercised in full, we will receive net [REDACTED] of HK\$[REDACTED] million (after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per Share, being the [REDACTED] of our [REDACTED]).

To the extent that the [REDACTED] are not immediately applied to the above purposes, we will deposit the net [REDACTED] into short-term demand deposits with licensed banks or other authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws and regulations in China, so long as it is deemed to be in the best interests of our Company.

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[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[•], received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BEIJING DYNAFLOW LAB SOLUTIONS CO., LTD. (北京戴納實驗科技股份有限公司) AND CMB INTERNATIONAL CAPITAL LIMITED AND SINOLINK SECURITIES (HONG KONG) COMPANY LIMITED

Introduction

We report on the historical financial information of Beijing Dynaflo Lab Solutions Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-[•], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements for each of the years ended 31 December 2023, 2024 and 2025 (the “**Track Record Period**”), and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the “**Document**”) in connection with the [REDACTED].

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information, and for such internal the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at 31 December 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 29(b) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

[•]

Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

[Date]

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APPENDIX I

ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi (“RMB”))

	Note	Year ended 31 December		
		2023 RMB’000	2024 RMB’000	2025 RMB’000
Revenue	4	614,076	554,027	644,913
Cost of sales		<u>(515,513)</u>	<u>(423,097)</u>	<u>(463,721)</u>
Gross profit		<u>98,563</u>	<u>130,930</u>	<u>181,192</u>
Other income and losses, net	5	22,464	3,114	5,677
Selling and marketing expenses		(19,635)	(24,972)	(32,461)
Administrative expenses		(37,548)	(39,646)	(42,683)
Research and development costs		(45,374)	(44,611)	(59,395)
Impairment loss on trade and other receivables and contract assets		<u>(9,508)</u>	<u>(7,550)</u>	<u>(28,613)</u>
Profit from operations		8,962	17,265	23,717
Finance costs	6(a)	(6,714)	(10,248)	(7,518)
Share of losses of joint ventures		<u>(4,173)</u>	<u>(3,929)</u>	<u>(1,884)</u>
(Loss)/profit before taxation	6	(1,925)	3,088	14,315
Income tax	7	<u>4,283</u>	<u>1,808</u>	<u>2,082</u>
Profit and total comprehensive income for the year		<u>2,358</u>	<u>4,896</u>	<u>16,397</u>
Profit and total comprehensive income for the year attributable to:				
Equity shareholders of the Company		2,359	4,904	16,397
Non-controlling interests		<u>(1)</u>	<u>(8)</u>	<u>—</u>
Earnings per share				
Basic and diluted earnings per share (RMB)	10	<u>0.05</u>	<u>0.09</u>	<u>0.31</u>

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

		At 31 December		
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	63,340	61,164	62,854
Right-of-use assets	12	21,253	25,638	23,920
Intangible assets	13	835	466	384
Interest in joint ventures	15	9,675	5,822	4,015
Deferred tax assets	27(b)	9,731	12,691	15,430
		<u>104,834</u>	<u>105,781</u>	<u>106,603</u>
Current assets				
Inventories	16	219,320	58,079	34,645
Contract assets	17(a)	99,201	112,775	220,234
Trade and bills receivables	18	272,214	244,229	294,747
Deposits, prepayments and other receivables	19	47,939	39,832	38,017
Restricted bank deposits	20	1,765	1,326	1,224
Cash and cash equivalents	21(a)	62,447	75,165	78,209
		<u>702,886</u>	<u>531,406</u>	<u>667,076</u>
Current liabilities				
Trade and bills payables	22	186,282	155,342	193,116
Contract liabilities	17(b)	237,192	49,027	33,357
Interest-bearing bank loans and other borrowings	23	168,777	200,231	217,513
Lease liabilities	25	613	2,819	2,668
Other payables	24	31,858	34,244	40,678
Current taxation	27(a)	—	10	657
		<u>624,722</u>	<u>441,673</u>	<u>487,989</u>
Net current assets		<u>78,164</u>	<u>89,733</u>	<u>179,087</u>
Total assets less current liabilities		182,998	195,514	285,690
Non-current liabilities				
Other borrowings	23(b)	—	5,811	—
Lease liabilities	25	439	3,128	1,868
Deferred income		1,855	1,587	1,318
Provisions	28	7,713	5,557	5,292
		<u>10,007</u>	<u>16,083</u>	<u>8,478</u>
NET ASSETS		<u>172,991</u>	<u>179,431</u>	<u>277,212</u>

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APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Note</i>	At 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CAPITAL AND RESERVES				
Paid-in capital/share capital	29(c)	54,858	54,858	58,871
Reserves	29(d)	<u>118,134</u>	<u>124,582</u>	<u>218,350</u>
Total equity attributable to equity shareholders of the Company		172,992	179,440	277,221
Non-controlling interests		<u>(1)</u>	<u>(9)</u>	<u>(9)</u>
TOTAL EQUITY		<u><u>172,991</u></u>	<u><u>179,431</u></u>	<u><u>277,212</u></u>

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

		At 31 December		
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	4,225	3,824	3,314
Right-of-use assets		1,287	5,504	4,665
Intangible assets		815	466	384
Investments in subsidiaries	14	61,423	59,231	59,276
Interests in joint ventures		8,153	5,822	4,015
Deferred tax assets		5,955	8,107	11,819
		<u>81,858</u>	<u>82,954</u>	<u>83,473</u>
Current assets				
Inventories	16	85,435	52,685	26,689
Contract assets	17(a)	99,201	112,775	220,234
Trade and bills receivables	18	245,036	232,441	291,729
Deposits, prepayments and other receivables	19	195,866	99,883	72,769
Restricted bank deposits	20	792	792	1,046
Cash and cash equivalents	21(a)	48,444	58,378	72,898
		<u>674,774</u>	<u>556,954</u>	<u>685,365</u>
Current liabilities				
Trade and bills payables	22	184,127	174,601	215,169
Contract liabilities		236,286	48,900	33,195
Interest-bearing bank loans	23	163,777	184,884	206,780
Lease liabilities		613	2,819	2,668
Other payables	24	30,105	83,008	70,946
Current taxation		—	10	—
		<u>614,908</u>	<u>494,222</u>	<u>528,758</u>
Net current assets		<u>59,866</u>	<u>62,732</u>	<u>156,607</u>
Total assets less current liabilities		<u>141,724</u>	<u>145,686</u>	<u>240,080</u>

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APPENDIX I

ACCOUNTANTS’ REPORT

		At 31 December		
		2023	2024	2025
	<i>Note</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current liabilities				
Lease liabilities		439	2,595	1,759
Provisions		<u>7,316</u>	<u>5,158</u>	<u>4,876</u>
		<u>7,755</u>	<u>7,753</u>	<u>6,635</u>
NET ASSETS				
		<u>133,969</u>	<u>137,933</u>	<u>233,445</u>
CAPITAL AND RESERVES				
Paid-in capital/Share capital	29(c)	54,858	54,858	58,871
Reserves	29(d)	<u>79,111</u>	<u>83,075</u>	<u>174,574</u>
Total equity		<u>133,969</u>	<u>137,933</u>	<u>233,445</u>

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

Note	Attributable to equity shareholders of the Company					Non-controlling interests RMB'000	Total equity RMB'000
	Paid in capital/share capital RMB'000 (Note 29(c))	Capital reserve RMB'000 (Note 29(d)(i))	Statutory reserve RMB'000 (Note 29(d)(ii))	Retained profits RMB'000	Total RMB'000		
Balance at 1 January 2023	54,858	44,311	2,357	122,207	223,733	—	223,733
Changes in equity for 2023:							
Profit for the year	—	—	—	2,359	2,359	(1)	2,358
Total comprehensive income	—	—	—	2,359	2,359	(1)	2,358
Equity settled share-based payment	26	1,400	—	—	1,400	—	1,400
Appropriation to statutory reserves	—	—	5,087	(5,087)	—	—	—
Dividends declared	29(b)	—	—	(54,500)	(54,500)	—	(54,500)
Balance at 31 December 2023 and 1 January 2024	54,858	45,711	7,444	64,979	172,992	(1)	172,991
Changes in equity for 2024:							
Profit for the year	—	—	—	4,904	4,904	(8)	4,896
Total comprehensive income	—	—	—	4,904	4,904	(8)	4,896
Equity settled share-based payment	26	1,544	—	—	1,544	—	1,544
Conversion into a joint stock limited liability company	29(c)(i)	21,343	(6,888)	(14,455)	—	—	—
Appropriation to statutory reserves	—	—	242	(242)	—	—	—
Balance at 31 December 2024 and 1 January 2025	54,858	68,598	798	55,186	179,440	(9)	179,431
Changes in equity for 2025:							
Profit for the year	—	—	—	16,397	16,397	—	16,397
Total comprehensive income	—	—	—	16,397	16,397	—	16,397
Capital injections from investors	29(c)(ii)	4,013	74,987	—	79,000	—	79,000
Equity settled share-based payment	26	2,384	—	—	2,384	—	2,384
Appropriation to statutory reserves	—	—	1,413	(1,413)	—	—	—
Balance at 31 December 2025	58,871	145,969	2,211	70,170	277,221	(9)	277,212

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED CASH FLOW STATEMENTS

(Expressed in RMB)

	Note	At 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
Operating activities				
Cash used in operations	21(b)	(75,197)	(2,598)	(66,220)
Tax paid	27(a)	<u>(22,999)</u>	<u>(1,989)</u>	<u>(1,712)</u>
Net cash used in operating activities		(98,196)	(4,587)	(67,932)
Investing activities				
Loans repaid by related parties		20,000	—	—
Purchases of property, plant and equipment and intangible assets		(6,810)	(4,450)	(8,832)
Loans paid to joint venture of the Group		<u>(700)</u>	<u>(2,800)</u>	<u>—</u>
Net cash generated from/(used in) investing activities		12,490	(7,250)	(8,832)
Financing activities				
Proceeds from new interest-bearing bank loans	21(c)	216,327	194,884	234,026
Repayment of interest-bearing bank loans	21(c)	(154,230)	(168,777)	(217,130)
Interest paid for interest-bearing bank loans	21(c)	(3,730)	(5,976)	(5,168)
Other financial costs paid	21(c)	(2,973)	(3,838)	(1,575)
Capital element of lease rentals paid	21(c)	(3,411)	(2,499)	(3,181)
Interest element of lease rentals paid	21(c)	(51)	(234)	(231)
Proceeds from shares issuance	29(c)	—	—	79,000
Dividends paid	29(b)	(54,500)	—	—
Proceeds from other borrowings	21(c)	—	11,000	—
Repayment of other borrowings	21(c)	—	—	(5,425)
Interest paid on other borrowings	21(c)	<u>—</u>	<u>—</u>	<u>(508)</u>
Net cash (used in)/generated from financing activities		<u>(2,568)</u>	<u>24,560</u>	<u>79,808</u>
Net (decrease)/increase in cash and cash equivalents		(88,274)	12,723	3,044
Cash and cash equivalents at January 1		150,721	62,447	75,165
Effect of foreign exchange rate changes		<u>—</u>	<u>(5)</u>	<u>—</u>
Cash and cash equivalents at December 31		<u>62,447</u>	<u>75,165</u>	<u>78,209</u>

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB, unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

Beijing Dynaflow Lab Solutions Co., Ltd. (the “**Company**”) was incorporated in People’s Republic of China (“**PRC**”) and converted into a joint stock limited liability company under the Company Laws of the PRC on 25 March 2024.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in providing full-lifecycle laboratory solutions encompassing the planning, design, implementation and maintenance of intelligent laboratories.

The financial statements of the Company and the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The statutory financial statements of the Company for the years ended 31 December 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Huiya Haozheng (Beijing) Certified Public Accountants Co., Ltd. (匯亞昊正(北京)會計師事務所有限公司). As at the date of this report, no statutory financial statements have been prepared for the Company for the year ended 31 December 2025.

During the Track Record Period and as at the date of this report, the Company has direct or indirect interests in the following principal subsidiaries:

Company name	Place and date of incorporation/ establishment	Particulars of issued shares/ paid-up capital	Proportion of ownership interest as at			At the date of this report	Principal activity	Name of auditor
			31 December 2023	31 December 2024	31 December 2025			
Dynaflow Smart Manufacturing and Industrial Equipment (Hebei) Co., Ltd. 戴納智造河北工業設備有限公司 (Note(c))	Hebei Province, PRC/ 8 February 2020	RMB50,000,000	100%	100%	100%	100%	Manufacturing and sale product or service	Note(a)
Beijing Dynaflow Scientific and Innovations Co., Ltd. 北京戴納科創科技有限公司 (Note(c))	Beijing, PRC/ 10 March 2022	RMB15,000,000	100%	100%	100%	100%	Investment	Note(b)
Jilin Dynaflow Intelligent Manufacturing Technology Co., Ltd. 吉林戴納智造科技有限公司 (Note(c))	Jilin Province, PRC/ 13 July 2023	RMB20,000,000	100%	100%	100%	100%	Manufacturing and sale product or service	Note(b)
Beijing Dynaflow Aurora Technology Co., Ltd. 北京戴納極光科技有限公司 (Note(c))	Beijing, PRC/ 9 August 2021	RMB10,000,000	100%	100%	100%	100%	Research, development	Note(b)
Dynaflow Scientific International Co., Limited 戴納科技國際股份有限公司	Hong Kong, PRC/ 4 November 2024	2,000,000 shares	/	100%	100%	100%	Manufacturing and sale product or service	Note(b)
Jilin Dynaflow Qiyuan Biotechnology Co., Ltd. 吉林戴納啟源生物科技有限公司 (Note(c))	Jilin Province, PRC/ 6 February 2024	RMB1,000,000/ RMB50,000	/	70%	70%	70%	Manufacturing and sale product or service	Note(b)
Dynaflow Microchip Electronic Technology (Beijing) Co., Ltd. 戴納微芯電子科技(北京)有限公司 (Note(c))	Beijing, PRC/ 30 November 2022	RMB5,000,000/ RMB50,000	90%	90%	90%	90%	Research, development	Note(b)

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Notes:

- (a) The statutory financial statements of this entity for the year ended 31 December 2023 were audited by Beijing Zhongheng Certified Public Accountants Co., Ltd. and no audited statutory financial statements for the years ended 31 December 2024 and 2025 was issued.
- (b) No audited statutory financial statements of these entities for the years ended 31 December 2023, 2024 and 2025 was issued.
- (c) The official names of these entities are in Chinese. The English names are for identification purpose only.

All companies now comprising the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policy information are set out in note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning on 1 January 2025 are set out in note 33.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICIES

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis.

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in note 3.

(c) Business combination

Business combination is accounted for under the acquisition method except for business combination under common control.

The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

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If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Business combination arising from transfer of interests in entities that are under the control of the controlling shareholder that controls the Group is accounted for as if the acquisition had occurred at the beginning of the period or, if later, at the date that common control was established. The assets acquired and liabilities assumed are recognised at the carrying amounts recognised previously in the Group’s controlling shareholder’s perspective. The components of equity of the acquired entities are added to the same components within the Group’s equity and any difference between the net assets acquired and the consideration paid is recognised directly in equity.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(o) or (p) depending on the nature of the liability.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(j)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(e) Joint ventures

A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). It is initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income (“OCI”) of those investees, until the date on which joint control ceases.

When the Group’s share of losses exceeds its interest in the joint venture, the Group’s interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group’s interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group’s net investment in the joint venture, after applying the ECL model to such other long-term interests where applicable (see note 2(j)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company’s statement of financial position, an investment in a joint venture is stated at cost less impairment losses (see note 2(j))), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

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(f) Other investments in securities

The Group’s policies for investments in securities, other than investments in subsidiaries and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 30(e). These investments are subsequently accounted for as follows, depending on their classification.

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(t)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Fair value through other comprehensive income (FVOCI) — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see note 2(j)).

The following items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 2(j)):

- right-of-use assets arising from leases over freehold or leasehold properties where the group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 2(i)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write-off the cost of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for property, plant and equipment are as follows:

- The group’s interests in buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and the buildings’ estimated useful live.
- Plant & buildings 20 years
- Machinery & equipment 5–10 years
- Transportation vehicles 5 years
- Office & electronic equipment 3–5 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

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(h) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets with finite useful lives, including software acquired by the Group, are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(j)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for intangible assets are as follows:

— Software 3 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2(j)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

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(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets

The Group recognises a loss allowance for expected credit losses (“ECL”)s on:

- financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables);
- contract assets (see note 2(l)); and
- non-equity securities measured at FVOCI (recycling) (see note 2(f))

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- loan commitments: current risk-free rate adjusted for risks specific to the cash flows.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date;
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition; and
- Other receivables unless there has been a significant increase in credit risk.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 180 days past due.

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ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGU”s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Inventories and other contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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Inventories include the cost of raw materials waiting to be assigned to specific construction contracts. The cost of inventories includes design costs, costs of purchase, direct labour, other direct costs and production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory, property, plant and equipment or intangible assets.

Incremental costs of obtaining a contract are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered.

Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised.

(l) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(t)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 2(j)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 2(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(t)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 2(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(t)(i)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(u).

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(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of share option granted to employees is measured using the Binomial Tree Model. The grant-date fair value of restricted shares is based on the latest external investor subscription price or the latest valuation of the Company on the grant date. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the equity-settled share-based payment awards, the total estimated fair value of the equity-settled share-based payment awards is spread over the vesting period, taking into account the probability that the equity-settled share-based payment awards will vest.

The fair value of equity-settled share-based payment awards is generally recognised as an expense, with a corresponding increase in capital reserve within equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

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(s) Provisions and contingent liabilities

Generally, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 2(j)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services in the ordinary course of the Group’s business.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of the Group’s revenue and other income recognition policies are as follows:

(i) Construction contract

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on construction and maintenance services under the control of the customer and therefore the Group’s construction activities create or enhance an asset under the customer’s control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method. Under the cost-to-cost method, revenue is recognised based on the proportion of the actual costs incurred relative to the estimated total costs to provide a faithful depiction of the transfer of those services.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

The Group’s construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. The Group also typically agrees to a retention period for certain of the contract value which the Group’s entitlement to this final payment is conditional on the Group’s work satisfactorily passing inspection. To the extent that the difference in timing arises for reasons other than the provision of finance, no financing component is deemed to exist.

(ii) Sale of products

Revenue arising from the sales of products is recognised when the customer takes possession of and accepts the products.

(iii) Service income

Service income from the rendering of services is recognised when the related services are rendered.

(iv) Interest income

Interest income is recognised using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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(v) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised as deferred income and subsequently recognised in profit or loss on a systematic basis over the useful life of the asset.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(v) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group’s policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

(w) Related parties

- (a) A person, or a close member of that person’s family, is related to the Group if that person:
 - (i) has control or joint control over the Group,
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group’s parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group’s parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

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(x) Segment reporting

Operating segment, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the group’s most senior executive management for the purposes of allocating resources to, or assessing the performance of, the group’s various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group determined that it only has one operating segment during the Track Record Period.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant sources of estimation and uncertainty are as follows:

(a) Revenue recognition

As explained in accounting policy note 2(t), revenue from construction contracts is recognised over time. Such revenue and profit recognition on incomplete projects is dependent on estimating the total budgeted contract costs of the contract, as well as the contract costs incurred to date. The actual outcomes in the terms of total cost may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in the future years as an adjustment to the amounts recorded to date.

(b) Impairment of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. In addition, these estimates could change significantly as a result of change in business environment and competitor actions in response to industry cycles. Management measures these estimates at the end of each reporting period.

(c) Expected credit losses on trade receivables and contract assets

The Group determines the ECLs on an individual basis for debtors with specific risk characteristics, the ECLs for remaining debtors with common risk characteristics are assessed collectively by using a provision matrix. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables is disclosed in note 30(a) to the Historical Financial Information.

(d) Warranty provisions

As explained in note 28, the Group makes provisions under the warranties it gives on construction and sales of product contracts, taking into account the Group’s recent claim experience. The construction required by customers become more complex, the actual payment incurred for warranties provided may be different from the estimated at the end of the reporting period, which would affect profit or loss in future years.

(e) Taxation

Determining tax provision involves judgement on tax treatment of certain transactions. The Group evaluates tax implication of transactions and tax provision are set up accordingly. Where the final tax outcome of these transactions is different from the amounts that were initially recorded, such differences will impact the tax provision in the year in which such determination is made.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. In determining the amount of deferred tax assets to be recognised, significant judgement is required relating to the timing and level of future taxable profits, after taking into account future tax planning strategies. The amount of deferred tax assets recognised at future dates are adjusted if there are significant changes from these estimates.

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4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are to provide full-lifecycle laboratory solutions encompassing the planning, design, implementation and maintenance of intelligent laboratories.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by business lines is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by business lines			
Intelligent laboratory solutions			
— Intelligent laboratory integrated solution	501,416	249,056	334,701
— Modular laboratories and components	86,419	232,876	108,530
— Design, operation and maintenance	26,241	35,866	30,991
Self-driving laboratory solutions	—	36,229	170,691
Total	614,076	554,027	644,913
Disaggregated by timing of revenue			
— Over time	574,899	316,153	499,422
— Point in time	39,177	237,874	145,491
Total	614,076	554,027	644,913

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 4(b)(i).

Revenue from each major customer which accounted for 10% or more of the Group’s revenue during the Track Record Period is set out below. Details of concentrations of credit risk arising from these customers are set out in note 30(a).

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	109,495	98,971	*
Customer B	75,677	*	*
Customer C	72,231	*	*
Customer D	*	*	98,390
Customer E	*	*	102,967
Customer F	*	184,002	*

* Less than 10% of the Group’s revenue in the respective year.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2023, 2024 and 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group’s existing contracts is RMB282,818,000, RMB384,088,000 and RMB291,642,000. This amount represents revenue expected to be recognised in the future from construction contracts. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 12 months.

The group has also applied the practical expedient in paragraph 121(a) of IFRS 15 to its sales contracts such that the above information does not include information about revenue that the group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales that had an original expected duration of one year or less.

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(b) Segment reporting

For management purposes, the Group is organised into one single business unit that includes primarily providing full-lifecycle laboratory solutions encompassing the planning, design, implementation and maintenance.

The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

(i) Geographic information

The following table sets out information about the geographical location of the Group’s revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese mainland	614,076	554,027	640,606
Hong Kong	—	—	2,767
Overseas	—	—	1,540
	<u>614,076</u>	<u>554,027</u>	<u>644,913</u>

5 OTHER INCOME AND LOSSES, NET

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants	1,597	2,969	5,339
Interest income	257	238	167
Net losses on disposal of property, plant and equipment	(1)	(17)	—
Net income from sales of one-off medical equipment	20,558	—	—
Foreign exchange loss	—	(5)	—
Others	<u>53</u>	<u>(71)</u>	<u>171</u>
	<u>22,464</u>	<u>3,114</u>	<u>5,677</u>

6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(a) Finance costs			
Interest on interest-bearing bank loans (note 21(c))	3,633	5,977	5,168
Interest on other borrowings (note 21(c))	—	157	508
Interest on lease liabilities (note 21(c))	108	276	267
Other finance costs	<u>2,973</u>	<u>3,838</u>	<u>1,575</u>
	<u>6,714</u>	<u>10,248</u>	<u>7,518</u>

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	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(b) Staff costs			
Salaries, wages and other benefits	78,868	88,401	113,854
Contributions to defined contribution retirement plan (i)	7,871	9,405	11,557
Equity-settled share-based payment expenses	<u>1,323</u>	<u>1,466</u>	<u>2,308</u>
	<u>88,062</u>	<u>99,272</u>	<u>127,719</u>

- (i) Employees of the Company and its PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Company and its PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees. The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(c) Other items			
Depreciation and amortisation			
— property, plant and equipment (note 11)	6,006	6,361	6,919
— right-of-use assets (note 12)	3,769	2,967	3,452
— intangible assets (note 13)	593	619	305
Increase in provision for warranties (note 28)	3,859	3,087	5,173
[REDACTED]	—	—	601

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

- (a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current tax			
— Provision for the year (note 27(a))	<u>—</u>	<u>1,152</u>	<u>657</u>
Deferred tax			
Origination and reversal of temporary differences (note 27(b))	<u>(4,283)</u>	<u>(2,960)</u>	<u>(2,739)</u>
	<u>(4,283)</u>	<u>(1,808)</u>	<u>(2,082)</u>

All PRC subsidiaries of the Group are subject to the statutory enterprise income tax rate of 25%.

During the Track Record Period, the main tax preferential entitled by the Group are as follows:

- Under the PRC Enterprise Income Tax Laws (the “EIT Law”), entities that qualified as High and New Technology Enterprise (the “HNTE”) are entitled to a preferential tax rate of 15%. The Company and two of its subsidiaries, Beijing Dynaflo Aurora Technology Co., Ltd. and Dynaflo Smart Manufacturing and Industrial Equipment (Hebei) Co., Ltd. were qualified as HNTEs and entitled for a preferential tax rate of 15% from 2023 to 2025.
- Under the PRC EIT Law and its relevant regulations, 100% additional deduction from taxable income is allowed for qualified research and development costs incurred during the Track Record Period.
- The provision for Hong Kong profits tax for the year ended 31 December 2025 is calculated at 16.5% of the estimated assessable profits for the year, except for Dynaflo Scientific International Co., Limited which is a qualifying corporation under the two-tiered profits tax rate regime, i.e. the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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(b) Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
(Loss)/profit before taxation	(1,925)	3,088	14,315
Tax at the PRC enterprise income tax rate of 15%	(289)	463	2,147
Effect of different tax rates applied by subsidiaries	158	529	(296)
Effect of non-deductible costs, expense and losses	133	68	453
Effect of deductible losses of deferred tax assets not recognised in the prior period	—	—	(81)
Tax effect of share of results of joint ventures	370	742	283
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised at the end of this year	558	1,650	3,067
The impact of additional deduction for research and development expenses	(5,213)	(5,260)	(7,655)
Actual tax expense	(4,283)	(1,808)	(2,082)

8 DIRECTORS’ AND SUPERVISORS’ EMOLUMENTS

Directors’ and supervisors’ emoluments during the Track Record Period are as follows:

	Year ended 31 December 2023						
	Directors’ fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Sub-Total RMB'000	Share-based payments RMB'000	Total RMB'000
Chairman of the Board							
Mr. Chi Haipeng	—	932	—	65	997	—	997
Executive directors							
Mr. Zhang Huaidong	—	908	—	65	973	—	973
Mr. Gong Changhua	—	830	—	65	895	—	895
Mr. Zhang Jingjun	—	830	—	65	895	—	895
Mr. Xing Xixue	—	830	—	65	895	—	895
Supervisors							
Ms. Zhang Yidi	—	269	—	39	308	67	375
Mr. Wang Chunxin	—	482	—	59	541	107	648
	—	5,081	—	423	5,504	174	5,678

	Year ended 31 December 2024						
	Directors’ fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Sub-Total RMB'000	Share-based payments RMB'000	Total RMB'000
Chairman of the Board							
Mr. Chi Haipeng	—	1,079	—	68	1,147	—	1,147
Executive directors (Note (i))							
Mr. Li Kun	—	515	—	51	566	—	566
Mr. Zhang Huaidong	—	1,031	—	68	1,099	—	1,099
Mr. Gong Changhua	—	953	—	68	1,021	—	1,021
Mr. Zhang Jingjun	—	953	—	68	1,021	—	1,021
Mr. Xing Xixue	—	953	—	68	1,021	—	1,021
Supervisors							
Ms. Zhang Yidi	—	270	—	41	311	(155)	156
Mr. Wang Chunxin	—	478	—	68	546	107	653
	—	6,232	—	500	6,732	(48)	6,684

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Year ended 31 December 2025							
	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Chairman of the Board							
Mr. Chi Haipeng	—	1,081	—	70	1,151	—	1,151
Executive directors							
Mr. Li Kun	—	688	—	70	758	—	758
Mr. Zhang Huaidong	—	1,033	—	70	1,103	—	1,103
Mr. Gong Changhua	—	955	—	70	1,025	—	1,025
Mr. Zhang Jingjun	—	955	—	70	1,025	—	1,025
Mr. Xing Xixue	—	955	—	70	1,025	—	1,025
Supervisors							
Ms. Zhang Yidi	—	267	—	38	305	—	305
Mr. Wang Chunxin	—	456	—	69	525	107	632
	—	6,390	—	527	6,917	107	7,024

Notes:

- (i) On 25 March 2024, Mr. Li Kun was appointed as executive director of the Company. Prior to being the executive director of the Company, the aggregate emoluments of Mr. Li Kun for the period from 1 January 2024 to 24 March 2024 amounted to RMB189,000.
- (ii) Mr. Luan Yizheng, Ms. Hao Bin and Ms. Wong Ka Ki were appointed as independent non-executive Director of the Company with effect from 24 April 2026.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the Track Record Period, of the five individuals with the highest emoluments, five, five, and five individuals’ emoluments are disclosed in note 8 and the emoluments in respect of the remaining nil, nil and one individual are as follows:

Year ended 31 December			
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, allowances and benefits in kind	—	—	664
Retirement scheme contributions	—	—	70
Equity-settled share-based payments	—	—	479
	—	—	1,213

The emoluments of the individuals who are not director and with the highest emoluments are within the following bands:

Year ended 31 December			
	2023	2024	2025
	Number of individuals	Number of individuals	Number of individuals
Nil–HK\$1,000,000	—	—	—
HK\$1,000,001–HK\$1,500,000	—	—	1

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10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the Track Record Period is based on the profit attributable to the ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue.

As described in note 29(c), the Company was converted into a joint stock company with limited liability and 54,858,000 shares at RMB1.00 each were issued on 25 March 2024. For the purpose of computing basic and diluted earnings per share, the weighted average number of ordinary shares deemed to be in issue before the Company’s conversion into a joint stock company was determined assuming the conversion into joint stock company had occurred since 1 January 2023, at the exchange ratio established in the conversion on 25 March 2024.

The weighted average number of ordinary shares does not take into account the impact of the share subdivision that will become effective immediately prior to the [REDACTED] (note 32).

Profit of the year attributable to ordinary equity shareholders of the Company

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Profit for the year attributable to ordinary equity shareholders of the Company	2,359	4,904	16,397

Weighted average number of ordinary shares

	Year ended 31 December		
	2023	2024	2025
	’000	’000	’000
Issued ordinary shares at January 1 (i)	54,858	54,858	54,858
Effect of new shares issued (note 29(c))	—	—	2,007
Weighted average number of ordinary shares at December 31	54,858	54,858	56,865

(b) Diluted earnings per share

There are no dilutive potential shares outstanding during the Track Record Period. Hence, the diluted earnings per share are the same as the basic earnings per share.

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11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Plant & buildings RMB'000	Machinery & equipment RMB'000	Transportation vehicles RMB'000	Office & electronic equipment RMB'000	Construction in Progress RMB'000	Total RMB'000
Cost:						
At 1 January 2023	45,687	13,662	2,164	4,428	1,178	67,119
Additions	368	1,588	123	895	3,412	6,386
Transfers from construction in progress	3,510	1,080	—	—	(4,590)	—
Disposals	—	—	—	(28)	—	(28)
At 31 December 2023 and 1 January 2024	49,565	16,330	2,287	5,295	—	73,477
Additions	736	2,474	48	790	152	4,200
Transfers from construction in progress	—	115	—	—	(115)	—
Disposals	—	—	(91)	—	—	(91)
At 31 December 2024 and 1 January 2025	50,301	18,919	2,244	6,085	37	77,586
Additions	709	5,014	362	1,163	1,361	8,609
Transfers from construction in progress	998	400	—	—	(1,398)	—
At 31 December 2025	52,008	24,333	2,606	7,248	—	86,195
Accumulated depreciation:						
At 1 January 2023	(1,062)	(953)	(405)	(1,739)	—	(4,159)
Charge for the year	(2,841)	(1,578)	(421)	(1,166)	—	(6,006)
Written back on Disposals	—	—	—	28	—	28
At 31 December 2023 and 1 January 2024	(3,903)	(2,531)	(826)	(2,877)	—	(10,137)
Charge for the year	(2,858)	(1,849)	(438)	(1,216)	—	(6,361)
Written back on Disposals	—	—	76	—	—	76
At 31 December 2024 and 1 January 2025	(6,761)	(4,380)	(1,188)	(4,093)	—	(16,422)
Charge for the year	(2,963)	(2,249)	(411)	(1,296)	—	(6,919)
At 31 December 2025	(9,724)	(6,629)	(1,599)	(5,389)	—	(23,341)
Net book value:						
At 31 December 2023	45,662	13,799	1,461	2,418	—	63,340
At 31 December 2024	43,540	14,539	1,056	1,992	37	61,164
At 31 December 2025	42,284	17,704	1,007	1,859	—	62,854

Note: As at 31 December 2023, 2024 and 2025, the carrying amount of plant and equipment pledged under the sale and leaseback arrangement of Dynaflo Smart Manufacturing and Dynaflo Smart Manufacturing and Industrial Equipment (Hebei) Co., Ltd. (戴納智造河北工業設備有限公司) amounted to nil, RMB10,141,000 and RMB8,850,000, respectively.

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The Company

	Plant & buildings <i>RMB'000</i>	Machinery & equipment <i>RMB'000</i>	Transportation vehicles <i>RMB'000</i>	Office & electronic equipment <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:					
At 1 January 2023	971	2,576	883	2,221	6,651
Additions	368	328	—	852	1,548
Disposals	—	—	—	(28)	(28)
At 31 December 2023 and 1 January 2024	1,339	2,904	883	3,045	8,171
Additions	579	320	—	538	1,437
Disposals	—	—	(91)	—	(91)
At 31 December 2024 and 1 January 2025	1,918	3,224	792	3,583	9,517
Additions	—	337	—	843	1,180
At 31 December 2025	1,918	3,561	792	4,426	10,697
Accumulated depreciation:					
At 1 January 2023	—	(908)	(64)	(1,064)	(2,036)
Charge for the year	(717)	(387)	(172)	(662)	(1,938)
Written back on Disposals	—	—	—	28	28
At 31 December 2023 and 1 January 2024	(717)	(1,295)	(236)	(1,698)	(3,946)
Charge for the year	(567)	(407)	(167)	(682)	(1,823)
Written back on Disposals	—	—	76	—	76
At 31 December 2024 and 1 January 2025	(1,284)	(1,702)	(327)	(2,380)	(5,693)
Charge for the year	(371)	(459)	(150)	(710)	(1,690)
At 31 December 2025	(1,655)	(2,161)	(477)	(3,090)	(7,383)
Net book value:					
At 31 December 2023	622	1,609	647	1,347	4,225
At 31 December 2024	634	1,522	465	1,203	3,824
At 31 December 2025	263	1,400	315	1,336	3,314

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12 RIGHT-OF-USE ASSETS

The Group

	Plant & buildings RMB'000	land use right RMB'000	Total RMB'000
Cost:			
At 1 January 2023	8,044	21,507	29,551
Additions	1,224	—	1,224
Expiration of lease term	(927)	—	(927)
At 31 December 2023 and 1 January 2024	8,341	21,507	29,848
Additions	7,352	—	7,352
Expiration of lease term	(7,117)	—	(7,117)
At 31 December 2024 and 1 January 2025	8,576	21,507	30,083
Additions	1,734	—	1,734
At 31 December 2025	10,310	21,507	31,817
Accumulated depreciation:			
At 1 January 2023	(4,642)	(1,111)	(5,753)
Charge for the year	(3,339)	(430)	(3,769)
Expiration of lease term	927	—	927
At 31 December 2023 and 1 January 2024	(7,054)	(1,541)	(8,595)
Charge for the year	(2,537)	(430)	(2,967)
Expiration of lease term	7,117	—	7,117
At 31 December 2024 and 1 January 2025	(2,474)	(1,971)	(4,445)
Charge for the year	(3,022)	(430)	(3,452)
At 31 December 2025	(5,496)	(2,401)	(7,897)
Net book value:			
At 31 December 2023	1,287	19,966	21,253
At 31 December 2024	6,102	19,536	25,638
At 31 December 2025	4,814	19,106	23,920

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Interest on lease liabilities	108	276	267
Depreciation charge of right-of-use assets	3,769	2,967	3,452
Short-term lease of houses	3,132	4,976	3,510

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 21(d) and 25, respectively.

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13 INTANGIBLE ASSETS

The Group

	2023 RMB'000	Software 2024 RMB'000	2025 RMB'000
Cost:			
As at 1 January	2,055	2,479	2,729
Additions	424	250	223
As at 31 December	2,479	2,729	2,952
Accumulated amortisation:			
As at 1 January	(1,051)	(1,644)	(2,263)
Charge for the year	(593)	(619)	(305)
As at 31 December	(1,644)	(2,263)	(2,568)
Net book value:	<u>835</u>	<u>466</u>	<u>384</u>

14 INVESTMENTS IN SUBSIDIARIES

The Company

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Cost	<u>61,423</u>	<u>59,231</u>	<u>59,276</u>

The particulars of subsidiaries which principally affected the results of the Group have been disclosed in Note 1.

15 INTERESTS IN JOINT VENTURES

Details of the Group’s interest in the joint ventures, which is accounted for using the equity method in the consolidated financial statements, are as follows:

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Interests in joint ventures	<u>9,675</u>	<u>5,822</u>	<u>4,015</u>

Note: The two joint ventures of the Group are Hunan MGI Dynaflow Smart Manufacturing Technology Co., Ltd. (湖南華大戴納智造科技有限公司) (“**Hunan MGI**”) and DNYUNTU (BEIJING) TECHNOLOGY CO., LTD. (戴納雲圖(北京)科技有限公司) (“**DNYUNTU**”). As of 31 December 2024 and 2025, the Group’s interest in DNYUNTU was reduced to nil.

The following list contains only the particulars of joint ventures, which is [REDACTED] corporate entity whose quoted market price is not available:

Name of joint ventures	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest									Principal activity
				Group's effective interest			Held by the Company			Held by a subsidiary			
				At 31 December			At 31 December			At 31 December			
				2023	2024	2025	2023	2024	2025	2023	2024	2025	
Hunan MGI Dynaflow Smart Manufacturing Technology Co., Ltd.	Incorporated	Chinese Mainland	RMB10,000,000	51%	51%	51%	51%	51%	51%	—	—	—	Manufacturing
DNYUNTU (BEIJING) TECHNOLOGY CO., LTD	Incorporated	Chinese Mainland	RMB5,000,000	60%	60%	60%	—	—	—	60%	60%	60%	Software development

Note: The Group’s interest in Hunan MGI and DNYUNTU are 51% and 60%, respectively. Due to the fact that the Group does not have control over the two joint ventures but can form joint control, Hunan MGI and DNYUNTU are accounted for as joint ventures using the equity method.

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Aggregate information of joint ventures that are not individually material:

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	9,675	5,822	4,015
Aggregate amounts of the Group’s share of these joint ventures’			
— Losses from continuing operations	(4,173)	(3,929)	(1,884)

The Group’s share of unrecognised excess losses of joint ventures for the years ended 31 December 2023, 2024 and 2025 amounted to nil, RMB475,230 and RMB876,012, respectively.

16 INVENTORIES

The Group

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Inventories			
— Raw materials	74,900	44,899	30,627
— Work in progress	5,473	4,539	4,810
— Finished goods	5,663	8,297	7,504
— Goods in transit	144,759	14,612	6,391
Write down of inventories	(11,475)	(14,268)	(14,687)
	<u>219,320</u>	<u>58,079</u>	<u>34,645</u>

The Company

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Inventories			
— Raw materials	65,739	37,353	18,902
— Goods in transit	19,696	15,332	7,787
Write down of inventories	—	—	—
	<u>85,435</u>	<u>52,685</u>	<u>26,689</u>

(a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

The Group

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Carrying amount of inventories sold	515,513	423,097	463,721
Write down of inventories	<u>1,918</u>	<u>3,439</u>	<u>885</u>
	<u>517,431</u>	<u>426,536</u>	<u>464,606</u>

The Company

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Carrying amount of inventories sold	510,423	447,788	467,112
Write down of inventories	<u>—</u>	<u>—</u>	<u>—</u>
	<u>510,423</u>	<u>447,788</u>	<u>467,112</u>

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17 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

The Group and the Company

	2023	At 31 December 2024	2025
	RMB'000	RMB'000	RMB'000
Contract assets			
Arising from performance under construction contracts	103,757	116,635	237,664
Less: loss allowance	(4,556)	(3,860)	(17,430)
	<u>99,201</u>	<u>112,775</u>	<u>220,234</u>

The Group’s construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. This amount is included in contract assets until the end of the retention period after the completion of construction contracts.

(b) Contract liabilities

The Group

	2023	At 31 December 2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities			
— Billings in advance of performance	<u>237,192</u>	<u>49,027</u>	<u>33,357</u>

When the Group receives a deposit before the production activity commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the project exceeds the amount of the deposit.

Movements in contract liabilities

	2023	At 31 December 2024	2025
	RMB'000	RMB'000	RMB'000
Balance at 1 January	88,319	237,192	49,027
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(31,164)	(221,439)	(30,833)
Net increase in contract liabilities during the year	<u>180,037</u>	<u>33,274</u>	<u>15,163</u>
Balance at 31 December	<u>237,192</u>	<u>49,027</u>	<u>33,357</u>

18 TRADE AND BILLS RECEIVABLES

The Group

	2023	At 31 December 2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	271,570	255,038	331,600
Bills receivables	19,236	12,977	1,794
Less: loss allowance	<u>(18,592)</u>	<u>(23,786)</u>	<u>(38,647)</u>
	<u>272,214</u>	<u>244,229</u>	<u>294,747</u>

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The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	238,528	234,701	321,955
Bills receivables	15,841	12,677	1,712
Less: loss allowance	(9,333)	(14,937)	(31,938)
	<u>245,036</u>	<u>232,441</u>	<u>291,729</u>

As of the end of each reporting period, the ageing analysis of trade and bills receivable, based on the invoice date and net of loss allowance, is as follows:

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	236,504	152,765	211,270
Over 1 year but within 2 years	40,857	85,422	44,967
Over 2 years but within 3 years	2,598	20,413	60,123
Over 3 years but within 4 years	8,469	2,237	13,126
Over 4 years but within 5 years	1,859	4,965	2,189
Over 5 years	<u>519</u>	<u>2,213</u>	<u>1,719</u>
	290,806	268,015	333,394
Less: loss allowance	(18,592)	(23,786)	(38,647)
	<u>272,214</u>	<u>244,229</u>	<u>294,747</u>

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	223,891	145,750	220,051
Over 1 year but within 2 years	24,521	86,254	46,573
Over 2 years but within 3 years	2,753	10,333	48,918
Over 3 years but within 4 years	2,109	2,221	4,317
Over 4 years but within 5 years	576	1,890	2,089
Over 5 years	<u>519</u>	<u>930</u>	<u>1,719</u>
	254,369	247,378	323,667
Less: loss allowance	(9,333)	(14,937)	(31,938)
	<u>245,036</u>	<u>232,441</u>	<u>291,729</u>

The Group generally requires customers to settle progress billings and retentions receivable in accordance with contracted terms. Further details on the Group’s credit policy and credit risk arising from trade debtors and bills receivable are set out in note 30(a).

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19 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

The Group

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Prepayments for:			
— Material and service	28,153	30,109	30,096
— Amounts due from a related party	—	1,887	—
— Others	72	12	26
	28,225	32,008	30,122
Other receivables:			
— Amounts due from a related party	700	3,500	3,500
— Deposits	12,890	6,597	5,199
— VAT recoverable	6,271	426	291
— Prepaid income taxes	296	847	1,702
— Prepayment for costs incurred in connection with the proposed [REDACTED]	—	—	201
— Others	1,162	1,111	1,841
	21,319	12,481	12,734
Less: loss allowance	(1,605)	(4,657)	(4,839)
Deposits, prepayments and other receivables	47,939	39,832	38,017

The Company

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Prepayments for:			
— Material and service	107,447	27,454	26,955
— Amounts due from a related party	—	1,887	—
— Others	24	12	—
	107,471	29,353	26,955
Other receivables:			
— Amounts due from subsidiaries	77,888	65,870	40,216
— Amounts due from a related party	700	3,500	3,500
— Deposits	9,378	3,759	2,943
— VAT recoverable	—	224	277
— Prepaid income taxes	296	—	807
— Prepayment for costs incurred in connection with the proposed [REDACTED]	—	—	201
— Others	1,017	958	1,689
	89,279	74,311	49,633
Less: loss allowance	(884)	(3,781)	(3,819)
Deposits, prepayments and other receivables	195,866	99,883	72,769

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20 RESTRICTED BANK DEPOSITS

The Group

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Restricted bank deposits	1,765	1,326	1,224

The Company

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Restricted bank deposits	792	792	1,046

The Group’s and the Company’s restricted bank deposits are deposited to banks for the letters of guarantee for project performance bond. The restricted bank deposits will be released upon the settlement of letters of guarantee.

21 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Cash at bank and on hand (i)	64,212	76,491	79,433
Restricted bank deposits	(1,765)	(1,326)	(1,224)
Cash and cash equivalents	62,447	75,165	78,209

- (i) The cash and cash equivalents in Chinese Mainland as at 31 December 2023, 2024 and 2025 are RMB62,447,000, RMB74,939,000 and RMB77,976,000 respectively. And the cash and cash equivalents outside Chinese Mainland as at 31 December 2023, 2024 and 2025 are nil, RMB226,000 and RMB233,000 respectively. Remittance from Chinese Mainland must comply with relevant rules and regulations on foreign exchange management.

The Company

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Cash and cash equivalents	48,444	58,378	72,898

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(b) Reconciliation of (loss)/profit before taxation to cash generated from operations:

		At 31 December		
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
(Loss)/profit before taxation		(1,925)	3,088	14,315
Adjustments for:				
Depreciation	6(c)	9,775	9,328	10,371
Amortisation of intangible assets	13	593	619	305
Net losses on disposal of property, plant and equipment	5	1	17	—
Finance costs	6(a)	6,714	10,248	7,518
Amortisation of deferred income		(268)	(268)	(268)
Impairment loss of inventories	16(a)	1,918	3,439	885
Impairment loss on trade and other receivables and contract assets		9,508	7,550	28,613
Equity-settled share-based payment expenses		1,323	1,466	2,308
Share of losses of joint ventures		4,173	3,929	1,884
		31,812	39,416	65,931
Changes in working capital:				
(Increase)/decrease in inventories		(49,751)	157,803	22,548
Decrease/(increase) in trade and bill receivables		35,062	22,617	(67,019)
Increase in contract assets		(82,849)	(12,706)	(119,388)
(Increase)/decrease in prepayment, deposits and other receivables		(16,631)	2,408	2,798
Decrease in restricted bank deposits		1,890	438	102
Increase/(decrease) in trade and bill payables		28,683	(30,940)	37,774
Increase/(decrease) in contract liabilities		4,392	(188,165)	(15,669)
Decrease in provisions		(284)	(2,156)	(265)
(Decrease)/increase in other payables		(27,521)	8,687	6,968
Cash used in operations		(75,197)	(2,598)	(66,220)

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(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group’s consolidated cash flow statement as cash flows from financing activities.

	Interest-bearing bank loans and other borrowings RMB’000 (Note 23)	Dividend payables RMB’000 (Note 26)	Lease liabilities RMB’000 (Note 25)	Total RMB’000
At 1 January 2023	106,777	—	3,182	109,959
Changes from financing cash flows:				
Proceeds from new interest-bearing bank loans	216,327	—	—	216,327
Repayment of interest-bearing bank loans	(154,230)	—	—	(154,230)
Interest-bearing bank borrowing interests paid	(3,730)	—	—	(3,730)
Capital element of lease rentals paid	—	—	(3,411)	(3,411)
Interest element of lease rentals paid	—	—	(51)	(51)
Other financial costs paid	(2,973)	—	—	(2,973)
Dividends paid	—	(54,500)	—	(54,500)
Total changes from financing cash flows	55,394	(54,500)	(3,462)	(2,568)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	—	1,224	1,224
Interest expenditure	3,633	—	108	3,741
Other financial costs	2,973	—	—	2,973
Dividends declared	—	54,500	—	54,500
Total other changes	6,606	54,500	1,332	62,438
At 31 December 2023	168,777	—	1,052	169,829
	Interest-bearing bank loans and other borrowings RMB’000 (Note 23)		Lease liabilities RMB’000 (Note 26)	Total RMB’000
At 1 January 2024	168,777		1,052	169,829
Changes from financing cash flows:				
Proceeds from new interest-bearing bank loans	194,884		—	194,884
Repayment of interest-bearing bank loans	(168,777)		—	(168,777)
Interest-bearing bank borrowing interests paid	(5,976)		—	(5,976)
Capital element of lease rentals paid	—		(2,499)	(2,499)
Interest element of lease rentals paid	—		(234)	(234)
Other financial costs paid	(3,838)		—	(3,838)
Income from other borrowings	11,000		—	11,000
Total changes from financing cash flows	27,293		(2,733)	24,560
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—		7,352	7,352
Interest expenditure	6,134		276	6,410
Other financial costs	3,838		—	3,838
Total other changes	9,972		7,628	17,600
At 31 December 2024	206,042		5,947	211,989

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	Interest-bearing bank loans and other borrowings RMB'000 (Note 23)	Lease liabilities RMB'000 (Note 26)	Total RMB'000
At 1 January 2025	206,042	5,947	211,989
Changes from financing cash flows:			
Proceeds from new interest-bearing bank loans	234,026	—	234,026
Repayment of interest-bearing bank loans	(217,130)	—	(217,130)
Interest-bearing bank borrowing interests paid	(5,168)	—	(5,168)
Capital element of lease rentals paid	—	(3,181)	(3,181)
Interest element of lease rentals paid	—	(231)	(231)
Other financial costs paid	(1,575)	—	(1,575)
Repayment of sale and leaseback of property, plant and equipment	(5,425)	—	(5,425)
Interest element of sale and leaseback of property, plant and equipment	(508)	—	(508)
Total changes from financing cash flows	4,220	(3,412)	808
Other changes:			
Net increase in lease liabilities	—	1,734	1,734
Interest expenditure	5,676	267	5,943
Other financial costs	1,575	—	1,575
Total other changes	7,251	2,001	9,252
At 31 December 2025	217,513	4,536	222,049

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Within operating cash flows	(3,132)	(4,976)	(3,510)
Within financing cash flows	(3,462)	(2,738)	(3,412)
	(6,594)	(7,714)	(6,922)

22 TRADE AND BILLS PAYABLES

The Group

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Bills payable	—	500	—
Payable for materials and services	186,282	154,842	193,116
	186,282	155,342	193,116

As of the end of each reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Within 1 year	137,995	113,150	147,401
Over 1 year but within 2 years	34,826	16,658	21,263
Over 2 years but within 3 years	13,461	14,400	6,544
Over 3 years	—	11,134	17,908
	186,282	155,342	193,116

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The Company

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Bills payable	—	5,500	—
Payable for materials and services	184,127	169,101	215,169
	<u>184,127</u>	<u>174,601</u>	<u>215,169</u>

As of the end of each reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Within 1 year	143,772	128,495	173,682
Over 1 year but within 2 years	26,953	20,656	13,813
Over 2 years but within 3 years	13,402	14,358	9,858
Over 3 years	—	11,092	17,816
	<u>184,127</u>	<u>174,601</u>	<u>215,169</u>

23 INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

(a) The analysis of the repayment schedule of interest-bearing bank loans and other borrowings is as follows:

The Group

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Within 1 year or on demand	168,777	200,231	217,513
After 1 year but within 2 years	—	5,811	—
	<u>168,777</u>	<u>206,042</u>	<u>217,513</u>

The Company

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Within 1 year or on demand	163,777	184,884	206,780

(b) Assets pledged as security and covenants for interest-bearing bank loans

At the end of each reporting period, the interest-bearing bank loans and other borrowing were secured as follows:

The Group

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Current:			
Interest-bearing bank loans			
— Guaranteed but not secured (i)	94,777	54,453	70,000
— Unsecured and unguaranteed	74,000	140,431	141,780
Other borrowing (ii)	—	5,347	5,733
	<u>168,777</u>	<u>200,231</u>	<u>217,513</u>
Non-current:			
Other borrowing (ii)	—	5,811	—
	<u>168,777</u>	<u>206,042</u>	<u>217,513</u>

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The Company

	2023	At 31 December 2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Interest-bearing bank loans			
— Guaranteed but not secured (i)	94,777	54,453	70,000
— Unsecured and unguaranteed	69,000	130,431	136,780
	<u>163,777</u>	<u>184,884</u>	<u>206,780</u>

(i) As at 31 December 2023, 2024 and 2025, the interest-bearing bank loans are guaranteed by the related parties of the Group (see Note 31(e)) amounted to RMB94,777,000, RMB54,453,000 and RMB70,000,000, respectively.

(ii) In 2024, The Company’s subsidiary, Dynaflo Smart Manufacturing and Industrial Equipment (Hebei) Co., Ltd., entered into a sale and leaseback arrangement for plant and equipments with Zhongguancun Technology Leasing Co., Ltd.. The transaction was classified as secured loan financing instead of disposal of the underlying assets as the transfers of the plant and equipments to the buyer-lessor do not satisfy the requirements to be accounted for as a sale of the assets.

All of the Group’s banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group’s financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants.

24 OTHER PAYABLES

The Group

	2023	At 31 December 2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payables	6,900	8,075	9,988
Other tax payables	22,104	23,645	28,650
Payables for costs incurred in connection with the proposed issuance of the Company’s H shares	—	—	850
Others	2,854	2,524	1,190
	<u>31,858</u>	<u>34,244</u>	<u>40,678</u>

The Company

	2023	At 31 December 2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payables	5,938	6,888	8,760
Other tax payables	21,394	19,182	24,566
Payables for costs incurred in connection with the proposed issuance of the Company’s H shares	—	—	850
Amounts due to subsidiaries	—	54,862	35,743
Others	2,773	2,076	1,027
	<u>30,105</u>	<u>83,008</u>	<u>70,946</u>

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25 LEASE LIABILITIES

At the end of each reporting period, the lease liabilities were repayable as follows:

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Within 1 year	613	2,819	2,668
After 1 year but within 2 years	439	2,161	1,499
After 2 years but within 5 years	—	967	369
	439	3,128	1,868
	1,052	5,947	4,536

26 EQUITY SETTLED SHARE-BASED TRANSACTIONS

On 19 July 2021 (the “**Adoption Date**”), the shareholders’ Meeting of the Company approved a Share Incentive Plan (“**the Plan**”), providing additional incentives to eligible participants who contribute to the success of the Company’s business. Eligible participants of the Plan may include directors, supervisor and employees of the Company, the Company’s subsidiaries or the Group’s joint venture. According to the Plan, the Company implemented both a Share option scheme and Restricted Share Unit Scheme.

(a) Share option scheme

(i) The terms and conditions of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life
Options:			
granted to directors: in August 2021	278,000	12 months from the date of grant	2 years
granted to employees: in August 2022	100,000	3 months from the date of grant	21 months
	378,000		

(ii) The number and weighted average exercise prices of share option are as follows:

	2023		At 31 December 2024		2025	
	Weighted average exercise price RMB	Number of options '000	Weighted average exercise price RMB	Number of options '000	Weighted average exercise price RMB	Number of options '000
Options:						
Outstanding at the beginning of the year	4.23	378	6.00	100	—	—
Exercised during the year	3.60	(278)	6.00	(100)	—	—
Outstanding at the end of the year	6.00	100	—	—	—	—
Exercisable at the end of the year	6.00	100	—	—	—	—

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(iii) *Fair value of share options and assumptions*

	Share-based plan adopted in 2021	Share-based plan adopted in 2022
Fair value of share options and assumptions		
Fair value at measurement date	7.91	7.00
Share price	11.35	12.75
Exercise price	3.60	6.00
Expected volatility (expressed as weighted average volatility used in the modeling under Binomial Tree model)	34.38%	34.02%
Option life (expressed as weighted average life used in the modeling under Binomial Tree model)	2 years	21 months
Expected dividend yield	0%	0%
Risk-free interest rate (based on Exchange Fund Notes)	2.53%	2.11%

(b) **Restricted Share Unit Scheme**

(i) *The terms and conditions of the grants are as follows:*

	Number of Restricted shares	Vesting conditions	Contractual life
Restricted shares: granted to Group and a joint venture’s employees:			
in August 2021	1,155,174	3 or 5 years from the date of grant and a Qualified [REDACTED]	No Contractual life
in January 2023	347,611	3 years from the date of grant and a Qualified [REDACTED]	No Contractual life
in December 2023	429,579	3 years from the date of grant and a Qualified [REDACTED]	No Contractual life
in February 2024	12,313	3 years from the date of grant and a Qualified [REDACTED]	No Contractual life
in December 2024	277,358	3 years from the date of grant and a Qualified [REDACTED]	No Contractual life
	<u>2,222,035</u>		

(ii) *Movements of the restricted shares granted are as follows:*

	2023 Number of restricted shares (‘000)	2024 Number of restricted shares (‘000)	2025 Number of restricted shares (‘000)
At January 1	985	1,735	1,555
Granted during the year	777	290	—
Lapsed during the year	(27)	(470)	(155)
At December 31	<u>1,735</u>	<u>1,555</u>	<u>1,400</u>

(iii) *Fair value of restricted shares granted*

The fair value per share of restricted shares is based on the latest external investor subscription price or the latest valuation of the Company on the grant date.

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27 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
At 1 January	22,703	—	10
Provision for current income tax	—	1,152	657
Payments during the year	(22,999)	(1,989)	(1,712)
Reclassification to prepaid income tax	296	847	1,702
At 31 December	—	10	657

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax assets arising from:	Provision for impairment of assets RMB'000	Provisions RMB'000	Deferred income RMB'000	Deductible tax losses RMB'000	Lease liabilities RMB'000	Accrued expenses RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	3,356	1,200	319	734	451	75	—	6,135
Credited/(charged) to profit or loss	2,078	(43)	(40)	1,644	(293)	389	242	3,977
At 31 December 2023 and 1 January 2024	5,434	1,157	279	2,378	158	464	242	10,112
Credited/(charged) to profit or loss	1,551	(323)	(41)	(2,378)	654	3,616	473	3,552
At 31 December 2024 and 1 January 2025	6,985	834	238	—	812	4,080	715	13,664
Credited/(charged) to profit or loss	4,181	(39)	(41)	1,573	(148)	(2,244)	(710)	2,572
At 31 December 2025	11,166	795	197	1,573	664	1,836	5	16,236

Deferred tax liabilities arising from:	Right-of-use assets RMB'000	Asset depreciation and amortisation RMB'000	Total RMB'000
At 1 January 2023	(458)	(229)	(687)
Credited to profit or loss	265	41	306
At 31 December 2023 and 1 January 2024 (Charged)/credited to profit or loss	(193) (633)	(188) 41	(381) (592)
At 31 December 2024 and 1 January 2025	(826)	(147)	(973)
Credited to profit or loss	126	41	167
At 31 December 2025	(700)	(106)	(806)

(ii) Reconciliation to the consolidated statements of financial position

	2023 RMB'000	At 31 December 2024 RMB'000	2025 RMB'000
Net deferred tax asset in the consolidated statements of financial position	9,731	12,691	15,430
Net deferred tax liability in the consolidated statements of financial position	—	—	—
	9,731	12,691	15,430

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(c) Deferred tax assets not recognised

According to the accounting policy specified in note 2 (r), the Group has not yet recognised deferred tax assets related to cumulative tax losses for 2023, 2024, and 2025, which are RMB698,395, RMB621,956, and RMB2,771,763 respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses expire in 5 or 10 years from the respective year of loss.

28 PROVISIONS

Provision for warranties

	<i>RMB'000</i>
At 1 January 2023	7,847
Additional provisions made	3,859
Provisions utilised	<u>(3,993)</u>
At 31 December 2023 and 1 January 2024	7,713
Additional provisions made	3,087
Provisions utilised	<u>(5,243)</u>
At 31 December 2024 and 1 January 2025	5,557
Additional provisions made	5,173
Provisions utilised	<u>(5,438)</u>
At 31 December 2025	<u><u>5,292</u></u>

Under the terms of the Group’s construction and sales of product contracts with its customers, the Group will rectify any defects arising within one to three years from the date of completion of the contracts, as required by industry regulations in respective jurisdictions and depending on the terms negotiated with each customer. Provision is therefore made for the best estimate of the expected settlement under these contracts in respect of contracts completed within one to three years prior to the end of the reporting period. The amount of provision takes into account the Group’s recent claim experience and is only made where a warranty claim is probable.

Provision for onerous contracts

	<i>RMB'000</i>
At 1 January 2023	1,660
Additional provisions made	—
Provisions utilised	<u>(866)</u>
At 31 December 2023 and 1 January 2024	794
Additional provisions made	—
Provisions utilised	<u>(1)</u>
At 31 December 2024 and 1 January 2025	793
Additional provisions made	—
Provisions utilised	<u>(793)</u>
At 31 December 2025	<u><u>—</u></u>

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29 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company’s individual components of equity between the beginning and the end of each reporting period are set out below:

The Company

	Paid in capital/share capital RMB’000	Capital reserve RMB’000	Statutory reserve RMB’000	Retained profits RMB’000	Total RMB’000
Balance at 1 January 2023	54,858	44,311	2,357	34,668	136,194
Changes in equity for 2023:					
Profit for the year	—	—	—	50,875	50,875
Total comprehensive income for the year	—	—	—	50,875	50,875
Equity-settled share-based payment	—	1,400	—	—	1,400
Appropriation to statutory reserves	—	—	5,087	(5,087)	—
Dividends paid in respect of the previous year	—	—	—	(54,500)	(54,500)
Balance at 31 December 2023 and 1 January 2024	54,858	45,711	7,444	25,956	133,969
Changes in equity for 2024:					
Profit for the year	—	—	—	2,420	2,420
Total comprehensive income for the year	—	—	—	2,420	2,420
Equity-settled share-based payment	—	1,544	—	—	1,544
Conversion into a joint stock limited liability company	—	21,343	(6,888)	(14,455)	—
Appropriation to statutory reserves	—	—	242	(242)	—
Balance at 31 December 2024 and 1 January 2025	54,858	68,598	798	13,679	137,933
Changes in equity for 2025:					
Profit for the year	—	—	—	14,128	14,128
Total comprehensive income for the year	—	—	—	14,128	14,128
Shares issuance	4,013	74,987	—	—	79,000
Equity-settled share-based payment	—	2,384	—	—	2,384
Appropriation to statutory reserves	—	—	1,413	(1,413)	—
Balance at 31 December 2025	<u>54,871</u>	<u>145,969</u>	<u>2,211</u>	<u>26,394</u>	<u>233,445</u>

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(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

On 3 March 2023, the shareholders’ meeting of the Company approved a distribution of a dividend of RMB0.9935 per share based on paid-in capital RMB54,858,000 as at 31 December 2022, totalling RMB54,500,000.

(c) Paid-in capital/share capital

(i) Paid-in capital

For the purpose of the Historical Financial Information, the paid-in capital of the Group represents the paid-in capital of the Company before it was converted into a joint stock company with limited liability.

	2023	At 31 December	2025
	RMB'000	2024	RMB'000
		RMB'000	
Balance at the beginning of the year	54,858	54,858	—
Conversion into a joint stock limited liability company	—	(54,858)	—
Balance at the end of the year	54,858	—	—

On 25 March 2024, the Company was converted into a joint stock limited liability company and issued 54,858,155 shares with a par value of RMB1.00 each.

(ii) Share capital

	2023	At 31 December	2025
	No. of shares	No. of shares	No. of shares
	('000)	2024	2025
		No. of shares	No. of shares
		('000)	('000)
	RMB'000	RMB'000	RMB'000
Ordinary shares, issued and fully paid:			
At 1 January	—	—	54,858
Issuance of new shares upon conversion into a joint stock limited liability company	—	54,858	—
Shares issued (i)	—	—	4,013
At 31 December	—	54,858	58,871

(i) On 27 June 2025, the Company received capital injection of RMB70,000,000 from CICC Zhirun (Xuzhou) Private Equity Investment Partnership by issuance of 3,555,621 ordinary shares of the Company, of which RMB3,556,000 was accounted for share capital and RMB66,444,000 was accounted for capital reserve.

On 3 July 2025, the Company received capital injection from Dongtai Ruihonghe Investment Partnership (Limited Partnership) of RMB9,000,000 by issuance of 457,151 ordinary shares of the Company, of which RMB457,000 was accounted for share capital and RMB8,543,000 was accounted for capital reserve.

On 31 March 2026, the Company received capital injection from Beijing New Material Industry Investment Fund (Limited Partnership) and Beijing Fengze Zhiyuan Industrial Cultivation Equity Investment Fund Partnership (Limited Partnership) of RMB50,000,000 and RMB20,000,000 by issuance of 1,839,717 and 735,887 ordinary shares of the Company, respectively.

As detailed in the section headed “History, Development and Corporate Structure” to this Document, [REDACTED] investors had been granted certain special rights by the Controlling Shareholders, including, among others, share redemption rights and liquidation preference rights. The directors of the Company have confirmed that (i) the Company does not have any obligation to fulfil the abovementioned special rights granted by the Controlling Shareholders, including the redemption rights and liquidation preference rights; and (ii) the Company has not provided any guarantee for the abovementioned special rights granted by the Controlling Shareholders in the event of a default by the Controlling Shareholders. Accordingly, no financial liability has been recorded in the Historical Financial Information with respect to these special rights granted to the [REDACTED] investors by the Controlling Shareholders.

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(d) Nature and purpose of reserves

(i) Capital reserve

The capital reserve comprises: (i) the differences between the net considerations received and the nominal amount of share capital issued by the Company; (ii) the differences between the net assets received and the total amount of the par value of shares issued in relation to the conversion into a joint stock company; (iii) the portion of the grant date fair value of unexercised share options and restricted shares granted to directors, supervisor and employees of the Group and the Group’s joint venture that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(q)(ii).

(ii) Statutory reserve

Pursuant to the articles of association of the Company, appropriations to the statutory reserve fund should be made at a certain percentage of profit after taxation determined in accordance with the accounting standards and regulations of the PRC, until the statutory reserve fund was equal to or more than 50% of the Company’s registered capital.

(e) Capital management

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group’s capital structure is regularly reviewed and managed to achieve an optimal structure and return for shareholders. Factors for the Group’s consideration include: its future funding requirements, capital efficiency, actual and expected profitability, expected cash flows, and expected capital expenditure. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group’s business.

The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade receivables, contract assets and other receivables. The Group’s exposure to credit risk arising from cash and cash equivalents, restricted bank deposits, bank acceptance bills receivable is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers to have low credit risk.

The Group does not provide any financial guarantees which would expose the Group to credit risk.

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2023, 2024 and 2025, 43%, 46%, and 45% of the total trade receivables was due from the Group’s five largest debtors respectively.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and contract assets and is adjusted for forward-looking estimates.

When there is objective evidence indicating that a certain trade receivable has been impaired, the Group shall recognise provision for impairment of the trade receivable individually. As at 31 December 2023, 2024 and 2025, the amount of trade receivables with specific credit risk was RMB10,809,000, RMB10,209,000, and RMB10,209,000 respectively. The Group measures their credit risk individually and recognised loss allowances amounting to RMB5,105,000, RMB5,105,000, and RMB5,105,000 respectively.

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The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables and contract assets:

	At 31 December 2023		
	Expected loss rate %	Gross carrying amount RMB’000	Loss allowance RMB’000
Within 1 year	2.06%	304,174	6,270
After 1 year but within 2 years	9.34%	37,444	3,496
After 2 years but within 3 years	24.79%	12,053	2,988
After 3 years but within 4 years	40.83%	8,469	3,458
After 4 years but within 5 years	70.58%	1,859	1312
After 5 years	100.00%	519	519
		<u>364,518</u>	<u>18,043</u>
	At 31 December 2024		
	Expected loss rate %	Gross carrying amount RMB’000	Loss allowance RMB’000
Within 1 year	1.78%	229,739	4,083
After 1 year but within 2 years	7.76%	108,177	8,397
After 2 years but within 3 years	22.13%	14,133	3,127
After 3 years but within 4 years	57.26%	2,237	1,281
After 4 years but within 5 years	69.28%	4,965	3,440
After 5 years	100.00%	2,213	2,213
		<u>361,464</u>	<u>22,541</u>
	At 31 December 2025		
	Expected loss rate %	Gross carrying amount RMB’000	Loss allowance RMB’000
Within 1 year	3.47%	386,816	13,422
After 1 year but within 2 years	12.20%	85,901	10,480
After 2 years but within 3 years	26.48%	75,583	20,018
After 3 years but within 4 years	54.24%	6,847	3,714
After 4 years but within 5 years	73.96%	2,189	1,619
After 5 years	100.00%	1,719	1,719
		<u>559,055</u>	<u>50,972</u>

Movement in the loss allowance account in respect of trade receivables and contract assets during the year is as follows:

	2023 RMB’000	At 31 December 2024 RMB’000	2025 RMB’000
Balance at 1 January	13,328	23,148	27,646
Impairment losses recognised	<u>9,820</u>	<u>4,498</u>	<u>28,431</u>
Balance at 31 December	<u>23,148</u>	<u>27,646</u>	<u>56,077</u>

Other receivables

The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk. Movement in the loss allowance account in respect of other receivables of the Group during the Track Record Period is as follows:

	2023 RMB’000	At 31 December 2024 RMB’000	2025 RMB’000
Balance at 1 January	1,917	1,605	4,657
Impairment losses (reversed)/recognised	<u>(312)</u>	<u>3,052</u>	<u>182</u>
Balance at 31 December	<u>1,605</u>	<u>4,657</u>	<u>4,839</u>

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(b) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Group’s policy is to maintain sufficient cash to meet maturing obligations. Liquidity risk is centralised controlled by the Company’s finance department. The finance department monitors cash balances, readily realisable marketable securities, supplier finance arrangements with banks and supply chain financial institutions and rolling forecasts of cash flows over the next 12 months to ensure that the Company has sufficient funds to repay debts under all reasonable forecasts.

The Group’s policy is to regularly monitor its liquidity requirements and its compliance with lending covenants and its relationship with finance providers, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As disclosed in note 23(b), all of the Group’s banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group’s financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related loans would become payable on demand, The Group did not identify any difficulties complying with the covenants.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group’s non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

	At 31 December 2023				Total	Carrying amount at December 31, RMB’000
	Contractual undiscounted cash outflow	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
	Within 1 year or on demand RMB’000	More than 1 year but less than 2 years RMB’000	More than 2 years but less than 5 years RMB’000	More than 5 years RMB’000	Total RMB’000	
Interest-bearing bank loans and other borrowings	174,365	—	—	—	174,365	168,777
Trade and bills payables	186,282	—	—	—	186,282	186,282
Other payables	2,854	—	—	—	2,854	2,854
Lease liabilities	647	452	—	—	1,099	1,052
	<u>364,148</u>	<u>452</u>	<u>—</u>	<u>—</u>	<u>364,600</u>	<u>358,965</u>

	At 31 December 2024				Total	Carrying amount at December 31, RMB’000
	Contractual undiscounted cash outflow	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
	Within 1 year or on demand RMB’000	More than 1 year but less than 2 years RMB’000	More than 2 years but less than 5 years RMB’000	More than 5 years RMB’000	Total RMB’000	
Interest-bearing bank loans and other borrowings	204,711	5,811	—	—	210,522	206,042
Trade and bills payables	155,342	—	—	—	155,342	155,342
Other payables	2,524	—	—	—	2,524	2,524
Lease liabilities	3,040	2,257	976	—	6,273	5,947
	<u>365,617</u>	<u>8,068</u>	<u>976</u>	<u>—</u>	<u>374,661</u>	<u>369,855</u>

	At 31 December 2025				Total	Carrying amount at December 31, RMB’000
	Contractual undiscounted cash outflow	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
	Within 1 year or on demand RMB’000	More than 1 year but less than 2 years RMB’000	More than 2 years but less than 5 years RMB’000	More than 5 years RMB’000	Total RMB’000	
Interest-bearing bank loans and other borrowings	219,220	—	—	—	219,220	217,513
Trade and bills payables	193,116	—	—	—	193,116	193,116
Other payables	2,040	—	—	—	2,040	2,040
Lease liabilities	2,706	1,535	373	—	4,614	4,536
	<u>417,082</u>	<u>1,535</u>	<u>373</u>	<u>—</u>	<u>418,990</u>	<u>417,205</u>

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(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to interest rate risk is primarily arising from variable-rate bank balances and variable-rate borrowings. The Group has not yet formulated a policy to manage its interest rate risk, but the management will closely monitor interest rate risk to achieve the expected interest rate structure. Although this measure cannot completely prevent the Company from the risk that the interest rate paid exceeds the current market interest rate, nor can it completely eliminate the cash flow risk associated with fluctuations in interest income and expenditure, the management believes that this measure achieves a reasonable balance between these risks. The Group’s interest rate risk profile as monitored by management is shown below.

(i) Interest rate risk profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group’s borrowings at the end of each reporting period:

	2023		At 31 December 2024		2025	
	Effective interest rate%	RMB’000	Effective interest rate%	RMB’000	Effective interest rate%	RMB’000
Fixed rate financial instruments:						
Lease liabilities	4.75–4.9	1,052	4.75–4.9	11,294	4.75–4.9	10,268
Other borrowing	—	—	5.6	11,157	5.6	5,732
		<u>1,052</u>		<u>22,451</u>		<u>16,000</u>
Variable rate financial instruments:						
Interest-bearing bank loans	3.55–4.45	168,972	2.5–4.2	190,254	2.4–3.5	206,780
		<u>168,972</u>		<u>190,254</u>		<u>206,780</u>

(ii) Sensitivity analysis

At 31 December 2023, 2024 and 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group’s profit after tax by approximately RMB1,436,000, RMB1,617,000 and RMB1,758,000, respectively.

The sensitivity analysis above indicates the exposure to cash flow interest rate risk arising from floating rate non-derivative financial instruments held by the Group at the end of each reporting period. The impact on the Group’s profit after tax (and retained profits) is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the Track Record Period.

(d) Currency risk

The Group is exposed to exchange risk arising from various currency exposures, primarily with respect to USD, EUR and HKD. The Company periodically reviews liquid assets and liabilities held in currencies other than RMB to ensure that net exposure is kept at an acceptable level.

Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. It manages its foreign currency risks by performing regular review and monitoring its foreign currency exposures. The management considers the Company’s exposure to foreign currency risk is minimal.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

As at 31 December 2023, 2024 and 2025, there are no significant financial assets or liabilities of the Group measured at fair value.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group’s financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2024 and 2025.

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31 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors and supervisors as disclosed in note 8, is as follows:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Short-term employee benefits	6,316	6,964	6,947
Retirement scheme contributions	554	590	599
Equity-settled share-based payments	174	(48)	107
	<u>7,044</u>	<u>7,506</u>	<u>7,653</u>

Total remuneration is included in “staff costs” (see note 6(b)).

(b) Names and the relationships of the related parties that had material transactions with the Group during the Track Record Period:

Name of related parties	Relationship
Hunan MGI Dynaflo Smart Manufacturing Technology Co., Ltd.	Joint venture of the Company
DNYUNTU (BEIJING) TECHNOLOGY CO., LTD.	Joint venture of the Group
Mr. Chi Haipeng	Chairman, one of the Company’s shareholders
Mr. Zhang Huaidong	Director, one of the Company’s shareholders
Ms. Jin Hui	One of the Company’s shareholders
Mr. Zhang Jingjun	Director, one of the Company’s shareholders
Mr. Xing Xixue	Director, one of the Company’s shareholders
Mr. Xing Xiaodong	One of the Company’s shareholders

(c) Transactions with related parties

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sale of goods	234	325	22
Rendering of services	40	94	—
Purchases of services	2,584	1,755	7,768
Purchases of materials	581	353	68
Loans to a joint venture	700	2,800	—
Repayment of loans by related parties	<u>20,000</u>	<u>—</u>	<u>—</u>

(d) Balances with related parties

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade nature:			
Trade and bills receivables			
— Joint venture of the Group	143	353	183
Deposits, prepayments and other receivables			
— Joint venture of the Group	—	1,887	—
Trade and bills payables			
— Joint venture of the Group	1,670	1,716	3,186
Non-trade nature:			
Deposits, prepayments and other receivables			
— Joint venture of the Group (i)	700	3,500	3,500

(i) As at 31 December 2023, 2024 and 2025, the Company had loan balances due from the joint venture DNYUNTU, which have been fully impaired as at 31 December 2024.

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(e) Guarantee provided by related parties during the Track Record Period

During the Track Record Period, Mr. Chi Haipeng and other related parties provided guarantees to the Group for its bank facilities. As at 31 December 2023, 2024, and 2025, the outstanding guarantees provided by related parties amounted to RMB300,000,000, RMB275,000,000, and RMB390,000,000, respectively, while the corresponding outstanding guaranteed loans were RMB94,777,000, RMB54,453,000 and RMB70,000,000 (see note 23), respectively.

32 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Pursuant to the resolutions of the Company’s Shareholders dated 24 April 2026, each of the Company’s Share with nominal value of RMB1.00 will be subdivided into ten Shares with nominal value of RMB0.1 each immediately prior to the [REDACTED]. Upon completion of such Share Subdivision, the registered capital of the Company, which is RMB61,446,531, will be divided into 614,465,310 Shares of par value RMB0.1 each.

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of issue of the Historical Financial Information, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information. These developments include:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures</i> — <i>Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures</i> — <i>Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity’s financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 31 December 2025.

APPENDIX II

[REDACTED] FINANCIAL INFORMATION

The following information set forth in this Appendix does not form part of the Accountants’ Report received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, as set out in Appendix I to this document, and is included herein for illustrative purposes only.

The [REDACTED] financial information should be read in conjunction with the section headed “Financial information” in this document and the Accountants’ Report set out in Appendix I to this document.

A. [REDACTED] STATEMENT OF ADJUSTED [REDACTED]

The following [REDACTED] statement of adjusted [REDACTED] of the Group is prepared in accordance with Rule 4.29 of the [REDACTED] Rules and is set out below to illustrate the effect of the [REDACTED] on the consolidated [REDACTED] attributable to equity shareholders of the Company as of 31 December 2025 as if the [REDACTED] had taken place on 31 December 2025.

The [REDACTED] statement of adjusted [REDACTED] has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the [REDACTED] been completed as of 31 December 2025 or at any future date.

	Consolidated [REDACTED] attributable to equity shareholders of the Company as at 31 December 2025 RMB'000 Note (1)	Estimated [REDACTED] from the [REDACTED] RMB'000 Note (2)	[REDACTED] adjusted [REDACTED] RMB'000	[REDACTED] adjusted [REDACTED] per Share RMB Note (3)	HK\$ Note (4)
Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] share	276,837	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] share	276,837	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- (1) The consolidated [REDACTED] attributable to equity shareholders of the Company as at 31 December 2025 is arrived at after deducting intangible assets of RMB384,000 from the consolidated total equity attributable to equity shareholders of the Company of RMB277,221,000 as at 31 December 2025, which is extracted from the Accountants’ Report as set out in Appendix I in this document.
- (2) The estimated [REDACTED] from the [REDACTED] are based on the expected issuance of [REDACTED] Shares and the indicative [REDACTED] of HK\$[REDACTED] per [REDACTED] Share (being the minimum [REDACTED]) and HK\$[REDACTED] per [REDACTED] Share (being the maximum [REDACTED]), after deduction of the estimated [REDACTED] fees and other estimated expenses related to the [REDACTED] paid or payable by the Group (excluding the [REDACTED] charged to profit or loss during the Track Record Period), and do not take into account any H Shares which may be issued upon the exercise of the [REDACTED].

For illustrative purpose, the estimated [REDACTED] of the [REDACTED] have been [REDACTED] into RMB at an exchange rate of HK\$1 to RMB[REDACTED]. No representation is made that HK\$ amounts have been, could have been or may be [REDACTED] into RMB, or vice versa, at that rate or at any other rate.

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[REDACTED] FINANCIAL INFORMATION

- (3) The [REDACTED] adjusted [REDACTED] per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that [REDACTED] Shares (being [REDACTED] Shares in issue as at 31 December, 2025 (as adjusted by the Share Subdivision) and adding [REDACTED] H Shares to be issued pursuant to the [REDACTED], but excluding [REDACTED] Shares (as adjusted by the Share Subdivision) issued subsequent to 31 December 2025) were in issue immediately following the completion of the [REDACTED], and does not take into account any H shares which may be [REDACTED] upon the exercise of the [REDACTED].
- (4) The [REDACTED] adjusted [REDACTED] per Share is [REDACTED] to HK\$ with an exchange rate of RMB1 to HK\$1.14103. No representation is made that RMB amounts have been, could have been or may be converted to HK\$, or vice versa, at that rate or at any other rate.
- (5) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025, including but not limited to the capital injection of RMB70,000,000 by two investors for the subscription of [REDACTED] Shares (as adjusted by the Share Subdivision) in March 2026. Had such capital injection been made on 31 December 2025, the [REDACTED] adjusted [REDACTED] of the Group would have increased by RMB[REDACTED] and the [REDACTED] adjusted [REDACTED] per Share would have increased by RMB[REDACTED] (equivalent to HK\$[REDACTED]).

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT

APPENDIX II**[REDACTED] FINANCIAL INFORMATION**

B. REPORT ON THE [REDACTED] FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group’s [REDACTED] financial information for the purpose in this document.

[REDACTED]

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APPENDIX II**[REDACTED] FINANCIAL INFORMATION**

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT

APPENDIX II**[REDACTED] FINANCIAL INFORMATION**

[REDACTED]

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

This appendix contains the summary of the principal provisions of the Articles of Association adopted by the Company on April 24, 2026 and will become effective on the date that the [REDACTED] are [REDACTED] on The Stock Exchange of Hong Kong Limited. The main purpose of this appendix is to provide an overview of the Company’s Articles of Association for potential [REDACTED], so it may not contain all the information that is important to potential [REDACTED].

I. SHARES

Shares of the Company shall be in the form of share certificates. The ordinary shares issued by the Company consist of domestic shares and foreign shares. The issue of shares by the Company shall be conducted in accordance with the principles of openness, fairness and impartiality, and each share of the same class shall carry the same rights. All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each share subscribed by any entity or individual.

II. INCREASE, REDUCTION AND REPURCHASE OF SHARES

Increase of Capital

The Company may, based on its business and development needs and in accordance with the requirements of laws and the Listing Rules, increase its registered capital by way of separate resolutions passed by the shareholders’ meeting in the following manners:

- (1) by issuing new shares to the public;
- (2) by issuing shares through a private placement;
- (3) by distributing new shares to its existing Shareholders;
- (4) by capitalizing its capital reserves;
- (5) by other ways permitted by the laws, administrative regulations, the CSRC and the relevant overseas regulatory authority.

Decrease of Capital

Our Company may reduce our registered capital. Any reduction of the Company’s registered capital shall follow the procedures under the Company Law, the Listing Rules, other applicable regulations and this Articles of Association. In the event of reduction of registered capital, the Company shall prepare a balance sheet and a list of assets. The Company shall notify its creditors within 10 days from the date of the resolution on reduction of registered capital and publish an announcement within 30 days on a media outlet approved by the administrative department for market regulation for such purpose or on the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from receipt of the notice (or within 45 days from the date of the announcement for those who did not receive the notice), have the right to demand that the Company settle their debts or provide corresponding security for repayment.

Repurchase of Shares

The Company may repurchase its own shares in the following circumstances in accordance with laws, regulations, departmental rules and this Articles of Association:

- (1) for reducing the Company’s registered capital;
- (2) merging with other companies which hold shares in the Company;
- (3) awarding shares for employee stock ownership plan or share incentive plan;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (4) acquiring shares held by Shareholders who vote against any resolution proposed in any general meeting on the merger or division of the Company, upon their request;
- (5) use of shares for the conversion of corporate bonds issued by the company that are convertible into shares;
- (6) other circumstances permitted by applicable laws, administrative regulations, departmental rules, regulatory rules of the overseas listing place and relevant domestic and overseas securities regulatory authorities.

Except as set forth above, the Company shall not repurchase its own shares. Any repurchase of its own shares by the Company may be carried out through open centralized trading or other methods permitted by laws, regulations, the Listing Rules, the securities regulatory rules of the overseas listing place, and the CSRC (if required).

Where the Company repurchases its shares under the circumstances set out in items (1) and (2) above, a resolution shall be passed at a shareholders’ general meeting of the Company. Where the Company repurchases its shares under the circumstances set out in items (3), (5) and (6) above, a resolution may be passed at a Board meeting attended by two-thirds of the directors in accordance with the provisions of the Articles of Association or as authorised by the shareholders in general meeting. Where the Company repurchases its shares under the circumstances set out in item (1) above, such shares shall be cancelled within 10 days from the date of repurchase; where the Company repurchases its shares under the circumstances set out in items (2) and (4), such shares shall be transferred or cancelled within 6 months; where the Company repurchases its shares under the circumstances set out in items (3), (5) and (6), the total number of shares held by the Company shall not exceed 10% of the total shares issued by the Company, and such shares shall be transferred or cancelled within 3 years.

III. REGISTER OF SHAREHOLDERS

Register of Shareholders

The Company shall maintain a register of shareholders based on the certificates provided by the securities depository. Such register shall be conclusive evidence of the shares held by shareholders. Transfer and transmission of shares shall be entered in the register of shareholders. The original register of shareholders for overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong. The board of directors or the convener of the shareholders’ meeting shall set a record date for the holding of a shareholders’ meeting, distribution of dividends, liquidation or other activities requiring determination of shareholder identity. Shareholders recorded on the register on such record date shall be entitled to the relevant rights and interests.

IV. TRANSFER OF SHARES

The shares issued before the Company’s [REDACTED] shall not be transferred within one year from the date when the Company’s shares are listed and traded on the stock exchange. The directors and senior management of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than 25 percent of the total number of their shares in the Company per annum during their terms of office. Their shares shall not be transferred within one year from the [REDACTED] of the Company’s shares. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company. If shares are pledged during a restricted transfer period as provided by laws or administrative regulations, the pledgee shall not exercise the pledge during such restricted period.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

V. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

A Shareholder shall enjoy rights and assume obligations in accordance with the class of shares held by it. Shareholders holding shares of the same class shall be entitled to equal rights and assume the same obligations.

The Shareholders shall enjoy the following rights:

- (1) the right to receive dividends and other profit distributions in proportion to their shareholdings;
- (2) the right to request, convene, preside, attend or appoint proxies to attend general meetings lawfully and to exercise the voting rights in proportion to their shareholdings;
- (3) the right to supervise the Company’s business activities, to present proposals or to raise enquiries;
- (4) the right to transfer, gift or pledge the shares they hold in accordance with laws, administrative regulations and provisions of the Articles of Association;
- (5) to review and copy the Articles of Association, the register of members, minutes of general meetings, resolutions of the Board meetings, and financial and accounting reports. Shareholders who meet the prescribed requirements may inspect the Company’s accounting books and accounting vouchers;
- (6) in the event of termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (7) the right to request the Company to purchase the shares held by shareholders who vote against the Company’s merger or division resolution adopted by the shareholders’ meeting;
- (8) other rights under laws, administrative regulations, departmental rules, the Listing Rules or the Articles of Association.

The Shareholders of the Company shall have the following obligations:

- (1) to abide by laws, administrative regulations and the Articles of Association;
- (2) to pay capital contribution for the shares subscribed for in the prescribed method of subscription;
- (3) not to withdraw shares unless in the circumstances stipulated by laws and regulations;
- (4) not to abuse shareholder’s right to harm the lawful interests of the Company or other shareholders; not to abuse the Company’s position as an independent legal person or shareholder’s limited liability protection to harm the lawful interests of the creditors of the Company;
- (5) to fulfill other obligations as stipulated by laws, administrative regulations, securities regulatory rules of the listing place and the Articles of Association.

Where a shareholder of a company abuses his rights and causes losses to the company or other shareholders, he shall be liable for compensation according to law. Where the shareholders of the Company abuse the independent status of the Company as a legal person and the limited liability of shareholders to evade debts and seriously damage the interests of the creditors of the Company, they shall be jointly and severally liable for the debts of the Company.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

VI. RESTRICTIONS ON THE CONTROLLING SHAREHOLDERS’ RIGHTS AND DE FACTO CONTROLLER

The controlling shareholders and de facto controller of the Company shall not use their connected relations to damage the interests of the Company. If the violation causes losses to the Company, it shall be liable for compensation. The controlling shareholders and de facto controller of the Company shall have fiduciary duties towards the Company and its shareholders. The controlling shareholder shall exercise its rights as a capital contributor in strict compliance with the laws. The controlling shareholder shall not damage the legitimate rights and interests of the Company and shareholders by means of profit distribution, asset restructuring, external investment, fund appropriation, loan guarantee, etc., and shall not use its controlling status to damage the interests of the Company and shareholders.

VII. SHAREHOLDERS’ GENERAL MEETING

General rules for the Shareholders’ General Meeting

The shareholders’ general meeting comprises all shareholders of the Company. The general meeting is the authority of power of the Company, and shall exercise the following duties and powers in accordance with the law:

- (1) to elect and change the Directors who are not representatives of the employees and decide on the remunerations of Directors;
- (2) to examine and approve reports of the Board of Directors;
- (3) to examine and approve the profit distribution plans and loss recovery plans of the Company;
- (4) to make resolutions on the increase or reduction of the registered capital of the Company;
- (5) to make resolutions on the issuance of bonds of the Company;
- (6) to make resolutions on the merger, division, dissolution, liquidation or change of company form of the company;
- (7) to amend the Articles of Association of the Company;
- (8) to make resolutions on the employment, termination of the accounting firm engaged to conduct the audit of the Company;
- (9) to review and approve the guarantee matters that need to be approved by the general meeting of shareholders according;
- (10) to review the purchase or disposal of major assets by the Company within one year where the amount exceeds 30% of the Company’s latest audited total assets, or other major asset purchases and disposals that are required by applicable laws, administrative regulations, departmental rules, regulatory documents, the securities regulatory rules of the place where the Company’s shares are [REDACTED], or the Articles of Association to be decided by the shareholders’ general meeting;
- (11) to review and approve the change of the purpose of the raised funds;
- (12) to review and approve share incentive plans and employee share ownership schemes that are required by applicable laws, administrative regulations, departmental rules, regulatory documents, the securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association to be decided by the shareholders’ general meeting;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (13) to make a resolution on the Company’s repurchase of its own shares for the purpose of reducing the Company’s registered capital or merging with another company that holds shares of the Company;
- (14) to consider and review other matters that are required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association to be decided by the shareholders’ general meeting.

The general meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall hold once every year within six months from the end of the previous accounting year.

In the occurrence of any of the following events, the Company shall convene an extraordinary general meeting within two months:

- (1) when the number of directors is less than the number stipulated in the PRC Company Law or two-thirds of the number specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (3) when Shareholder(s) individually or jointly holding 10 percent or more of the Company’s voting rights, on a one vote per share basis, request(s) in writing to convene an extraordinary general meeting;
- (4) when deemed necessary by the Board;
- (5) when proposed by the Audit Committee;
- (6) any other circumstances stipulated by laws, administrative regulations, departmental regulations, the Listing rules or the Articles of Association.

Summoning of General Meetings

The board of directors shall convene the shareholders’ general meeting within the period stipulated in the Articles of Association. With the consent of more than half of all independent directors, the independent non-executive Directors are entitled to propose to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written reply on whether or not to convene the extraordinary general meeting within 10 days after receiving the proposal from the independent non-executive Directors. If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed. If the Board does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board to convene an extraordinary general meeting in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the resolution of the Board is passed. Any changes to the original proposal made in the notice shall be approved by the Audit Committee.

If the Board does not agree to convene the extraordinary general meeting or fails to give a reply within 10 days after receiving the proposal, the Board shall be deemed to be unable or fail to perform the duty of convening the general meeting, and the Audit Committee may summon and preside over the meeting on its own.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Shareholders individually or jointly holding 10% or more of the Company’s shares shall have the right to request the Board of Directors in writing to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations, the Listing rules and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

Proposals of the Shareholders’ General Meeting

When a general meeting is convened by the Company, Shareholders who individually or jointly hold one percent or more of the shares of the Company carrying voting right, shall be entitled to make proposals in writing to the Company and the convener ten days before the convening of the general meeting. The content of the proposal shall fall within the scope of duties and powers of the general meeting of shareholders, with clear issues and specific resolutions, and comply with the relevant provisions of laws and regulations, the securities regulatory rules of the listing place and the Company’s Articles of Association. Except as stipulated in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals. Shareholders shall neither vote at the general meeting nor make resolution on proposals that are not set out in the notice of shareholders’ general meeting or do not comply with the provisions of the Articles of Association.

Notices of the Shareholders’ General Meeting

In order to hold a shareholders’ general meeting, notice in writing shall be given to all Shareholders who are registered 21 days in advance for annual general meeting, or 15 days in advance for extraordinary Shareholders’ general meetings.

Convening of Shareholders’ General Meeting

Any shareholder entitled to attend and vote at a shareholders’ general meeting may attend in person or appoint one or more proxies (who need not be shareholders) to attend and vote on his behalf. A shareholder shall appoint a proxy in writing, and such appointment shall be signed by the appointor or by an agent authorized by him in writing. If the appointor is a corporate shareholder, such appointment shall be executed under its common seal or signed by its director or duly authorized agent.

Resolutions of Shareholders’ General Meetings

The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (1) the work report of the Board of Directors;
- (2) the profit distribution plan and loss recovery plan formulated by the Board of Directors;
- (3) the appointment and removal of Directors (other than employee representatives) and the determination of their remuneration and payment methods;
- (4) other matters that are not required to be approved by special resolution of the shareholders’ general meeting;
- (5) other matters that are not required to be adopted by special resolution pursuant to laws, administrative regulations, the securities regulatory rules of the listing place of the Company’s shares and the Articles of Association.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) Amending the Articles of Association and its appendices (including the Rules of Procedure of the Shareholders’ General Meeting and the Rules of Procedure of the Board of Directors);
- (2) Increasing or reducing the registered capital of the Company;
- (3) The division, split-up, merger, dissolution and liquidation of the Company;
- (4) Purchasing or disposing of major assets or providing security with an amount exceeding 30% of the Company’s latest audited total assets within any consecutive twelve months;
- (5) Adopting the equity incentive plan;
- (6) Other matters to be adopted by special resolution as stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, the Articles of Association or the Rules of Procedure of the Shareholders’ General Meeting, or as otherwise determined by the Shareholders’ General Meeting by ordinary resolution to have a material impact on the Company.

VIII. DIRECTORS AND BOARD OF DIRECTORS

Directors

Each director shall hold office for a term of three years and may be re-elected upon the expiration of such term. If a director causes damage to any other person while performing his duties, the Company shall bear the compensation liability. Where the director acted with intent or gross negligence, such director shall also bear the compensation liability. If a director violates laws, administrative regulations, departmental rules or this Articles of Association while performing his duties and causes losses to the Company, such director shall bear the compensation liability.

Board of Directors

The Company shall have a Board of directors which consists of 8 directors. Independent non-executive directors shall constitute more than one-third of the board of directors and shall number not less than three. At least one independent non-executive director must have appropriate professional qualifications or appropriate accounting or related financial management expertise as required by the Listing Rules.

The Board of Directors shall exercise the following powers and duties:

- (1) convening general meetings of shareholders and reporting on its work to the general meetings;
- (2) implementing resolutions adopted by the general meetings;
- (3) determining the business plans and investment proposals of the Company;
- (4) formulating the profit distribution plans and loss recovery plans of the Company;
- (5) formulating proposals for increasing or reducing the registered capital of the Company, issuing bonds or other securities and listing;
- (6) formulating proposals for material acquisition, repurchase of the Company’s shares, or merger, division, dissolution and change of company form of the Company;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (7) deciding on external investment, acquisition and disposal of assets, assets mortgage, external guarantee, entrusted financial management, connected transactions, external donation and other matters within the scope of authorization granted by the general meetings;
- (8) deciding on the establishment of the Company’s internal management structure;
- (9) appointing or removing the general manager (Chief Executive Officer), secretary to the Board and other senior management members of the Company, and determining their remuneration, rewards and punishments; and upon nomination by the general manager, appointing or removing deputy general managers, the financial officer (Chief Financial Officer) and other senior management members, and determining their remuneration, rewards and punishments;
- (10) formulating and revising the basic management systems of the Company;
- (11) formulating proposals for amendment to the Articles of Association;
- (12) managing the information disclosure of the Company in accordance with laws and regulations, the Listing Rules and the internal rules and policies of the Company;
- (13) proposing to the general meetings the engagement or replacement of the accounting firm engaged to audit the Company;
- (14) hearing work reports from the general manager (Chief Executive Officer) of the Company and inspecting the work of the general manager (Chief Executive Officer);
- (15) reviewing and monitoring the Company’s policies and practices in complying with applicable laws, administrative regulations, departmental rules, regulatory documents and securities regulatory rules of the place where the shares are listed;
- (16) reviewing the Company’s compliance with the Corporate Governance Code (Appendix C1 to the Listing Rules) and disclosures in the corporate governance report;
- (17) adopting resolutions on the repurchase of the Company’s shares under the relevant circumstances stipulated in the Articles of Association;
- (18) such other powers and functions as conferred by laws, administrative regulations, departmental rules, regulatory documents, securities regulatory rules of the place where the shares are listed or the Articles of Association.

IX. BOARD SECRETARY

The Company has one secretary to the Board, who is a member of the senior management of the Company and shall be appointed or removed by the Board of Directors.

X. GENERAL MANAGER

The Company has one general manager, which is appointed or removed by the Board of Directors. The general manager is accountable to the Board of Directors and shall exercise the following powers and duties:

- (1) preside over the production, operation and management of the Company, organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;
- (2) organize the implementation of the annual business plans and investment proposals of the Company;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (3) formulate proposals for the establishment of the internal management structure of the Company;
- (4) formulate the basic management systems of the Company;
- (5) formulate the specific rules and regulations of the Company;
- (6) propose to the Board of Directors the appointment or removal of deputy general managers and the financial officer of the Company;
- (7) appoint or remove other responsible management personnel other than those to be appointed or removed by the Board of Directors;
- (8) review and approve ordinary connected transactions other than those required to be approved by the Board of Directors or the shareholders’ general meeting pursuant to the Articles of Association;
- (9) review and approve other material transactions, external investments, external guarantees and other matters other than those required to be approved by the Board of Directors or the shareholders’ general meeting pursuant to the Articles of Association;
- (10) such other powers and functions as conferred by the Articles of Association, the securities regulatory rules of the place where the Company’s shares are [REDACTED] or the Board of Directors.

XI. AUDIT COMMITTEE

The board of directors shall establish an audit committee to exercise the powers of the supervisory board under the Company Law. The Audit Committee shall consist of 3 independent non-executive directors, none of whom shall hold senior management positions in the Company. The Audit Committee shall be responsible for reviewing the Company’s financial information and its disclosure, and for supervising and evaluating the internal and external audit work as well as the internal control of the Company.

XII. FINANCE AND ACCOUNTING SYSTEM

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED], and the provisions of relevant national authorities. The shareholders’ general meeting shall consider and approve the annual financial report within six months from the end of each financial year. The aforesaid financial report shall be prepared in accordance with relevant laws, administrative regulations, departmental rules and the Listing Rules.

XIII. PROFIT DISTRIBUTION

When the Company distributes its after-tax profits for a given year, it shall allocate 10% of such profits to the statutory common reserve. The allocation may cease once the accumulated amount of the statutory common reserve reaches 50% or more of the Company’s registered capital. If the statutory common reserve is insufficient to cover prior years’ losses, the current year’s profits shall first be applied to cover such losses before allocating to the statutory common reserve in accordance with the preceding paragraph. Subject to the recovery of prior losses and allocation to reserve funds, the remaining after-tax profits of the Company shall be distributed to the shareholders in proportion to the number of shares held by each shareholder, unless otherwise provided for in the Articles of Association or agreed by all shareholders.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

XIV. DISSOLUTION AND LIQUIDATION

The Company shall be dissolved under any of the following circumstances:

- (1) the term of its operations as is stipulated in the Articles of Association has expired or events of dissolution specified in the Articles of Association have occurred;
- (2) the shareholders’ general meeting resolves to dissolve the Company;
- (3) dissolution is necessary due to merger or division of the Company;
- (4) the Company is declared bankrupt for inability to pay its debts as they fall due;
- (5) the Company’s business licence is revoked, the Company is ordered to close down or be revoked in accordance with the law;
- (6) where the Company encounters serious difficulties in its operation and management and its continuous existence will cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the People’s Court to dissolve the Company.

If the Company falls under items (1) and (2) of the aforesaid grounds for dissolution and has not yet distributed assets to the shareholders, the Company may continue to exist by amending the Articles of Association or by adopting a resolution at a general meeting. Any amendment to the Articles of Association or any resolution adopted pursuant to the preceding paragraph shall be adopted by two-thirds or more of the voting rights held by the shareholders present at the general meeting.

If the Company is dissolved pursuant to items (1), (2), (4), (5) and (6) of the aforesaid grounds for dissolution, a liquidation group shall be formed within 15 days from the date on which the ground for dissolution arises to commence liquidation. The liquidation group shall consist of directors or persons determined by the general meeting. If the liquidation group is not formed within the prescribed time limit to conduct liquidation, the creditors may apply to the people’s court to designate relevant persons to form a liquidation group to conduct liquidation. Where a liquidation obligor fails to promptly perform its liquidation obligations and causes losses to the Company or its creditors, it shall be liable for compensation.

XV. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend this Articles of Association under any of the following circumstances:

- (1) where the matters set forth herein become inconsistent with the amended provisions of the Company Law or other relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company’s shares are [REDACTED], following the amendment thereof;
- (2) where there is a change in the Company’s circumstances that is inconsistent with the matters recorded in this Articles of Association;
- (3) where the shareholders’ general meeting resolves to amend this Articles of Association.

If such amendments adopted by the resolution of the general meeting of shareholders is subject to be approved by the competent administrative department, the amendment shall be submitted to the authorities in charge for approval; If such amendments involve any registered particulars of the Company, application shall be made for change of registration in accordance with laws.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

XVI. EFFECTIVENESS

The Articles of Association shall be adopted by the shareholders’ general meeting of the Company, and shall become effective and take effect on the date when the Company’s shares are [REDACTED] on the [REDACTED], after the Board of Directors, pursuant to the authorization by the shareholders’ general meeting, makes adjustments or supplements to the corresponding provisions hereof upon the completion of the [REDACTED], and the original articles of association shall be repealed simultaneously.

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1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation of our Company

Our Company was incorporated as a limited liability company under the laws of the PRC on October 14, 2005 and was converted into a joint stock company with limited liability on March 29, 2024. Our registered address and principal place of business is Room 01-02, 10th Floor, Building 1, Zone 3 Hanwei International Plaza, 186 South Fourth Ring West Road, Fengtai District, Beijing, the PRC.

We have established a place of business in Hong Kong at Room 1928, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on April 22, 2026. Ms. Yip Hoi Lam, our joint company secretary, is the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance. The address for service of process on our Company in Hong Kong is the same as its principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. An overview of the relevant aspects of laws and regulations of the PRC is set out in the section headed “Regulatory Overview” in this document. A summary of our Articles of Association is set out in Appendix III to this document.

B. Changes in the Share Capital of our Company

On March 29, 2024, our Company was converted into a joint stock company with limited liability, whose registered share capital was RMB54,858,155 consisting of 54,858,155 [REDACTED] with a nominal value of RMB1.00 each, which has been fully paid up by our promoters.

On July 24, 2025, the share capital of our Company further increased from RMB54,858,155 to RMB58,870,927. Upon the completion of such capital increase, the registered share capital of our Company is RMB58,870,927 consisting of 58,870,927 [REDACTED] with a nominal value of RMB1.00 each.

On April 2, 2026, the share capital of our Company further increased from RMB58,870,927 to RMB61,446,531. Upon the completion of such capital increase, the registered share capital of our Company is RMB61,446,531 consisting of 61,446,531 [REDACTED] with a nominal value of RMB1.00 each.

Immediately following the completion of the [REDACTED] and the [REDACTED], assuming that the [REDACTED] is not exercised, our registered share capital will be increased to RMB[REDACTED], fully paid up or credited as fully paid up.

Save as disclosed above and in the section headed “History, Development and Corporate Structure” in this document, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

C. Resolutions Passed by Our Shareholders’ General Meeting in Relation to the [REDACTED]

At the extraordinary general meeting of the Shareholders held on April 24, 2026, the following resolutions, among others, were duly passed:

- (1) the issue by our Company of the [REDACTED] with a nominal value of RMB0.1 each, representing up to [REDACTED] of the total share capital of our Company upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and such [REDACTED] being [REDACTED] on the [REDACTED];

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- (2) the granting of the [REDACTED] in respect of no more than [REDACTED] of the number of [REDACTED] as mentioned above;
- (3) subject to the filing with CSRC being completed, the [REDACTED] upon completion of the [REDACTED] shall be approved;
- (4) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on the [REDACTED] and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities;
- (5) the share subdivision on a 1:10 basis, immediately prior to the [REDACTED]; and
- (6) approving the Board and person(s) authorized by the Board to handle all matters relating to, among other things, the issue and the [REDACTED] on the [REDACTED].

D. Changes in Share Capital of our Major Subsidiaries

The list of our subsidiaries is set out in Note 1 to the Accountants’ Report, the text of which is set out in Appendix I to this Document.

There has been no alteration in the share capital of any of our major subsidiaries within the two years preceding the date of this document.

E. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see the section headed “Appendix III—Summary of Articles of Association of the Company” in this document.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Material Contracts

We have entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

- (1) the [REDACTED].

B. Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered the following intellectual property rights which were material to our Group’s business.

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Class	Owner	Place of Registration	Registration No.	Validity Period
1	Smart Dark Lab	9	Our Company	PRC	79020675	January 14, 2025– January 13, 2035
2	戴納黑灯实验室	9	Our Company	PRC	79030414	February 14, 2025– February 13, 2035

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No.	Trademark	Class	Owner	Place of Registration	Registration No.	Validity Period
3		9	Our Company	PRC	74664618	July 7, 2024– July 6, 2034
4		42	Our Company	PRC	71526928	November 7, 2023– November 6, 2033
5		9	Our Company	PRC	40646561	February 7, 2021– February 6, 2031
6		42	Our Company	PRC	40632690	June 21, 2020– June 20, 2030
7		9	Our Company	PRC	40626905	November 28, 2020– November 27, 2030
8		9	Our Company	PRC	40649071	February 7, 2021– February 6, 2031

Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business:

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
1	Our Company	An Automated Laboratory Titration Analysis System	ZL202511420094.2	Invention	September 30, 2025	December 30, 2025
2	Our Company	An Automated Laboratory Sample Storage Cabinet	ZL202511440549.7	Invention	October 10, 2025	December 30, 2025
3	Our Company	A Sample Pretreatment Device	ZL202323097945.3	Utility Model	November 16, 2023	June 21, 2024
4	Our Company	A Laboratory Pipetting Device	ZL202211028814.7	Invention	August 26, 2022	February 20, 2024
5	Our Company	A Precision Instrument Management System Based on a Cell Counter	ZL202110568491.X	Invention	May 25, 2021	January 23, 2024
6	Our Company	Management Methods and Systems for Shared Instruments	ZL202110166263.X	Invention	February 4, 2021	October 31, 2023
7	Our Company	A Multi-Axis Manipulator for Laboratory Use	ZL202110522442.2	Invention	May 13, 2021	June 16, 2023
8	Our Company	A Real-Time Status Monitoring System for Laboratory Equipment	ZL202010399530.3	Invention	August 27, 2019	March 15, 2022
9	Dynaflow Aurora	Optical Microbial Detection Device	ZL202530060825.1	Appearance design	February 11, 2025	December 19, 2025
10	Dynaflow Aurora	A Handheld Multi-Wavelength Device for Detecting Microorganisms in Gases Within Minutes	ZL202221464669.2	Utility Model	June 13, 2022	February 21, 2023

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Software Copyrights

As of the Latest Practicable Date, we had registered the following software copyrights which we considered to be material to our business:

No.	Owner	Software Name	Registration No.	Date of Registration
1	Our Company	Dynaflow Reagent and Consumables Intelligent Management System	2022SR0017246	January 5, 2022
2	Our Company	Dynaflow Smart Laboratory Management Platform	2022SR0017245	January 5, 2022
3	Our Company	Dynaflow Laboratory Resource Sharing Management System	2022SR0017176	January 5, 2022
4	Our Company	Dynaflow Laboratory Gas Alarm Control System Software	2014SR115294	August 7, 2014
5	Our Company	Dynaflow Laboratory Cleanroom System Real-Time Monitoring Software	2014SR115549	August 7, 2014
6	Hebei Dynaflow	Visualized Central Control System for Laboratories	2021SR0227251	February 8, 2021
7	Hebei Dynaflow	Integrated Management Platform for Smart Modular Laboratories	2021SR0224822	February 8, 2021
8	Dynaflow Aurora	Environmental Toxic and Hazardous Gas Detection and Control System	2021SR2113476	December 23, 2021
9	Dynaflow Aurora	An AI-Based Early Warning System for Indoor Air Pollutants in Buildings	2021SR2109818	December 23, 2021
10	Dynaflow Aurora	A Database System for Highly Contagious Viruses Based on Raman Spectroscopy	2021SR2109817	December 23, 2021
11	Dynaflow Aurora	Optically-Based Rapid Identification and Control System for Viruses and Bacteria	2021SR2114950	December 23, 2021

Domain Names

As of the Latest Practicable Date, we had registered the following domain names which we considered to be material to our business:

No.	Domain Name	Name of Registered Proprietor	Date of Approval
1.	dynaflow.cn	Our Company	February 20, 2025
2.	ci2sl.com	Our Company	September 17, 2019

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Service Contracts and Letters of Appointment

Each of our Directors [has entered into] a service contract/appointment letter with our Company. Each service contract is for an initial term of three years. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

Save as disclosed above, none of our Directors has entered, or has proposed to enter, into a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

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B. Remuneration of Directors

See “Directors and Senior Management” and Note 8 to the Accountants’ Report in Appendix I to this document for the remuneration or benefits in kind paid to our Directors for three years ended December 31, 2025.

During the Track Record Period, no fees were paid by our Group to any of the Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office.

C. Disclosure of Interests

Interests of our Directors and Chief Executive

Immediately following the completion of the Share Subdivision, the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised), none of our Directors or chief executive has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the [REDACTED] are [REDACTED] on the [REDACTED].

Name of Shareholder	Nature of interest	As of the Latest Practicable Date			Immediately after the completion of the Share Subdivision, the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised)			
		Number of [REDACTED] Shares (before the Share Subdivision)	Number of [REDACTED] Shares (after the Share Subdivision)	Approximate Percentage of shareholding in the total issued share capital of our Company (%)	Number of Shares	Nature of Shares	Approximate percentage of shareholding in our [REDACTED] Shares/ [REDACTED] (as appropriate) (%)	Approximate percentage of shareholding in total issued share capital of our Company after the [REDACTED] (%)
Mr. Chi ⁽¹⁾⁽²⁾	Beneficial owner	12,000,000	120,000,000	19.53	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽⁴⁾	9,028,157	90,281,570	14.69	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	23,600,000	236,000,000	38.41	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang Huaidong ⁽³⁾	Beneficial owner	8,400,000	84,000,000	13.67	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	36,228,157	362,281,570	58.96	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Xing Xixue ⁽⁴⁾	Beneficial owner	2,400,000	24,000,000	3.91	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Interest held jointly with another person ⁽⁵⁾	42,228,157	422,281,570	68.72	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Gong Changhua ⁽⁵⁾	Interest of spouse	7,200,000	72,000,000	11.72	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
					[REDACTED]	[REDACTED]	[REDACTED]	

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Notes:

- (1) See “Substantial Shareholders”.
- (2) As of the Latest Practicable Date, Dynaflow No.1 LP, Dynaflow No.2 LP and Dynaflow No.3 LP have been controlled by Mr. Chi through Beijing Juhe as the general partner. Under the SFO, Mr. Chi is deemed to be interested in the entire Shares held by Dynaflow No.1 LP, Dynaflow No.2 LP and Dynaflow No.3 LP.
- (3) Pursuant to the Concert Party Agreement, Mr. Zhang Huaidong irrevocably agreed to, among others, act in concert with Mr. Chi, Ms. Jin Hui, Mr. Zhang Jingjun and Mr. Xing Xixue, and Mr. Chi, as the largest shareholder, has the right to make the final decision. Under the SFO, Mr. Zhang Huaidong is deemed to be interested in the Shares held by such personnels.
- (4) Pursuant to the Concert Party Agreement, Mr. Xing Xixue irrevocably agreed to, among others, act in concert with Mr. Chi, Ms. Jin Hui, Mr. Zhang Jingjun and Mr. Zhang Huaidong, and Mr. Chi, as the largest shareholder, has the right to make the final decision. Under the SFO, Mr. Xing Xixue is deemed to be interested in the Shares held by such personnels.
- (5) Mr. Gong Changhua is the spouse of our controlling shareholder Ms. Jin Hui, Under the SFO, Mr. Gong Changhua is deemed to be interested in Shares held by Ms. Jin Hui.

Substantial Shareholders

Save as disclosed in the section headed “Substantial Shareholders” in this document, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the [REDACTED] and the [REDACTED], would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any member of our Group.

Disclaimers

- (1) none of our Directors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (2) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole; and
- (3) save as disclosed in the sections headed “Substantial Shareholders” and “—4. Disclosure of interests—A. Interests of our Directors and chief executive”, so far as is known to our Directors, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 10% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

4. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty under the PRC laws is likely to fall on our Company or its subsidiaries.

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B. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any outstanding material litigation or arbitration which may have a material and adverse effect on the [REDACTED] and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

C. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the [REDACTED] Committee for the [REDACTED] of, and permission to [REDACTED], our [REDACTED]. The Joint Sponsors satisfy the independence criteria applicable to a sponsor as set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will be paid by our Company a total fee of HK\$6.6 million to act as the sponsor in connection with the [REDACTED].

D. Compliance Advisor

Our Company has appointed Mango Financial Limited as the compliance advisor upon the [REDACTED] in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

We have not incurred any material preliminary expenses.

F. Promoters

The information of our promoters when we were [REDACTED] into a joint stock company on March 29, 2024 is as follows:

Name of Shareholder	Number of shares	Shareholding percentage (%)
Mr. Chi	12,000,000	21.87
Mr. Zhang Huaidong	8,400,000	15.31
Ms. Jin Hui	7,200,000	13.13
Dynaflow No. 1 LP	5,836,668	10.64
Mr. Zhang Jingjun	5,600,000	10.21
Mr. Xing Xiaodong	4,325,000	7.88
Mr. Xing Xixue	2,400,000	4.38
Dynaflow No. 3 LP	1,747,674	3.19
Xiamen Jiaqiao	1,666,666	3.04
Dynaflow No. 2 LP	1,443,815	2.63
Tianjin Zhongqi	1,410,929	2.57
Qingdao Qinxun	1,219,070	2.22
Guiyang Zeyu	833,333	1.52
Ningbo Yihong	775,000	1.41
Total	54,858,155	100.00

Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

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G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this document, are as follows:

Name	Qualification
CMB International Capital Limited	A licensed corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Sinolink Securities (Hong Kong) Company Limited	Licensed corporation under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Jingtian & Gongcheng	PRC Legal Advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

H. Consents of Experts

Each of the experts named in the section headed “—4. Other Information—G. Qualification of Experts” above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above had any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for [REDACTED] in any member of our Group.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer is effected on the [REDACTED] of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. Intending holders of the H Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of [REDACTED] for, purchasing, holding or disposing of or [REDACTED] in the H Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the [REDACTED] will accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their [REDACTED] for, purchase, holding or disposal of or [REDACTED] in the [REDACTED] or exercise of any rights attaching to them.

J. No Material and Adverse Change

Our Directors confirm that there has been no material and adverse change in the financial or trading position of our Group since December 31, 2025.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

K. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

L. Related Party Transactions

Our Group entered into certain related party transactions within the two years immediately preceding the date of this document as mentioned in Note 33 to the Accountants’ Report in Appendix I to this document.

M. Miscellaneous

- (1) Within the two years immediately preceding the date of this document:
 - (i) save as disclosed in the section headed “History, Development and Corporate Structure”, no share or loan capital of our Group has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no share or loan capital of our Group is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) save as disclosed in the section headed “[REDACTED],” no commissions, [REDACTED], brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Group; and
 - (iv) save as disclosed in the section headed “[REDACTED],” no commission has been paid or is payable for subscribing, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any shares in or debentures of our Company.
- (2) There are no founder, management or deferred shares or any debentures in our Group.
- (3) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the [REDACTED] preceding the date of this document.
- (4) Our Company has no outstanding convertible debt securities or debentures.
- (5) There is no arrangement under which future dividends are waived or agreed to be waived.
- (6) Save as disclosed in the section headed “History, Development and Corporate Structure,” none of our equity and debt securities is [REDACTED] or dealt with in any other [REDACTED] nor is any [REDACTED] or permission to deal being or proposed to be sought.
- (7) All necessary arrangements have been made to enable the H shares to be admitted into [REDACTED] for clearing and settlement.
- (8) No company within our Group is presently [REDACTED] on any [REDACTED] or [REDACTED] on any [REDACTED] system.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT

APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

N. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

APPENDIX V

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in the section headed “Appendix IV—Statutory and General Information—2. Further Information about Our Business—A. Summary of Material Contracts” in this document; and
- (b) the written consents referred to in the sub-section headed “Appendix IV—Statutory and General Information—4. Other Information—H. Consents of Experts” in this document.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the [REDACTED] Exchange at www.hkexnews.hk and our website at www.dynaflo.cn during a period of 14 days from the date of this document:

- (a) the Articles of Association of the Company;
- (b) the Accountants’ Report prepared by KPMG, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Company for the three years ended December 31, 2025;
- (d) the report from KPMG on the [REDACTED] financial information, the text of which is set out in Appendix II to this document;
- (e) the PRC legal opinion issued by Jingtian & Gongcheng, our PRC Legal Advisor, in respect of certain aspects of our Group;
- (f) the material contracts referred to in the section headed “Appendix IV—Statutory and General Information—2. Further Information about Our Business—A. Summary of Material Contracts” in this document;
- (g) the written consents referred to in the section headed “Appendix IV—Statutory and General Information—4. Other Information—H. Consents of Experts” in this document;
- (h) the service contracts and the letters of appointment referred to in the sub-section headed “Appendix IV—Statutory and General Information—3. Further Information about Our Directors and Substantial Shareholders—A. Service Contracts and Letters of Appointment” in this document;
- (i) F&S Report; and
- (j) the PRC Company Law, the PRC Securities Law, and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translations.