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Application Proof of

Zhongding Intelligent (Wuxi) Technology Co., Ltd.

(中鼎智能（無錫）科技股份有限公司)

(the “Company”)

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

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Zhongding Intelligent (Wuxi) Technology Co., Ltd.

中鼎智能（無錫）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] H Shares (subject to the
[REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED] and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus
brokerage of 1.0%, 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 in Hong Kong
dollars and subject to refund)
Nominal value : RMB1.00 per H Share
[REDACTED] : [REDACTED]

Sole Sponsor



國泰海通
GUOTAI HAITONG

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The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See “[REDACTED]” for further details.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may be offered and sold only outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act.

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. Moreover, there are risks associated with any investment. Some of the particular risks of [REDACTED] in the [REDACTED] are set out in “Risk Factors.” You should read the entire document carefully before you decide to invest in the [REDACTED]. Various expressions used in this section are defined in “Definitions” and “Glossary of Technical Terms.”

OVERVIEW

We are an established smart intralogistics and warehouse automation solution provider in China. Our core offering is smart intralogistics solutions, which integrate smart intralogistics management software and intralogistics equipment, such as stacker cranes, shuttles, conveyor lines and robots to coordinate the movement and storage of items within warehouses, factories and production lines across a diverse range of industry verticals.

Smart intralogistics refers to the intelligent management and coordination of internal material flows within facilities such as warehouses, production plants, and distribution centers. Distinctive features include real-time inventory tracking with RFID and sensors, autonomous mobile robots (AMRs) for transporting goods, automated storage and retrieval systems (AS/RS), and the use of predictive analytics to optimize workflows. The scope of smart intralogistics includes receiving and unloading of goods, automated quality checks, dynamic storage allocation, internal transport between workstations, robotic picking and sorting, real-time order tracking, packing optimization, waste handling, and returns management. These interconnected, data-driven processes enable smarter decision-making, reduce manual labor and errors, and improve the overall responsiveness of supply chain operations.

In terms of revenue in 2025, we ranked 4th in the smart intralogistics solutions industry in China with a 1.6% market share; 2nd in the smart intralogistics solutions for industrial sector in China with a 3.2% market share, and 1st in the smart intralogistics solutions for new energy lithium-ion battery sector in China with a 25.6% market share. The industrial sector accounted for nearly 50% of the total smart intralogistics solution market in China in 2025, while the new energy lithium-ion battery sector accounted for approximately 6%.

Our solutions optimize the flow of goods within production facilities and warehouses, reduce manual intervention, improve space utilization, and provide value-added features such as real-time inventory management, thereby reducing costs and enhancing operational efficiency and accuracy. We also offer after-sales services, which primarily include regular maintenance, spare parts and repairs, and technical upgrades and modifications.

In addition, we sell standalone intralogistics equipment, principally stacker cranes. They are widely used in manufacturing plants, logistics parks, warehouses, and other similar worksites.

The [REDACTED] of our Group constitutes a spin-off from Noblislift Company under relevant PRC regulations. Noblislift Company is a joint stock limited company incorporated in the PRC with its A shares listed on the Shanghai Stock Exchange (stock code: 603611). We consider that the spin-off will enable our Group to gain direct access to capital markets for equity and debt financing to fund existing operations and future expansion without reliance on Noblislift Company. The spin-off was approved by the shareholders of Noblislift Company on April 17, 2025 and by the shareholders of our Company on April 30, 2025. The Company will complete the required filing with the CSRC prior to the [REDACTED].

SUMMARY

Our smart intralogistics solutions, which are offered on a project-by-project basis, contributed over 95% of our revenue during the Track Record Period. Our smart intralogistics solutions comprise one or more of the following sub-systems:

- ***Smart intralogistics software systems.*** All of our smart intralogistics solutions are embedded with smart intralogistics software systems, which primarily include our self-developed warehouse control systems (WCS), warehouse management systems (WMS), and flexible manufacturing systems (FMS) for new energy lithium-ion batteries. While by default, all smart intralogistics software systems deployed in our solutions are developed in-house, customers may sometimes require third-party software systems to meet specific project needs;
- ***Automated storage and retrieval systems (AS/RS).*** Our AS/RSs primarily consist of equipment such as stacker cranes, shuttles, and racking systems, enabling more efficient storage, retrieval and sequencing of loads, and utilization of storage space. All stacker cranes, which are key components of our smart intralogistics solutions, are manufactured in-house (except in limited cases where customers explicitly require alternative sourcing), while other equipment such as shuttles and racking systems are procured externally;
- ***Automated conveyor and sorting systems.*** Our automated conveyor and sorting systems primarily include various types of conveyors, automated sorting equipment, and goods-to-person and goods-to-robot picking systems. We have in-house manufacturing capabilities for tote conveyors, pallet conveyors (including roller conveyors and chain conveyors), and vertical lift conveyors, with production volumes optimized based on cost and available capacity; all other automated conveyor systems, along with automated sorting systems and goods-to-person/robot picking systems, are procured externally; and
- ***Robotics systems.*** Our robotics systems integrate our proprietary navigation, control and management systems into various third-party robots, such as industrial robots and mobile robots, to facilitate tasks such as material handling, picking and palletizing, and enable real-time monitoring and improved decision-making in our intralogistics solutions. While all robotic hardware is externally sourced, we design and manufacture certain custom components (like client-specific jigs) in-house, with full integration through smart intralogistics software.

Building on our years of experience and strong production and service capabilities, we have developed smart intralogistics solutions and diverse intralogistics systems that are tailored to the specific needs of different industry verticals. During the Track Record Period, our top industry verticals are:

- ***New Energy***, which contributes the largest portion of our revenue and primarily includes solutions for the storage and smart manufacturing of lithium-ion batteries, which require highly precise and secure handling as lithium-ion batteries are sensitive to environmental conditions and can pose safety hazards, such as fire, if mishandled. Leveraging our long-standing expertise in intralogistics and warehouse management, we started providing integrated solutions to customers in the new energy industry in 2013. Our new energy customers include some of the largest EV battery manufacturers in China. In 2023, 2024 and 2025, our revenue derived from new energy customers amounted to RMB1,307.0 million, RMB1,347.7 million and RMB1,742.1 million, respectively, accounting for 77.1%, 75.0% and 92.6% of our total revenue for the same year, respectively;

SUMMARY

- **Automotive Parts**, which primarily includes solutions for the manufacturing and storage of tires, vehicle bodies and other automotive components. Our solutions optimize warehouse space, improve operational efficiency and work accuracy, and offer robust handling for diverse parts sizes and weights. Our customers for automotive parts include renowned automakers and parts manufacturers in China;
- **Healthcare**, which primarily includes solutions for raw pharmaceutical materials, finished pharmaceutical products, pharmaceutical distribution centers, and medical equipment. Healthcare solutions often require highly precise inventory tracking and strict environmental controls to ensure order accuracy and maintain the integrity of sensitive materials. Our solutions can help customers obtain GMP certification. Our healthcare customers include large pharmaceutical companies in China, such as Sinopharm Group and Yuwell; and
- **Food**, which includes solutions for both ambient-temperature and cold-chain warehouse management. Food warehousing management often requires temperature control to prevent spoilage. Our cold-chain solutions can operate functionally and stably at temperatures as low as -25°C.

In addition, we have experience serving a wide variety of other industry verticals, such as chemicals, electronics, new materials, textile and equipment manufacturing.

In 2023, 2024 and 2025, our revenue amounted to RMB1,694.7 million, RMB1,797.8 million and RMB1,881.7 million, respectively, and our net profit amounted to RMB78.2 million, RMB88.6 million and RMB97.4 million, respectively.

COMPETITIVE STRENGTHS

We believe our market position and success are primarily attributable to several key competitive advantages:

- capabilities to research and develop smart intralogistics software, manufacture core intralogistics equipment, and deliver comprehensive customized solutions
- established position in smart intralogistics solutions for the new energy industry
- a wide range of quality client resources, sector experience, and multi-industry capabilities
- established brand recognition with relevant industry qualifications
- experienced management and specialized staff team

OUR STRATEGIES

Our goal is to strengthen our position as an established provider of smart intralogistics and warehouse automation solutions. To achieve this, we intend to implement the following strategies:

- strengthen technological innovation and research and development investment, improve upon existing equipment and technology by integration of robotics and AI technology, and focus on developing solutions which involve application of robotics
- expand into diversified business fields by deepening existing customer relationships and developing after-sales services
- expand overseas and embrace new opportunities in overseas markets
- growth through strategic M&A

SUMMARY

OUR BUSINESS MODEL

Our offerings primarily include the following:

- ***Smart intralogistics solutions.*** Our smart intralogistics solutions are integrated solutions comprising one or more of the following intralogistics products: (i) smart intralogistics software systems, (ii) automated storage and retrieval systems (AS/RS), (iii) automated conveyor and sorting systems, and (iv) robotics systems. We offer our smart intralogistics solutions on a project-by-project basis and charge our customers in installments after achieving milestones outlined in our project contracts.
- ***Sales of intralogistics equipment and others.*** We sell intralogistics equipment, mainly stacker cranes, in standalone orders to customers. Our intralogistics equipment are designed to suit a variety of operational environments, such as high-density warehouses for lithium-ion batteries and fast-moving consumer goods, and temperature-controlled and low-temperature facilities for food and pharmaceutical products.
- ***After-sales services.*** Our after-sales services are designed to support the long-term performance and reliability of our smart intralogistics solutions. These services primarily include retrofit projects, where we upgrade existing systems in our solutions to improve efficiency or adapt to our customers’ evolving operational needs. We also offer the replacement of spare parts to ensure uninterrupted operations of our solutions, as well as comprehensive maintenance services to minimize downtime and extend the lifecycle of our equipment.

The average duration of our smart intralogistics solution projects was 508 days, 694 days and 530 days in 2023, 2024 and 2025, respectively. The elevated average in 2024 was primarily driven by the coincidental acceptance of several long-cycle projects, including a 2,134-day legacy project initiated in 2018 and formally accepted in 2024. We have adopted a series of measures to shorten project duration. For further details, see “Business — Our Business Model — Smart Intralogistics Solutions — Key Operating Metrics.”

OUR CUSTOMERS

In each year during the Track Record Period, our major customers primarily include lithium-ion battery manufacturers, and automotive parts manufacturers. In each year during the Track Record Period, revenue generated from our top five customers accounted for 74.9%, 71.4%, and 81.2% of our total revenue in 2023, 2024, and 2025, respectively. In each of these years, our largest customer was a lithium-ion battery manufacturer in China. To reduce reliance on a single major customer, we have balanced our business development. As a result, revenue generated from our largest customer has been substantial but decreasing, accounting for 49.2%, 26.3%, and 24.9% of our total revenue in 2023, 2024, and 2025, respectively.

OUR SUPPLIERS

Our suppliers primarily include equipment and components manufacturers, the vast majority of which are located in China. During the Track Record Period, we collaborated with over 700 third-party suppliers. In each year during the Track Record Period, our top five suppliers collectively accounted for 27.5%, 36.1% and 27.4% of our total purchase in 2023, 2024 and 2025, respectively. For the same periods, our single largest supplier accounted for 7.8%, 13.0% and 8.8% of our total purchase, respectively.

SUMMARY

MARKET AND COMPETITION

We operate in China’s sizable and highly competitive smart intralogistics solution market, where leading players with strong hardware-software integration capabilities have established a significant scale advantage. The market size of China’s smart intralogistics solution industry reached approximately RMB111.0 billion in 2025, with the top five players collectively accounting for nearly 9% of the total market share. In terms of revenue in 2025, we ranked fourth in the smart intralogistics solutions industry in China with a market share of 1.6%, second in the smart intralogistics solutions for industrial sectors in China, which the industrial sector accounts for nearly 50% of the total, and first in the smart intralogistics solutions for new energy lithium-ion battery sector in China, which the new energy lithium-ion batteries accounts for approximately 6% of the total.

We face potential competition from established market players and agile new entrants as they expand their technological capabilities and product offerings. The fast-paced innovation in the smart intralogistics solution industry offers significant opportunities but requires us to stay aligned with industry trends and customer needs. We believe that our ability to remain competitive depends upon many factors, such as our strong production and integration capabilities, extensive sector experience, in particular the new energy industry, strong partnerships with major customers, experienced management team and sustainable talent incentive system. For a more detailed discussion of the markets in which we operate and the competition we face, see “Industry Overview” and “Business — Competition”.

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to [REDACTED] in us and/or the value of your [REDACTED]. See “Risk Factors” for details of our risk factors. Some of the major risks we face include: (i) Any economic slowdown or decrease in industrial and economic activities may adversely affect the industries in which our customers operate, which may reduce the market demand for our services and solutions, and our business, results of operations, financial condition, and prospects may be materially and adversely affected; (ii) The smart intralogistics solution industry is competitive. Our failure to successfully compete could materially and adversely affect our market position and market share; (iii) Our customers may not completely accept the smart intralogistics solutions we deliver, acknowledge the completion of our smart intralogistics solution projects, or make payments to us in a timely manner or at all; (iv) We experienced customer concentration during the Track Record Period and may continue to be exposed to risks associated with such concentration in the future; (v) The majority of our revenue is derived from customers in the new energy industry, making us subject to changes in the regulatory landscape, market size, and other factors affecting the new energy industry; (vi) We may not be able to maintain our current tender success rate; (vii) We are subject to risks relating to project duration and customer acceptance cycles; and (viii) Our future success relies on our ability to continue introducing innovative smart intralogistics solutions and intralogistics equipment, and our efforts in this aspect may not achieve the expected results.

SUMMARY OF KEY FINANCIAL INFORMATION

The following tables set forth a summary of our consolidated financial information for the Track Record Period, extracted from the Accountant’s Report set out in Appendix I. The summary of consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this document, including the related notes. Our consolidated financial information has been prepared in accordance with HKFRS Accounting Standards.

SUMMARY

Summary Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Revenue	1,694,654	1,797,805	1,881,681
Cost of sales	(1,456,819)	(1,561,941)	(1,597,504)
Gross profit	237,835	235,864	284,177
Other income and gains	19,096	15,243	12,467
Selling and distribution expenses	(27,322)	(27,089)	(33,815)
Administrative expenses	(52,235)	(52,730)	(57,325)
Research and development expenses	(71,300)	(65,840)	(74,960)
Impairment losses/(gains) on financial and contract assets	(11,895)	7,889	(5,780)
Other expenses	(8,438)	(15,571)	(11,198)
Finance costs	(4,375)	(2,664)	(2,059)
Share of losses from an associate	—	—	(134)
Profit before tax	81,366	95,102	111,373
Income tax expenses	(3,184)	(6,476)	(13,999)
Profit for the year	78,182	88,626	97,374

Revenue

Our revenue during the Track Record Period represents revenue from our three business segments: (i) smart intralogistics solutions, where we provide integrated solutions to our customers on a project-by-project basis. Revenue from each project is recognized after the installation and commissioning of the solution are completed and the customer accepts the solution; (ii) after-sales services, which primarily include maintenance and upgrade services provided to customers who have purchased our smart intralogistics solutions; and (iii) sales of intralogistics equipment which primarily comprises stacker cranes and conveyors, and to a much lesser extent, sales of others which are scrap materials from our production activities.

The vast majority of our revenue is derived from the sales of smart intralogistics solutions, our core offering. Our revenue from smart intralogistics solutions has shown stable growth from 2023 to 2025, primarily due to: (i) an increase in demand for smart intralogistics solutions for lithium-ion battery manufacturers in China, mainly attributable to the growth of the electric vehicle market; and (ii) an increase in market demand for smart intralogistics systems driven by favorable policies issued by the PRC government that incentivize the intelligent upgrading of warehouse management and intralogistics systems for manufacturing enterprises.

The following table sets forth a breakdown of our revenue by business segment:

	Year ended December 31,					
	2023		2024		2025	
	(RMB in thousands except for percentages)					
Smart intralogistics solutions	1,602,744	94.6%	1,727,754	96.1%	1,786,679	95.0%
After-sales services	47,515	2.8%	49,775	2.8%	82,126	4.4%
Sales of intralogistics equipment and others . .	44,395	2.6%	20,276	1.1%	12,876	0.6%
Total	1,694,654	100.0%	1,797,805	100.0%	1,881,681	100.0%

SUMMARY

The following table sets forth a breakdown of our revenue from smart intralogistics solutions by customer industry:

	Year ended December 31,					
	2023		2024		2025	
<i>(RMB in thousands except for percentages)</i>						
New energy	1,257,676	78.5%	1,306,084	75.5%	1,676,602	93.8%
Automotive parts	53,447	3.3%	169,049	9.8%	922	0.1%
Healthcare	53,799	3.4%	66,561	3.9%	12,965	0.7%
Food	78,962	4.9%	63,225	3.7%	12,720	0.7%
Others ⁽¹⁾	158,860	9.9%	122,835	7.1%	83,470	4.7%
Total	1,602,744	100.0%	1,727,754	100.0%	1,786,679	100.0%

(1) Primarily include chemicals, electronics, new materials, textiles and equipment manufacturing.

During the Track Record Period, a substantial majority of our revenue from smart intralogistics solutions was contributed by customers from the new energy industry, primarily lithium-ion battery manufacturers in China, aligning with the continued growth of the PRC electric vehicle market in recent years.

Gross Profit and Gross Profit Margin

Our cost of sales primarily comprises costs of direct materials, mainly consisting of the costs of procured equipment and components, such as racks, shuttles and robots which are integrated in our solution offering, and raw materials used in the production of our intralogistics equipment. Our smart intralogistics solutions are offered on a project-by-project basis. The complexity and level of customization of these solutions directly influence our cost of sales. Highly customized or complex solutions typically require specialized equipment or additional components, leading to procurement of increased quantities or higher-priced customized materials. The following table sets forth a breakdown of our gross profit and gross profit margin by business segment:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
<i>(RMB in thousands except for percentages)</i>						
Smart intralogistics solutions	204,368	12.8%	209,927	12.2%	258,069	14.4%
After-sales services	28,501	60.0%	21,855	43.9%	23,502	28.6%
Sales of intralogistics equipment and others	4,966	11.2%	4,082	20.1%	2,606	20.2%
Total	237,835	14.0%	235,864	13.1%	284,177	15.1%

SUMMARY

The following table sets forth a breakdown of the gross profit and gross profit margin of our smart intralogistics solutions by customer industry:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
<i>(RMB in thousands except for percentages)</i>						
Smart intralogistics solutions						
New energy	150,871	12.0%	211,115	16.2%	262,862	15.7%
Automotive parts	13,485	25.2%	(8,934)	(5.3)%	301	32.6%
Healthcare	3,909	7.3%	3,903	5.9%	552	4.3%
Food	8,360	10.6%	3,283	5.2%	(1,106)	(8.7)%
Others ⁽¹⁾	27,743	17.5%	560	0.5%	(4,540)	(5.4)%
Total	204,368	12.8%	209,927	12.2%	258,069	14.4%

(1) Primarily include chemicals, new materials, electronics, textiles, home furnishings, entertainment, and equipment manufacturing.

Our overall gross profit for smart intralogistics solutions increased from RMB204.4 million in 2023 to RMB209.9 million in 2024, while the overall gross profit margin decreased slightly from 12.8% to 12.2% due to a mix of contributing factors across our different industry solutions. Although the gross profit of our new energy solutions grew significantly from RMB150.9 million in 2023 to RMB211.1 million in 2024, with the segmental margin improving from 12.0% to 16.2%, this positive impact was offset by margin contractions across our other industry sectors, namely automotive parts, healthcare, food, and others. The aggregate gross profit of these remaining sectors experienced a decline, shifting from a gross profit of RMB53.5 million in 2023 to a gross loss of RMB1.2 million in 2024. This decrease was primarily driven by intensifying market competition and the financial impact of certain contracts that incurred gross losses in the automotive parts and food sectors. In particular, we had a negative gross profit margin for automotive parts solutions in 2024 due to two loss-making contracts.

In 2025, our overall gross profit for smart intralogistics solutions increased to RMB258.1 million, representing an overall margin of 14.4%. This growth was mainly driven by (i) enhanced performance in our new energy projects, which contributed substantially all our total gross profit, and (ii) a substantial rebound in our automotive parts solutions as we secured a small number of high-margin contracts for developing smart intralogistics software systems. The gross profit margin of the automotive parts segment recovered from negative 5.3% in 2024 to 32.6% in 2025, converting a gross loss of RMB8.9 million into a gross profit of RMB0.3 million. Meanwhile, the food segment and other segments recorded gross losses of RMB1.1 million and RMB4.5 million, respectively, with negative gross profit margins of 8.7% and 5.4%. These results were primarily due to intense market competition within these sectors, leading us to proactively reduce project pricing in order to preserve market share.

Net Profit

Our net profit increased from RMB78.2 million in 2023 to RMB88.6 million in 2024 and further to RMB97.4 million in 2025, while our net profit margin increased from 4.6% in 2023 to 4.9% in 2024 and further to 5.2% in 2025.

SUMMARY

Summary Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Total non-current assets	103,442	134,037	144,870
Total current assets	3,670,665	2,782,801	2,862,729
Total assets	3,774,107	2,916,838	3,007,599
Total non-current liabilities	6,774	4,258	3,575
Total current liabilities	3,347,305	2,425,540	2,408,765
Total liabilities	3,354,079	2,429,798	2,412,340
Net current assets	323,360	357,261	453,964
Net assets	420,028	487,040	595,259
Share capital	74,000	74,300	120,000
Reserves	346,028	412,740	475,259
Total equity	420,028	487,040	595,259

Our net current assets increased from RMB323.4 million as of December 31, 2023 to RMB357.3 million as of December 31, 2024 and RMB454.0 million as of December 31, 2025 as the decrease in our current liabilities outpaced the decrease in our current assets, primarily due to decreases in our trade and bills payables and contract liabilities.

Our net assets increased from RMB420.0 million as of December 31, 2023 to RMB487.0 million as of December 31, 2024, primarily due to a net profit of RMB88.6 million for the year, capital contributions of RMB1.9 million by a shareholder and equity-settled share-based payments of RMB0.1 million, partially offset by a dividend of RMB23.5 million paid during the year. Our net assets further increased to RMB595.3 million as of December 31, 2025, primarily due to a net profit of RMB97.4 million for the year and equity-settled share-based payments of RMB10.8 million.

Summary Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net cash flows from/(used in) operating activities	(61,566)	226,838	216,481
Net cash flows from/(used in) investing activities	21,987	(226,825)	(209,498)
Net cash flows (used in)/from financing activities	8,572	(68,254)	(52,240)
Net increase/(decrease) in cash and cash equivalents . .	(31,007)	(68,241)	(45,257)
Cash and cash equivalents at beginning of year	249,133	218,126	149,795
Effects of exchange rate changes on cash and cash equivalents	—	(90)	(350)
Cash and cash equivalents at end of year	218,126	149,795	104,188

SUMMARY

In 2023, we had net cash used in operating activities of RMB61.6 million, mainly due to a decrease in contract liabilities and a reduction in trade and bills payables, as we received fewer prepayments for our projects and settled outstanding supplier balances. In both 2024 and 2025, we generated net cash flows from operating activities.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates indicated:

	As of or for the Year ended December 31,		
	2023	2024	2025
Gearing ratio ⁽¹⁾	20.4%	9.4%	1.9%
Current ratio ⁽²⁾	1.1	1.1	1.2
Quick ratio ⁽³⁾	0.4	0.5	0.7
Return on assets ⁽⁴⁾	2.0%	2.6%	3.3%

- (1) Gearing ratio is calculated based on total debt, including total bank borrowings, divided by total equity as of the date indicated and multiplied by 100%.
- (2) Current ratio is calculated based on current assets divided by current liabilities as of the date indicated.
- (3) Quick ratio is calculated based on current assets less inventories divided by current liabilities as of the date indicated.
- (4) Return on assets equals net profit for the year indicated divided by average assets of the end of the same year and prior year.

RECENT DEVELOPMENTS

For the three months ended March 31, 2026, we recorded a relatively stable revenue as compared with the same period in the prior year, primarily supported by the consistent overall scale of the projects we completed and accepted. Specifically, the aggregate contract value of all accepted projects across our business segments remained stable at RMB504.4 million for the first three months of 2026, as compared to RMB500.0 million for the same period in 2025.

The value of new smart intralogistics solution contracts we obtained in the three months ended March 31, 2026 was RMB1,048.7 million, representing a significant increase compared with RMB419.2 million in the same period in 2025. This substantial growth reflects the continued strong demand from our new energy customers.

Our rolling backlog of projects by outstanding contract value increased from RMB3,053.0 million as of December 31, 2025 to RMB3,631.5 million as of March 31, 2026. Our rolling backlog of projects is affected by the inherent month-to-month variability in customer acceptance schedules and the timing of new contract signings.

Our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial, operational and trading positions or prospects since December 31, 2025, being the end date of the periods reported on in the Accountants’ Report included in Appendix I to this document, and there had been no event since December 31, 2025, that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

FUTURE PLANS AND [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] Range of between HK\$[REDACTED] and HK\$[REDACTED] per Share, we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED]

SUMMARY

from the [REDACTED] after deducting [REDACTED] and estimated [REDACTED] expenses in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. We intend to use our [REDACTED] from the [REDACTED] for the following purposes:

- approximately [REDACTED]%, or HK\$[REDACTED], for research and development initiatives of software systems, robotics and intralogistics equipment;
- approximately [REDACTED]%, or HK\$[REDACTED], for capacity upgrades and technical retrofits to our production facilities of AS/RSs and conveyor systems;
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for strategic alliance, and mergers and acquisitions;
- approximately [REDACTED]%, or HK\$[REDACTED] will be used to fund our overseas expansion; and
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and general corporate purposes.

See “Future Plans and [REDACTED],” for further details.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Noblelift Company was interested in and entitled to exercise in 99.60% of the voting rights in our Company. Noblelift Company is a joint stock limited company incorporated in the PRC with its A shares listed on the Shanghai Stock Exchange (stock code: 603611). As of the Latest Practicable Date, Noblelift Company was owned as to approximately 34.54% in aggregate by Mr. Ding (our executive Director and chairman of the Board), Mr. Ding Yi (丁毅) (the father of Mr. Ding) and Ms. Mao Ying (毛英) (the spouse of Mr. Ding Yi), who are together parties acting in concert. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised), Noblelift Company, Mr. Ding, Mr. Ding Yi and Ms. Mao Ying will be able to exercise in aggregate [REDACTED]% of the voting rights in our Company. By virtue of the above, Noblelift Company, Mr. Ding, Mr. Ding Yi and Ms. Mao Ying are regarded as a group of Controlling Shareholders upon [REDACTED]. For further details, see “Relationship with Our Controlling Shareholders”.

DIVIDENDS

We declared and paid dividends of nil, RMB23.5 million and nil to our shareholders in 2023, 2024 and 2025, respectively. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. We currently do not have any dividend policy or fixed dividend pay-out ratio. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

[REDACTED]

SUMMARY

[REDACTED]

[REDACTED]

	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]
[REDACTED] of our Shares ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted net tangible assets per [REDACTED] ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

(1) The calculation of the [REDACTED] is based on [REDACTED] Shares expected to be in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

(2) The unaudited [REDACTED] adjusted net tangible assets per [REDACTED] has been arrived at after adjustments referred to in “Appendix II — Unaudited [REDACTED] Financial Information” and on the basis that [REDACTED] Shares were in issue at the respective [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED], assuming that the Shares issued pursuant to the [REDACTED] were issued on December 31, 2025, which does not take into account any Shares which may be allotted and issued upon the exercise of the [REDACTED].

For further details, see “Appendix II — Unaudited [REDACTED] Financial Information — A. Unaudited [REDACTED] Adjusted Consolidated Net Tangible Assets”.

[REDACTED] EXPENSES

Our [REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED] and the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] range, and no exercise of the [REDACTED], we estimate that our [REDACTED] expenses will be approximately RMB[REDACTED], accounting for approximately [REDACTED]% of our [REDACTED], of which RMB[REDACTED] is directly attributable to the issue of our [REDACTED] and will be deducted from equity, and approximately RMB[REDACTED] was charged to our consolidated income statement for 2025, and approximately RMB[REDACTED] is expected to be charged to our consolidated income statement for 2026. Our estimated [REDACTED] expenses include (i) [REDACTED] expenses of approximately RMB[REDACTED] and (ii) non-[REDACTED] related expenses of approximately RMB[REDACTED], which are further categorized into: (a) fees and expenses of legal advisers and the Reporting Accountant of approximately RMB[REDACTED]; and (b) other fees and expenses of approximately RMB[REDACTED]. The [REDACTED] expenses above are the best estimate as of the Latest Practicable Date and for reference only, and the actual amount may differ from this estimate. Our Directors do not expect such expenses to materially impact our results of operations for 2026.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set forth below. Certain technical terms are explained in “Glossary of Technical Terms.”

“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in Appendix I
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council 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 V to this document
“ASEAN”	the Association of Southeast Asian Nations, a regional grouping of ten states in Southeast Asia including Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam
“Asia”	for the purpose of this document, unless the context otherwise requires, refers to the geographic region comprising the countries and territories in the Asian continent, but excluding the geographic region comprising Cyprus, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, the United Arab Emirates, Bahrain and Yemen as well as all states, legal entities and individuals who are subject to economic and commercial sanctions published by France, the European Union and the United States
“Back-to-Back Payment Terms” or “Settlement Terms”	Back-to-back payment terms specifying that we shall pay our supplier proportionally upon receiving payment from our own customer for the solution in which we integrated the goods procured. If our customer delays payment to us, we will postpone payment to our supplier correspondingly. Back-to-Back Payment Terms are typically negotiated for large project-based procurements
“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 to the public for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAC”	the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)

DEFINITIONS

[REDACTED]

“China” or “the PRC”	the People’s Republic of China which, for the purpose of this Document and for geographical reference only, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China, and Taiwan Region
“CIC”	China Insights Industry Consultancy Limited (灼識企業管理諮詢(上海)有限公司), a market research and consulting company and an Independent Third Party
“CIC Report”	an independent market research report prepared by CIC, which was commissioned by our Company for the purpose of this document
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“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
“Company,” “our Company,” or “the Company”	Zhongding Intelligent (Wuxi) Technology Co., Ltd., (中鼎智能(無錫)科技股份有限公司), formerly known as Wuxi Zhongding Integration Technology Co., Ltd. (無錫中鼎集成技術有限公司), a joint stock company with limited liability established in China on February 9, 2009
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and as the context requires, refers to the controlling shareholders of our Company, namely Noblelift Company, Mr. Ding, Mr. Ding Yi (the father of Mr. Ding) and Ms. Mao Ying (the spouse of Mr. Ding Yi), and a Controlling Shareholder shall mean each or any one of them
“CSRC”	the China Securities Regulatory Commission
“Deed of Non-competition”	a deed of non-competition dated [●] entered into by our Controlling Shareholders in favor of our Company (for itself and as trustee for each of its subsidiaries), particulars of which are set out in “Relationship with Controlling Shareholders — Deed of Non-Competition” in this document
“Director(s)”	the director(s) of our Company

DEFINITIONS

“EIT”

enterprise income taxation

[REDACTED]

“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

[REDACTED]

“Group,” “our Group,”
“the Group,” “we,” “us,”
or “our”

our Company and its subsidiaries, or our Company and any one or more of its subsidiaries, as the context may require

“Guide for New Listing
Applicants” or “Guide”

the Guide for New Listing Applicants issued by the Stock Exchange in December 2023, with effect from January 1, 2024, as amended, supplemented, or otherwise modified from time to time

“H Share(s)”

shares in the share capital of our Company with a nominal value of RMB1.0 each, which is/are to be subscribed for and traded in HK dollars and to be [REDACTED] on the Stock Exchange

“H Shareholder(s)”

holder(s) of H Share(s)

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars,” “HKD,” or “HK\$”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong

[REDACTED]

DEFINITIONS

[REDACTED]

“HUF”	Hungarian forint, the lawful currency of Hungary
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Third Party(ies)”	any entity(ies) or person(s) who, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

“Latest Practicable Date”	May 8, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
“License Agreement”	the license agreement dated December 26, 2023 and entered into between our Company and Savoye, pursuant to which Savoye granted our Company a non-exclusive and non-transferable right and license to manufacture, utilize, assemble, install, market, distribute and/or sell the X-PTS Licensed Products in the PRC (including Taiwan Region, Hong Kong and Macao Special Administrative Region of the PRC), and to utilize and exploit the technology relating to the X-PTS Licensed Product for a period of three years from the effective date of the License Agreement

DEFINITIONS

[REDACTED]

“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“LPR”	the Loan Prime Rate, a benchmark interest rate in China
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
“Ministry of Finance” or “MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“Mr. Ding”	Mr. Ding Sheng (丁晟), our chairman of the Board and an executive Director, and one of our Controlling Shareholders
“Noblelift Company”	Noblelift Intelligent Equipment Co., Ltd. (諾力智能裝備股份有限公司), a joint stock company with limited liability established in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 603611), and one of our Controlling Shareholders
“Noblelift Group”	Noblelift Company and its subsidiaries

[REDACTED]

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC

DEFINITIONS

“PRC Legal Advisors”	Jingtian & Gongcheng, being the legal advisor of our Company as to the PRC laws
“[REDACTED] Share Option Scheme”	the [REDACTED] share option scheme which came into effect on April 30, 2025, the principal terms of which are summarized in “Statutory and General Information — 5. [REDACTED] Share Option Scheme” in Appendix VI to this document
[REDACTED]	
“Regulation S”	Regulation S under the U.S. Securities Act
“Retained Noblelift Group”	Noblelift Company and its subsidiaries, excluding our Group
“Restricted Share Incentive Plan”	the restricted share incentive plan adopted by our Company for certain Directors and senior management of our Company in October 2024
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Savoye”	Savoye Assets Management S.A., a limited liability company incorporated in France and a wholly-owned subsidiary of Noblelift Company
“SAFE”	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
“SAT”	the State Administration of Taxation of the PRC (國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“SGD”	Singapore dollar, the lawful currency of the Republic of Singapore

DEFINITIONS

“Share(s)” ordinary shares in the capital of our Company with a nominal value of RMB1.0 each

“Shareholder(s)” holder(s) of our Share(s)

“SOE(s)” state-owned enterprise(s)

[REDACTED]

“Sole Sponsor” Guotai Junan Capital Limited, a licensed corporation registered under the SFO permitted to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO

[REDACTED]

“sq.m.” square meter(s)

“State Council” State Council of the PRC (中華人民共和國國務院)

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

“Tax Consultant” Pan-China Certified Tax Agents Limited

“Track Record Period” the period comprising the years ended December 31, 2023, 2024 and 2025

[REDACTED]

“United States,” “U.S.,” or “US” the United States of America, its territories, its possessions, and all areas subject to its jurisdiction

“U.S. dollars,” “US dollars,” “USD,” or “US\$” United States dollars, the lawful currency of the United States

DEFINITIONS

“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“VAT”	value-added tax, which is an indirect tax levied on the value added at each stage in selling goods or labor services of processing, repair or replacement, selling services, intangible assets, or immovables, or importing goods within the PRC
“Wuxi Dinghong”	Wuxi Dinghong Enterprise Management Partnership (Limited Partnership) (無錫鼎泓企業管理合夥企業(有限合夥)), a limited partnership established in the PRC, which is the employee incentive shareholding platform of our Company. For details, please refer to the paragraph headed “History, Development and Corporate Structure — Incentive Platform” in this document
“Wuxi Senheda”	Wuxi Senheda Intelligent Equipment Co., Ltd. (無錫森和大智能裝備有限公司), a limited liability company established in China on December 18, 2023 and formerly a wholly-owned subsidiary of the Company until its disposal on June 27, 2025. For details, refer to the paragraph headed “History, Development and Corporate Structure — Disposal of Wuxi Senheda Intelligent Equipment Co., Ltd. (無錫森和大智能裝備有限公司)” in this document
“X-PTS Licensed Products”	the X-PTS series tote/bin AS/RSs and component thereof licensed under the License Agreement
“%”	per cent

In this document, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” “controlling shareholder,” “substantial shareholder,” and “subsidiary” shall have the meanings ascribed to such terms under 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 PRC laws and regulations, governmental authorities, institutions, companies, natural persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages, and the English translation of the above is for identification purposes. In the event of any inconsistency, the Chinese version shall prevail.

GLOSSARY OF TECHNICAL TERMS

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

“AGV”	automated guided vehicle
“AI”	artificial intelligence
“AMR”	autonomous mobile robot
“API”	application programming interface
“APS”	smart advanced planning and scheduling systems
“AS/RS”	automated storage and retrieval systems
“CAGR”	compound annual growth rate
“CE”	European conformity (conformité européenne)
“CNC”	computer numerical control
“conveyor”	a mechanical device used for the continuous transport of materials or goods within a facility, typically using belts, rollers, or chains
“cross-docking”	a logistics process in which inbound goods are sorted and transferred directly to outbound transportation without being placed into long-term storage, thereby minimizing handling times and storage costs and improving supply chain efficiency
“ERP”	enterprise resource planning system
“ESG”	environmental, social and governance
“FMS”	flexible manufacturing systems
“GB/T”	Recommended national standard of the PRC
“GMP”	Good Manufacturing Practice
“industrial robot”	a type of robot designed for manufacturing and warehousing processes, typically used for tasks such as welding, painting, assembly, and material handling, and automated picking and packing, sorting and distribution, and palletizing and depalletizing

GLOSSARY OF TECHNICAL TERMS

“intralogistics”	refers to the internal flow of materials and goods within a facility, such as a warehouse, factory, or distribution center. It includes all the processes involved in transporting, storing, and handling items from the point they enter the facility to the point they leave
“ISO 14001”	Environmental Management System, released by ISO (International Organization for Standardization)
“ISO 50001:2018”	Second edition of Energy Management System, released by ISO (International Organization for Standardization) in 2018
“ISO 9001”	International Quality Management System, released by ISO (International Organization for Standardization)
“IT”	information technology
“kg”	kilogram
“KPI”	key performance indicator
“m”	meter
“m/min”	meters per minute
“m/s ² ”	meters per second squared
“MES”	manufacturing executing system
“min”	minute
“mm”	millimeter
“mobile robots”	a type of robot designed for efficient transport of items along predefined paths, using technologies like magnetic strips or laser guidance to ensure accuracy
“new energy industry”	the part of the energy industry focusing on the development, usage and promotion of new energy, covering lithium-ion batteries, energy storage, solar photovoltaic and other relevant sectors
“new materials”	advanced industrial materials, including polymer materials, new energy battery materials, semiconductor materials, advanced refractory materials, and industrial products utilizing novel material technologies
“packing”	the process of preparing picked items for shipment, including boxing, sealing, and labeling

GLOSSARY OF TECHNICAL TERMS

“picking”	the process of retrieving items from storage to fulfill customer or production orders
“RFID”	radio frequency identification
“RGV”	rail guided vehicle
“shuttle”	refers to a small, automated vehicle or cart used within automated storage and retrieval systems to move goods horizontally within shelving or racking system
“sorting”	the process of classifying or organizing items based on defined criteria such as destination, size, type, or order, as part of warehouse or distribution operations
“sq.m.”	square meter
“SRM” or “stacker crane”	a type of automated machine used for material handling in warehouses, primarily for the storage and retrieval of goods in racking systems. Also referred to as storage and retrieval machine
“staging”	the temporary placement of goods in designated buffer areas within a warehouse to facilitate the sequencing and preparation of outbound shipments or subsequent operations
“throughput”	the number of units, loads, or items that can pass through a system per given unit of time
“TVOC”	Total Volatile Organic Compound
“VIN”	vehicle identification number
“WCS”	warehouse control systems
“WMS”	warehouse management systems
“°C”	degree Celsius, the unit of temperature measurement on the Celsius scale

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 includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among other things, the following:

- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- general political and economic conditions of jurisdictions in which we operate;
- our business operations and prospects;
- our capital expenditure plans;
- weather, natural disasters and climate change;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and business plans; and
- various business opportunities that we may pursue.

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. In this document, statements of or references to our intentions or those of our Directors were made as of the date of this document. Any such information may change in light of future developments. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

RISK FACTORS

You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. These risks could materially and adversely affect our business, financial condition, and results of operations. The [REDACTED] of our H Shares could significantly decrease due to any of these risks, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition, and results of operations. You should seek professional advice from relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given will not be updated after the date hereof and is subject to the cautionary statements in the section titled “Forward-Looking Statements” in this document.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Any economic slowdown or decrease in industrial and economic activities may adversely affect the industries in which our customers operate, which may reduce the market demand for our services and solutions, and our business, results of operations, financial condition, and prospects may be materially and adversely affected.

Our sales and profitability depend significantly on economic conditions, industrial activities and market demand in our customers’ industries, such as new energy, automotive parts, healthcare and food industries. Economic weakness and uncertainty can reduce customer demand. This makes forecasting challenging and could impact our operations if we fail to adapt timely to market changes. Credit tightening may lead consumers and businesses to cut or delay spending, decreasing demand for our products and solutions. Such conditions may result in order cancellations or reductions from our customers.

In particular, in 2023, 2024 and 2025, we generated 78.5%, 75.5% and 93.8%, respectively, of our revenue from providing smart intralogistics solutions to customers operating in the new energy industry in China, in particular lithium-ion battery manufacturers. Driven by carbon neutrality objectives and energy security and backed by government policies, many of our new energy customers have expanded their production capacity in recent years. The new energy industry has seen a surge in capital, increasing production and market competition. If capacity growth outstrips industry expansion, new energy companies may face fierce competition in price, technology, cost, scale, brand, and capital. See “Industry Overview — Analysis of Global and China’s Smart Intralogistics Solution Market for Industrial Sector — New Energy Industry Emerges as a Driver for China’s Smart Intralogistics Solution Market” for details.

Our business and growth rely on sustained demand for our products and solutions from customers in the new energy industry, which are influenced by various factors beyond our control, such as a reduction in growth or a negative change in the industry’s growth prospects, and a slowdown of the energy transition trend. Any substantial decrease in demand for our products by customers in the new energy industry, or other industries that provide significant revenue in the future, may lead to reduced demand for our products and adversely affect our business, financial condition, and operating results. See also “— The majority of our revenue is derived from customers in the new energy industry, making us subject to changes in the regulatory landscape, market size, and other factors affecting the new energy industry.”

RISK FACTORS

The smart intralogistics solution industry is competitive. Our failure to successfully compete could materially and adversely affect our market position and market share.

The market for smart intralogistics solutions is competitive. We face competition from both global smart intralogistics solution companies and new entrants with innovative technologies and products. We have approximately ten existing major competitors in the smart intralogistics solutions market in China. Our competitors may have greater financial, technical, marketing, sales and other resources than we do, which could allow them to respond more quickly to new opportunities or customer demands. Some of our competitors may have a longer operating history, stronger brand recognition, more diverse offerings that appeal to a broader customer base, more established customer relationships, advanced technological capabilities, and greater financial resources. These advantages may enable them to offer solutions and services comparable to ours at a lower price. To expand their market share, new entrants into the industry may offer competitive pricing that we cannot keep up with. Our competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their offerings, resources, and ability to compete. With the introduction of new technologies and entry of new market participants, we expect competition to continue to intensify in the future. There is no guarantee that we will be able to sustain our competitive advantage or effectively implement our business strategies. If our competitors are successful in bringing their solutions or services to the market earlier than us, or if their solutions or services are less expensive or more technologically capable than ours coupled with pricing pressure and increased competition, our business, operation and financial performance could be adversely affected.

Intensifying competition may also result in certain developments in our industry, such as downward competitive pressure on the fees we charge, expansion by existing competitors, adoption by our competitors of innovative solutions or comparatively effective branding efforts, any of which may have a material and adverse impact on our financial condition, results of operations, and prospects. Increased investments made and lower prices or innovative solutions offered by our competitors may require us to divert significant managerial, financial, and human resources in order to remain competitive, and ultimately place greater pressure on us to maintain our market share and negatively impact the growth and profitability of our business. There is no guarantee that any attempts by us to invest in our technology, optimize the quality of our solutions and services, or improve our operational efficiency will be successful or that we will be able to maintain our competitive edge. If we are not able to compete effectively, the number of our customers may decrease and our market share and profitability may be negatively affected, which could materially and adversely affect our business, financial condition, results of operations and prospects, as well as our reputation.

Our customers may not completely accept the smart intralogistics solutions we deliver, acknowledge the completion of our smart intralogistics solution projects, or make payments to us in a timely manner or at all.

Our business relies on the successful delivery and acceptance of smart intralogistics solutions to our customers, as well as their acknowledgment of the completion of various stages of our projects. There is no assurance that our customers will completely accept the solution results we deliver or confirm the completion of projects in a timely manner or at all. Customer acceptance typically follows delivery by several months. Such timing differences are a routine feature of our revenue recognition process. Acceptance and acknowledgment may be delayed or withheld for various reasons, including potential disputes over specifications, performance, or quality issues or other commercial reasons.

As of December 31, 2023, 2024 and 2025, two, three and two major smart intralogistics solution projects, respectively (each defined as projects with a contract value exceeding RMB30.0 million), had been delivered but at least nine months had elapsed since delivery without customer acceptance having occurred.

RISK FACTORS

Additionally, even if our customers accept the solutions or acknowledge project completion, there is no assurance that they will make payments to us in a timely manner or at all. Any delay, reduction, or default in payment by our customers could negatively impact our cash flow, working capital, and liquidity. Furthermore, disputes or delays in acceptance or payment could also affect our ability to allocate resources to other projects, meet our financial obligations, or invest in future growth opportunities. If we are unable to secure timely acceptance, acknowledgment, or payment from our customers, our business, results of operations, financial condition, and prospects could be materially and adversely affected.

If we are unable to complete or deliver our solutions, fulfill customer orders, or provide services on time, within budget, or at all, our business, results of operations, financial position, and reputation may be adversely affected.

The timely and successful completion of our smart intralogistics solutions, the fulfillment of customer orders for intralogistics equipment, and the provision of after-sales services are critical to our business operations and customer relationships. In particular, our smart intralogistics solutions projects typically require several months to complete, and their progress and costs can be adversely affected by factors beyond our control, including delays in our suppliers' supply of raw materials and components, unforeseen technical challenges, labor shortages, or disruptions to our production facilities. In addition, certain projects may require substantial incurrence of costs upfront, which we may need to finance through internally generated cash flows or external funding. If our internally generated cash flows are insufficient to cover these costs, or if we are unable to obtain the required funding in time, on favorable terms, or at all, we may experience delays or incur additional costs in completing these projects. Such delays or cost overruns could adversely affect our financial performance and reputation.

Failure to perform our contractual obligations, including delays, cost overruns, or incomplete deliveries, could result in contract terminations, penalties, or liability claims from customers. In addition, such failures could damage our reputation, reduce customer confidence in our solutions and services, and adversely affect our ability to secure future projects or orders. Furthermore, any significant delays or material increases in costs could lead to fluctuations in our financial performance and cash flow, making it more challenging to predict future results. If we are unable to complete our smart intralogistics solution projects or fulfill customer orders as required, or if we fail to deliver our smart intralogistics solutions in a manner that meets customer expectations, our business, results of operations, financial condition, and reputation may be materially and adversely affected.

In addition, our contract liabilities are recognized when the advance payments are received but revenue has yet been recognized. As of December 31, 2023, 2024 and 2025, we had contract liabilities of RMB1,930.5 million, RMB1,473.4 million and RMB1,318.6 million, respectively. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of such contract liabilities will not be recognized as revenue. As a result, our results of operations, liquidity and financial position may be materially and adversely affected.

We experienced customer concentration during the Track Record Period and may continue to be exposed to risks associated with such concentration in the future.

Our business has depended and will continue to significantly depend on our major customers and their loyalty in and level of satisfaction with our products. We derived a significant portion of our revenue from our top five customers in each year during the Track Record Period. In each year during the Track Record Period, our sales to our top five customers amounted to RMB1,269.3 million, RMB1,283.8 million and RMB1,529.4million in 2023, 2024 and 2025, respectively, accounting for 74.9%, 71.4% and 81.2% of our total revenue for the same years, respectively. Revenue generated from our largest customer accounted for 49.2%, 26.3% and 24.9% of our total revenue in the same years, respectively. As the majority of our top five customers in each year during the Track Record Period comprised companies from the new energy industry, their demand

RISK FACTORS

for our solutions and products are highly sensitive to fluctuations in market performance of the new energy industry. See “— The majority of our revenue is derived from customers in the new energy industry, making us subject to changes in the regulatory landscape, market size, and other factors affecting the new energy industry.” There is no guarantee that we will be able to maintain our business relationship with our existing customers. Any decrease in or cancellation of purchase orders by some or all of our large customers, material delays in their acceptance of our products, or failure of any of our major customers to make timely payments, if at all, may have a material adverse effect on our business, results of operations, and financial condition. In addition, we cannot assure you that our major customers will not change their business scope or business focus, suspend their operations, fail to comply with applicable laws in their operations, or encounter any operating or financial difficulties. Neither can we assure you that we will be able to continue to generate significant revenue from existing customers or that we will be able to maintain existing or further expand customer relationships. If we lose one or more of our significant customers and fail to identify and acquire suitable new customers within a reasonable time or at all, our business, results of operations, and financial condition may be materially and adversely affected. We cannot assure you that we will not experience any of the above factors in the future.

The majority of our revenue is derived from customers in the new energy industry, making us subject to changes in the regulatory landscape, market size, and other factors affecting the new energy industry.

A significant portion of our revenue is derived from customers in the new energy industry, in particular lithium-ion battery manufacturers, making our financial performance highly dependent on the new energy industry. In 2023, 2024, and 2025, 77.1%, 75.0%, and 92.6% of our revenue, respectively, was contributed by customers in the new energy industry. This dependency exposes us to various risks associated with changes in the regulatory landscape, market size, and other factors affecting the new energy industry in China and across the globe. Downstream demand for new energy industry products is affected by many factors, such as:

- product specifications, such as purchase price, charging time, and battery life;
- government policies supporting the development of the new energy industry; and
- macroeconomic conditions which affect investment and consumer spending.

The market size of China’s smart intralogistics solution for new energy sector grew from RMB2.5 billion in 2020 to RMB7.3 billion in 2024, representing a CAGR of 31.1%, and is projected to reach RMB15.5 billion by 2029, with a CAGR of 16.0% from 2024 to 2029. However, we cannot guarantee that the actual market demand from the new energy industry for smart intralogistics solutions will not materially adversely deviate from the above estimates, whether due to changes in consumer preference, technology development, and regulatory requirements on the new energy industry, among other potential factors.

If the demand for lithium-ion batteries or new energy vehicles decreases due to changes in government support, our customers’ demand for our smart intralogistics solutions may decrease materially. There is no guarantee that favorable industry policies or regulatory requirements may continue to exist, or that unfavorable policies or regulatory requirements will not be enacted and implemented in the future. If the demand from our customers in the new energy industry decreases significantly due to regulatory changes, we may not be able to obtain customers who would make comparable purchases in a timely manner or at all. Failure to do so may materially and adversely affect our business, results of operations, financial condition, and prospects. Diversifying our customer base and expanding into other markets could help us tackle such challenges. However, there is no assurance that we will be successful in our efforts to diversify our offerings and customer base.

RISK FACTORS

We may not be able to maintain our current tender success rate.

We derive the majority of our revenue from our smart intralogistics solution business, which is project-based. During the Track Record Period, we obtained the majority of our smart intralogistics solution projects through tenders and negotiations including price discussions. We submitted 90, 128 and 112 tenders for smart intralogistics solution projects in 2023, 2024 and 2025, respectively, with tender success rates of approximately 24%, 27% and 38% for the same years, respectively. There can be no assurance that we will be invited to participate in future tender processes, and even if we are invited, our tender success rate is not within our control. Therefore, there can be no assurance that we will succeed in tender processes and maintain or improve our tender success rate. If we are unable to maintain our current tender success rate, or if we are unable to secure new projects with contract sums similar to or larger than those of our current projects on a continuous basis, our business, results of operations, and financial condition may be materially and adversely affected.

We are subject to risks relating to project duration and customer acceptance cycles.

Our smart intralogistics solution projects typically require long durations between commencement of solution design and customer acceptance. The average duration of our smart intralogistics solution projects was 508 days, 694 days and 530 days in 2023, 2024 and 2025, respectively. Extended project durations may increase our working capital requirements, as a substantial amount of costs are incurred and recorded in work in progress inventory before customer acceptance. Furthermore, customer acceptance may be delayed due to factors beyond our control. See “— Our customers may not completely accept the smart intralogistics solutions we deliver, acknowledge the completion of our smart intralogistics solution projects, or make payments to us in a timely manner or at all” for further details. Any prolonged duration in project delivery or acceptance cycles may adversely affect our business, results of operations, and financial condition.

Our future success relies on our ability to continue introducing innovative smart intralogistics solutions and intralogistics equipment, and our efforts in this aspect may not achieve the expected results.

The smart intralogistics solution industry in which we operate is subject to technological advancement. Our future success as a business depends on our ability to continue introducing innovative solutions and products and developing technologies that increase our competitiveness. We invest significant resources in research and development in order to enhance our technological capabilities and offerings of solutions and products. During the Track Record Period, our research and development expenses were RMB71.3 million, RMB65.8 million and RMB75.0 million in 2023, 2024 and 2025, respectively, accounting for 4.2%, 3.7%, and 4.0% of our total revenue for the same years, respectively. The outcome and effectiveness of research and development activities are inherently uncertain. Our research and development investments may not generate the benefits we expect in a timely manner or at all, and we may encounter difficulties in commercializing our research and development results. New technological advancements and changes in customer preferences in our industry may render our research and development efforts and newly developed products or technologies obsolete, uncompetitive, or commercially unviable, thereby limiting our ability to recover the related research and development costs, which could adversely affect our business and financial condition. If we fail to accurately judge new trends in customer demand and technology development in the industry, to invest adequate resources in developing new solutions and products and further refining our existing ones, we may lose our competitive advantage and lose market share as a result.

RISK FACTORS

We may not be able to obtain sufficient raw materials and components that can meet our quality standards in a timely manner or on commercially reasonable terms.

Our ability to obtain sufficient raw materials and components in a timely manner and on commercially reasonable terms is vital for maintaining our production output, business performance, and profitability. We may experience interruption or late delivery to our supply of raw materials and components for the following reasons, which are beyond our control, among others:

- Our suppliers may delay deliveries for a significant period of time without timely notices;
- Our suppliers may not be able to meet our production needs consistently or on a timely basis;
- Certain competitors, who also purchase from our suppliers, may have longer and stronger relationships with and may have greater buying power and bargaining leverage over some of our key suppliers; and
- Our supply of raw materials and components is subject to the business risks of our suppliers, some of whom have limited operating history and limited financial resources, and one or more of which could go out of business for reasons beyond our control.

Our failure to obtain a sufficient supply of raw materials and components that meet our specifications in a timely manner and on commercially reasonable terms could increase our manufacturing costs and substantially affect our ability to fulfill our contractual obligations to our customers. Any failure by us to meet such obligations could have a material adverse effect on our reputation and ability to retain our customers and market share, and may subject us to legal claims from our customers and other disputes. Furthermore, our failure to obtain sufficient raw materials and components could result in under-utilization of our production facilities and an increase in our marginal production costs. Any of the above events could have a material and adverse effect on our business, results of operations, and financial condition.

Failure to continue developing and maintaining cost-effective production capabilities may materially and adversely affect our business, results of operations, and financial condition.

Our success is attributable to our ability to produce our solutions and products in a cost-effective manner, which in turn depends on our ability to maintain optimal utilization of our production facilities and to effectively expand our production capacity to achieve economies of scale and enhance production efficiency. As of the Latest Practicable Date, we operate two production facilities in Wuxi, Jiangsu. Our ability to optimize our production capacity or to keep our production facilities up to date for producing the most advanced intralogistics products is subject to risks and uncertainties that are beyond our control, including fluctuations in the demand for our products and increases in the costs of operating our production facilities. Failure to mitigate such risks may lead to additional production costs, thereby adversely affecting our financial condition and profitability. In addition, as we continue to improve our production facilities in the future, we may face additional quality control risks, significant expenses, and other inherent risks. We may not be able to produce our solutions and products with sufficient quality and cost-effectiveness to satisfy our manufacturing standards. We cannot guarantee that we will fully utilize our production capacity, or that we will achieve an adequate return on our investments in our production facilities. As a result, any failure to continue maintaining cost-effective production facilities may have a material and adverse effect on business, results of operations, and financial condition.

RISK FACTORS

We face risks associated with our international operations.

We sold our solutions and services overseas in Thailand, Germany and Pakistan during the Track Record Period. We have established operations in multiple countries outside China, such as Hungary, Singapore and Malaysia, and plan to gradually build local business teams to expand our overseas operations. Risks associated with our international operations may include, among other things: (i) changes in economic and political conditions in those markets; (ii) increasing costs and efforts in relation to compliance with international laws and regulations, restrictions or requirements relating to foreign investment; (iii) difficulties in managing or overseeing our international operations; (iv) unfamiliarity with local operating and market conditions, culture, competitive landscape, and regulatory environment; (v) increasing exposure to fluctuations in foreign currency exchange rates; (vi) uncertainties arising from variable international relations, trade policies and tariffs; (vii) complexities involved in complying with labor requirements across different jurisdictions; and (viii) complexities relating to compliance with applicable export control restrictions imposed by certain countries or self-regulated organizations against dealings with other countries, individuals or entities which may limit our ability to conduct our business with such countries, individuals or entities, or to obtain funding for certain overseas businesses. The occurrence, persistence or consequences of any of these risks may restrict our ability to operate in the affected market, or reduce the profitability of our operations in that market, which in turn would negatively affect future prospects of our international operations.

Our international operations are also susceptible to uncertainties in the international financial environment and increased foreign exchange risks stemming from the volatility of foreign exchange rates and changes of foreign exchange controls. We may not be able to adjust our business practices in time to avoid or mitigate adverse effects from any of the foregoing risks, and accordingly, our business, financial condition and results of operations could be materially and adversely affected.

Tariffs and international trade policies may adversely affect our business performance.

Recent trade tensions, including the ongoing U.S.-China trade dispute, have led to high tariffs, export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics. As of April 11, 2025, the tariff rate on imports from China introduced by the U.S. government had increased to 145%. In response, China implemented a series of measures, including raising additional tariffs on U.S. goods to as high as 125%. On May 12, 2025, the U.S. and Chinese governments jointly announced a significant reduction in tariffs, with U.S. tariff rate on imports from China falling from 145% to 30%, and Chinese tariff rate on imports from the U.S. falling from 125% to 10%. This agreement will be in effect for 90 days, during which both sides will continue talks to establish a more permanent trade arrangement. On February 20, 2026, the U.S. Supreme Court struck down the broad tariffs imposed in 2025, though the administration promptly introduced a new temporary 10% global tariff. As of the Latest Practicable Date, it remains uncertain how the Sino-U.S. and global trade tensions will develop.

Changes in tariffs, trade restrictions, or other international trade policies could negatively impact the industries we serve, including the new energy industry. Adverse trade measures targeting our customers' end markets or supply chains could indirectly affect their business performance, capital expenditure plans, and procurement budgets. This, in turn, may reduce demand for our products and services. The vast majority of our suppliers and customers are located in China. During the Track Record Period, more than 95% of our revenue was derived from within the PRC. While our operations involve limited cross-border components, technology transfers or foreign currency transactions which would directly expose us to trade policy fluctuations, there can be no assurance that such measures or policies will not have a material adverse effect on our business, financial condition and results of operations.

RISK FACTORS

Any quality issues associated with our solutions and products may expose us to potential liabilities and risks related to warranty claims, which could materially and adversely affect our business, results of operations, and reputation.

Our commercial success depends on our ability to consistently deliver high-quality, reliable smart intralogistics solutions and intralogistics equipment. If the quality of our solutions or products deteriorates or fails to meet customer expectations, we may face complaints, return requests, or order cancellations from customers, and lose existing and prospective customers as a result. Any defects in our products could expose us to potential liabilities, such as warranty claims, product returns, or claims for damages. Our products carry warranties. In 2023, 2024 and 2025, we incurred approximately RMB19.4 million, RMB17.3 million and RMB15.8 million in warranty expenses in fulfilling our warranty obligations. There is no guarantee that significant warranty claims will not arise in the future and materially and adversely affect our business, results of operations, and financial condition. In addition, we may also be required by law to modify or introduce new warranty policies in different jurisdictions where we conduct sales, which may cause us to incur additional costs and expenses. Furthermore, we cannot assure you that our warranty policies will not be misused by our customers. If a significant number of customers misuse our warranty and return policies, it could substantially increase our costs and adversely affect our results of operations. On the other hand, if we revise these policies to reduce costs, it could lead to customer dissatisfaction, potentially resulting in the loss of existing customers or inability to acquire new ones. This in turn could have a negative impact on our business, results of operations, financial condition, and prospects.

We may need to incur significant costs to address quality issues, including those related to product recalls. In the event of defective products, we may be compelled to recall our products and become subject to product liability claims, which may cause financial and reputational damage. Even if we ultimately prevail in defending against such claims, we may still incur substantial costs. Any quality issues related to our products could have a negative impact on our sales, adversely affecting our results of operations and financial condition. In addition, we are subject to laws and regulations governing the quality of our products, and we may incur additional costs if such laws and regulations become more stringent.

Our production operations are exposed to risks relating to environmental protection.

Our manufacturing operations and those of our outsourced manufacturers are subject to environmental risks and hazards and are regulated under the various laws and regulations imposed by the PRC government regarding ESG-related matters, such as the prevention of air, soil, and water pollution, the treatment and discharge of hazardous wastes and materials, and environmental rehabilitation. As a result of our operations, including sourcing, manufacturing, transporting, and storage of our products, such as energy storage products, non-compliance with existing and future ESG criteria, laws, and regulations could subject us to costs or liabilities, including monetary damages and fines, negatively affect our production capabilities, lead to the suspension of our business operations, and adversely affect our overall financial performance. We have adopted various measures to ensure our compliance with applicable ESG-related laws and regulations. See “Business — Environmental, Social and Governance Matters.” We cannot assure you that these measures can effectively mitigate the relevant risks. In addition, increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs. Failure to adapt to new regulations or meet evolving industry expectations and standards may materially and adversely affect our results of operations and financial condition.

RISK FACTORS

Noblelift Company, one of our Controlling Shareholders, may have significant influence over us, and its interests may not be aligned with the interests of our other Shareholders.

As of the Latest Practicable Date, Noblelift Company, one of our Controlling Shareholders, is able to exercise approximately 99.6% voting rights in our Company. The interests of Noblelift Company may conflict with the interests of our other shareholders. Noblelift Company has substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors, dividend policy and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive our shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and might reduce the price of our shares. On the other hand, if Noblelift Company is in favor of any of these actions, these actions may be taken even if they are opposed by a majority of our other shareholders, including those who purchase shares in the [REDACTED].

Our insurance may not sufficiently cover all losses or potential claims that could affect our business, results of operations, and financial condition.

We face various risks in connection with our business and maintain insurance policies to safeguard against these risks and unexpected events related to our operations. Our current insurance coverage, which includes property insurance, standard employer liability insurance, accident insurance, litigation insurance, and car insurance, complies with mandatory requirements under applicable laws and regulations and aligns with industry practice. For details, see "Business — Insurance." However, there can be no assurance that our insurance coverage will be adequate to fully protect against all our risk exposures and prevent us from incurring losses. In addition, there is no guarantee that we will be able to successfully claim on our current insurance policies in a timely manner or at all, due to possible exclusions and limitations on coverage. If our insurance coverage is unavailable or insufficient to address any such exposures, we may face substantial costs and resources diversion, which, in turn, could materially and adversely affect our business, results of operations, and financial condition.

We may pursue mergers and acquisitions or joint ventures that could present unforeseen integration obstacles or costs and may not enhance our business as we expect.

As part of our business strategies, we may in the future pursue mergers and acquisitions, joint ventures and other transactions with an aim to expand the geographic scope and scale of our operations. Acquisitions and joint ventures involve a number of risks, and present financial, managerial and operational challenges, including potential disruption of our ongoing business and distraction of management from daily operations, difficulties with integrating financial, human resources and information systems, failure to maintain our historical product and service quality, the need to hire additional management and other critical personnel, and the increased scope, geographic diversity and complexity of our operations. There can be no assurance that we will be able to generate expected margins or cash flows, or to realize the anticipated benefits of such acquisitions or joint ventures, including growth or expected synergies.

There can be no assurance that our assessments of and assumptions regarding acquisition targets and joint ventures will be proved correct, and actual developments may differ significantly from our expectations. We may not be able to integrate acquisitions into our business or manage the joint ventures successfully, or such integration and management may require more investment than anticipated, and we could incur or assume unknown or unanticipated liabilities or contingencies with respect to clients, employees, suppliers, government authorities or other parties, which may impact our results of operations. Our customers may react unfavorably to our acquisition and joint venture strategy, and we may be exposed to additional liabilities of any acquired business or joint venture. The process of integrating businesses may be disruptive to our operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in our results of operations.

RISK FACTORS

RISKS RELATED TO OUR FINANCIAL PERFORMANCE

Our fixed-price contracts may result in significant losses if costs are greater than anticipated.

All of our customer contracts for smart intralogistics solutions are fixed-price agreements. This means that any substantial cost overruns directly and immediately impact our operational results if we cannot renegotiate the contract price with our customers. Cost overruns are an inherent risk in our industry, and the long-term nature of our contracts can make precise cost predictions challenging. There is no guarantee that we can avoid unexpected costs, nor can we ensure that we will reach an agreement with our customers on price adjustments. If we fail to renegotiate contract prices during a project to accommodate these unforeseen increased costs, we will have to bear them, which could have a significant negative impact on our financial condition and results of operations.

Our profit margins and results of operations may be materially and adversely affected by increases in the costs of raw materials and components used in our production.

The direct materials that we procure primarily include standard components such as racking systems and robotics for smart intralogistics solutions and raw materials such as steel plates, which are primarily used in the production of our smart intralogistics solutions and intralogistics equipment. In 2023, 2024 and 2025, our cost of direct materials amounted to RMB1,251.0 million, RMB1,347.6 million and RMB1,355.3 million, respectively, accounting for 73.8%, 75.0% and 72.0% of our total revenue for the same years, respectively. As such, any significant fluctuations in the costs of these direct materials may materially and adversely affect our financial performance.

The costs of our direct materials are influenced by various factors beyond our control, including market demand in our industry and other industries, macroeconomic conditions, and regulatory policies. For example, steel is widely used in multiple industries, and its price is subject to significant volatility. The demand for such direct materials in the industry in which we operate and other industries are beyond our control and we cannot assure that our cost of direct materials will remain stable. Any fluctuations in the cost or supply of direct materials may have a material and adverse effect on our business, financial condition, and results of operations. We may not be able to pass on such cost increases to our customers, and failure to do so may materially and adversely affect our business, results of operations, and profit margins. If demand for certain direct materials significantly increases, or if our suppliers are unable to meet our procurement needs, we may face shortages or disruptions in supply.

Higher labor costs and inflation may adversely affect our business, results of operations, financial condition, and prospects.

Inflation has risen in China and globally in recent years. Rising inflation may lead to our suppliers charging us higher prices for raw materials and components. Labor costs have also increased with the economic development of developing countries and labor shortage and inflation around the world. For instance, the average wage in China has risen in recent years and is expected to continue to rise. Factors such as changes in minimum wage laws or increased competition for skilled labor in our industry may continue to exert upward pressure on our salary expenses. We may have to adjust our pricing to pass on the increased costs to our customers, and such pricing adjustments may reduce the competitiveness of our products and services, resulting in reduced customer demand or market share loss.

We may incur additional borrowings and increased borrowing costs in the future, which could materially and adversely affect our business, results of operations and liquidity.

As of December 31, 2023, 2024 and 2025, we had interest-bearing bank borrowings of RMB85.7 million, RMB45.9 million and RMB11.5 million, respectively. Our bank borrowings bore interest rates ranging from approximately 2.2% to 3.2% per year. For the years ended December 31,

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2023, 2024 and 2025, we recorded RMB4.3 million, RMB2.5 million and RMB1.9 million, respectively, of interest on our bank and other borrowings under finance costs. We are exposed to interest rate risk in relation to our existing bank borrowings.

In addition, as our business grows, we may require additional cash resources to finance our continuous growth or other future development plans. The amount and timing of such additional financing needs will vary depending on the growth of our business and the amount of internally generated funds from our operations. The promptness and adequacy of the funding from banks and other financial institutions are also subject to various external factors beyond our control, including the financial institutions’ internal procedures. If we cannot obtain sufficient and prompt borrowings from banks and other financial institutions at satisfactory interest rates to fund our business, we may be forced to delay or abandon our growth plans, and our liquidity would be negatively affected, adversely affecting our financial condition, results of operations, and growth prospects.

Any changes in or discontinuation of preferential tax treatments and government subsidies currently available to us or challenges by the PRC tax authorities to the calculation of our tax liability could adversely affect our business, results of operation, and financial condition.

During the Track Record Period, our Company was recognized as a High and New Technology Enterprise and entitled to a preferential tax rate of 15%. Our Company’s subsidiary Wuxi Zhongnuo was qualified as a small and micro enterprise during the Tracking Record Period and our Company’s subsidiary Wuxi Liding was qualified as a small and micro enterprise in 2023 and 2024. For details of such preferential tax treatments, see note 10 of the Accountants’ Report in Appendix I to this document. Any increase in the enterprise income tax rate applicable to us and our subsidiaries, or the discontinuation of any preferential tax treatments, could adversely affect our results and operations and financial condition.

During the Track Record Period, we received government grants of RMB13.7 million, RMB8.3 million and RMB6.3 million in 2023, 2024 and 2025, respectively, mainly comprising awards and subsidies for our business development and research and development activities. The timing, amount, and conditions of these government grants are within the sole discretion of the relevant government authorities. There is no assurance that we will continue to receive these government grants in the future or continue to satisfy the conditions required for such grants. If the amount of government grants that we receive is reduced in the future, or if the government eliminates such grants altogether, our results of operations and financial condition may be adversely affected.

Further, in the ordinary course of our business, we are subject to complex income tax and other tax regulations, and significant judgements are required in the calculation and determination of our tax liabilities. Although we believe our tax liability calculations and provisions are reasonable, if the PRC tax authorities successfully challenge our position, and we are required to pay additional tax, interest and penalties in excess of our tax provisions or the taxes we have already paid, our financial condition and results of operations may be materially and adversely affected.

We have experienced net operating cash outflow, which could expose us to liquidity risks.

In 2023, we had net cash used in operating activities of RMB61.6 million. We had net operating cash outflows during 2023 primarily because we received fewer prepayments for our projects and settled outstanding supplier balances.

Beyond these factors, we cannot guarantee that future business activities or other external factors, such as market competition and macroeconomic shifts, will not negatively impact our operating cash flow, potentially leading to net operating cash outflows in the future. Net operating cash outflow may require us to seek additional financing from offering or issuing our H Shares,

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and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. Any difficulty or failure to meet our liquidity needs as and when needed may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to inventory obsolescence risk.

Our inventories were RMB2,480.6 million, RMB1,641.8 million and RMB1,222.8 million as of December 31, 2023, 2024 and 2025, respectively. For the same years, our inventory turnover days were 601 days, 482 days and 327 days, respectively. The vast majority of our inventories are work in progress, such as racks, shuttles and robots, and other equipment for use in producing our integrated intralogistics solutions. A portion of our inventories are raw materials used for our production.

We generally procure raw materials against firm customer purchases orders, and occasionally purchase larger quantities in advance to secure favourable pricing. We initiate work in progress upon confirmation of customer orders. Despite these controls, we are subject to risk of inventory obsolescence. Obsolescence risks may arise from, among others, (i) project cancellations or delays, which could render partially completed projects non-transferable; (ii) deterioration, damage sustained or expiry prior to utilization; and (iii) customer insolvency post-production commencement. Additionally, we cannot guarantee optimal inventory levels; excess inventory may increase our inventory holding costs and risk of write-offs. These factors could materially and adversely affect our business prospects, financial condition and results of operations.

We are subject to credit risk in relation to the collectability of our trade receivables and contract assets.

We are exposed to credit risk through trade receivables and contract assets arising from our smart intralogistics solutions projects. We charge by milestones for our smart intralogistics solutions. Typically, 10% of the contract value is retained as a warranty deposit, released at the end of the warranty period. Contract assets represent these retention amounts. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when our right to payment becomes unconditional, which occurs upon expiry of the warranty period, provided that no warranty issues have arisen or that any identified issues have been satisfactorily resolved for the customer. Our standard warranty period is one year following project acceptance by the customer.

We recorded contract assets of RMB272.7 million, RMB224.4 million and RMB211.3 million as of December 31, 2023, 2024 and 2025, respectively. There is no assurance that such retention monies will be released by our customers and paid to us on a timely basis and in full accordingly.

Our trade receivables represent the outstanding amount due from our customers for the purchase of our products or solutions. As of December 31, 2023, 2024 and 2025, we recorded trade receivables, net of impairment, of RMB335.9 million, RMB342.2 million and RMB495.7 million, respectively. There can be no assurance that our customers will settle such outstanding amounts on time and in full. In the event that we are unable to collect a substantial portion of our trade receivables within the payment terms or at all, our cash flows and financial positions will be adversely affected.

Any difficulty in collecting a substantial portion of our trade receivables and contract assets could materially and adversely affect our cash flows and financial positions.

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Potential mismatch in time between receipt of payments from our customers, payment of project up-front costs, and payments to our suppliers may adversely affect our cash flows.

We may experience cash flow mismatch from time to time as our projects progress, which largely depend on (i) our customers’ internal certification process of our payment applications and internal approval process of our invoices; (ii) the settlement timeframe to our suppliers; and (iii) the number and scale of our projects in progress. The liquidity needs of our projects would therefore impose a constraint on the number and/or scale of the projects which we could undertake concurrently if we solely rely on our operating cash flow to support our expansion.

Our customers generally make progress payments according to milestones. Subject to and depending on the terms of customer contracts, our customers generally withhold payment of 30% of the contract value until after inspection and acceptance of our delivered solution, and a further 10% is withheld until after the end of the warranty period. Subject to and depending on the terms of supplier contracts, our payments to suppliers may be triggered by earlier contract milestones, such as delivery of goods by the supplier and our acceptance of goods after inspection. This payment timing misalignment may create temporary cash flow mismatch. For further details of our typical payment terms, see “Business — Our Customers — General Terms of Contracts with Customers” and “Business — Our Suppliers — General Terms of Contracts with Suppliers.”

Our business model requires significant working capital to fund inventories, which primarily consist of raw materials and work in progress such as racks, shuttles, robots and other equipment for producing our integrated intralogistics solutions. As of December 31, 2023, 2024 and 2025, our inventories amounted to RMB2,480.6 million, RMB1,641.8 million and RMB1,222.8 million, respectively, representing 67.6%, 59.0% and 42.7% our current assets for the same periods. Our trade receivables turnover days were 146 days, 89 days and 94 days over the same periods, reflecting the length of our cash conversion cycle after passing customer acceptance. The combination of long project cycles and outstanding customer payments means that a material amount of our working capital may be tied up in inventories and receivables at any given time. There can be no assurance that inventories will be converted into revenue on a timely basis, as this primarily depends on the progress of project delivery and customer acceptance. Similarly, there can be no assurance that our customers will settle receivables on time or in full. Delays in customer acceptance or customer defaults in payment could materially increase our working capital requirements and adversely affect our cash flow.

Our cash flow typically turns from net outflows at the early stage of a project into accumulative net inflows gradually as the project progresses. This results in a cash flow gap and in the event that we have more projects at the initial stage or that a substantial amount of retention monies from various projects are being withheld by our customers at any given point of time, our liquidity may be materially and adversely affected.

Share-based payments may lead to shareholding dilution for our Shareholders and adversely affect our financial performance.

We adopted share incentive schemes for the benefit of certain Directors, senior management and employees who contribute to the development and success of our Group. See note 35 of the Accountants’ Report in Appendix I to this document, “Appendix VI — Statutory and General Information — 4. Restricted Share Incentive Plan” and “Appendix VI — Statutory and General Information — 5. [REDACTED] Share Option Scheme.” In 2023, 2024 and 2025, we incurred share-based payment expenses of nil, RMB62 thousand, and RMB10.8 million, respectively. To further incentivize our employees to contribute to our Group, we may incur additional share-based payments in the future. Issuance of Shares in connection with such share-based payments may dilute the shareholding percentage of our existing Shareholders. Such share-based payments may also increase our expenses and therefore have a material and adverse effect on our financial performance.

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RISKS RELATED TO OUR LEGAL AND REGULATORY REQUIREMENTS

Any legal or regulatory proceedings against us could be costly and time-consuming to defend or settle and could harm our reputation.

Our business is subject to various litigation and legal compliance risks. The results of legal and regulatory proceedings can be difficult to assess or quantify. Regardless of merit, legal and regulatory proceedings may be both time-consuming and disruptive to our operations and could divert the attention of our management and key personnel from our business operations. Such proceedings could also generate significant adverse publicity and have a negative impact on our reputation and brand image, regardless of the existence or amount of liability. Claimants in such proceedings may seek recovery of large or indeterminate amounts, and the magnitude of potential losses relating to such disputes may remain unknown for a substantial period of time. As of the Latest Practicable Date, we were involved in three pending litigations that had a claim amount of over RMB1.0 million, two of which were litigations against our customers and one against our supplier. For details, see “Business — Legal Proceedings and Compliance”. There is no assurance that we will ultimately prevail in any of these pending proceedings. Any adverse judgment could result in significant liabilities, additional costs or late payment interests. The cost of defending ourselves in future disputes or proceedings may be significant and could negatively affect our results of operations. As a result, any significant disputes or proceedings could adversely affect our business, results of operations, financial condition, and reputation.

Our operations are subject to inherent operational risks and occupational hazards, which could cause us to incur substantial costs, reputational damage, and loss of future business opportunities.

The manufacturing, operation, and maintenance of our smart intralogistics solutions and intralogistics equipment carry inherent operational and safety risks. We may be held liable for the accidents and injuries sustained by employees, customers, or other third parties in the course of our business operations and in the use of our solutions and products. Such accidents and injuries may occur as a result of defects in or improper use of our solutions and products. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, there were no material accidents or injuries caused by or related to the production or implementation of our solutions and equipment. There is no guarantee that we will be able to identify all or any of the defects in our procured components or completed solutions and products. In addition, we cannot guarantee that our customers, employees, or other third parties will properly operate our solutions and products. If accidents occur in the course of our operations or after the delivery of our solutions and products to our customers, we may need to divert significant management attention and financial resources to deal with them, even if we are not at fault. Furthermore, such accidents may damage our reputation, causing us to lose existing and prospective customers, thereby materially and adversely affecting our business and prospects.

Unauthorized use or other violations of our intellectual property rights by our customers, employees, or third parties may damage our brand and reputation. We may also face intellectual property infringement claims, which could be expensive to defend and may disrupt our business operations.

We own certain intellectual property, including our trademarks, copyrights, patents, and proprietary technologies, all of which we regard as critical to our success. See “Business — Intellectual Property”. We rely on a combination of intellectual property laws and contractual arrangements, including confidentiality and non-compete agreements with our employees, to protect our intellectual property rights. However, patent applications and other filings of intellectual property rights may be time-consuming and costly. There is no guarantee that we will be able to file our application at a reasonable cost, or our application will be approved in a timely manner. Although our contracts with our employees prohibit the unauthorized use of our intellectual property rights, we cannot assure you that they will always comply with these terms. These

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agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, third parties may independently discover trade secrets and proprietary information, such as our source codes and design blueprints, limiting our ability to assert any trade secret rights against such parties, or misappropriate our intellectual property despite our protective measures. Furthermore, our intellectual property rights may be challenged by a third party or be declared invalid or unenforceable. If we are not able to adequately protect our intellectual properties, our competitors may offer products with similar features or utilize similar technologies in their products, leading to a loss in our market competitiveness. This could adversely and materially affect our business, results of operations and financial conditions.

In addition, we may be accused of infringing the intellectual property rights of others. We cannot guarantee that our operations or any aspects of our business do not, or will not, infringe upon or otherwise violate intellectual property rights held by third parties. There is no assurance that such challenges will not arise in the future. There could also be existing intellectual property rights that our products may inadvertently infringe. If we are found to have violated the intellectual property rights of others, we may be subject to liabilities, prohibited from using such intellectual property, and required to pay licensing fees or develop alternative technologies. In addition, we may incur significant expenses and be forced to divert managerial and financial resources from our business operations to defend against these infringement claims, regardless of their merits. Successful infringement or licensing claims made against us may result in substantial costs and materially disrupt our business operations by restricting or prohibiting our use of the intellectual property in question. Consequently, our business, results of operations, and financial condition could be materially and adversely affected.

Failure to comply with the Labor Contract Law or other PRC labor related regulations and rules may have an adverse impact on our financial conditions and results of operations.

Companies operating in China are required to participate in certain statutory employee benefit plans, including social insurance and housing provident funds. Contributions to these plans are calculated as certain percentages of the employees’ salaries, which varies as specified by local governments.

We have opened social insurance registration accounts and housing provident fund accounts and paid social insurance and housing provident fund contributions for our employees in accordance with laws and regulations related to social insurance and housing provident funds. However, our calculation methods of contribution of certain of our employees may differ from local requirements, and therefore we did not make these contributions in full in accordance with the relevant PRC laws and regulations. We may be required to pay any shortfall in social insurance and housing provident fund contributions within a prescribed time period and penalties by the relevant authorities. In 2023, 2024 and 2025, we estimate the shortfalls in the aggregate amounts of contributions made by the Group to its employees’ social insurance and unpaid housing provident funds were approximately RMB0.4 million, RMB0.6 million and RMB0.4 million, respectively. According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), for the shortfall of social insurance, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period and to pay a daily overdue charge of 0.05% of the delayed payment amount, and (ii) to pay a fine of one to three times of the overdue amount if such payment is not made within the stipulated period. Under the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), for the shortfall of housing provident funds, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period, and (ii) an application may be made to the courts for compulsory enforcement if the payment is not made within such time limit. As advised by our PRC Legal Advisors, the risk of the competent authorities for social insurance and housing provident funds proactively ordering us to make up the required contributions to social insurance and housing provident funds, or to pay administrative fines or penalties, is relatively low. For details, see “Business — Legal Proceedings and Compliance — Shortfalls in Social Insurance and Housing Provident Funds.”

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To address historical non-compliance with the full contribution of social insurance and housing provident fund amounts for certain employees, we have formulated a phased rectification plan. See “Business — Legal Proceedings and Compliance — Shortfalls in Social Insurance and Housing Provident Funds” for further details.

As advised by our PRC Legal Advisors, the risk that the relevant labor resources and social welfare government authorities and housing funding government authorities will proactively impose administrative penalties on us and our subsidiaries for the above-mentioned issues related to labor social insurance and housing provident funds during the Track Record Period is relatively remote. The interpretation and implementation of the Labor Contract Law, Social Insurance Law, and related regulations in China are continually changing. These changes make it difficult to predict compliance outcomes. We cannot guarantee that authorities will not demand settlement of shortfall amounts within a deadline or impose penalties. Non-compliance could result in fines, charges, or other regulatory actions, adversely impacting our business and financial condition.

Some of our leased properties in China have title defects and our lease agreements were not registered with the relevant government authorities.

As of December 31, 2025, we leased and occupied 38 properties. As of the Latest Practicable Date, 11 of these properties, each used for workers’ dormitories, have title defects (including compliance issues) due to our failure to obtain valid title certificates, non-compliance with usage of government-allocated land or non-compliance with designated land use purpose. We may need to seek alternatives premises and incur additional costs for relocation, if any dispute or claim arises in relation to the rights to use or lease of the properties occupied by us, which could adversely impact our business, financial condition and results of operations. For details, see “Business — Our Properties — Leased Properties”.

Of these 38 leased properties, lease agreements for 21 have not been filed with the relevant government authorities as of the Latest Practicable Date. As advised by our PRC Legal Advisors, the failure to register the lease agreements does not affect the validity of the lease agreements under the relevant PRC laws and regulations. However, in addition to our lessors, we may also be required by relevant government authorities to complete the registration formalities within a prescribed time limit, and failure to do so may subject us to fines imposed by PRC government authorities ranging from RMB1,000 to RMB10,000 for each unregistered lease agreement.

We face risks associated with the transfer of land use rights relating to Wuxi Senheda.

On June 24, 2025, our Company, as transferor, and Wuxi Huixi High-Tech Industrial Development Co., Ltd (無錫惠西高新技術產業發展有限公司) (“**Wuxi Huixi**”), as transferee, entered into an equity transfer agreement (“**the Agreement**”), in which our Company agreed to dispose of its entire equity interest in Wuxi Senheda. Closing of the transaction occurred on June 27, 2025. The Agreement was executed with an indemnification provision whereby if Wuxi Senheda incurs liability due to incomplete performance of contractual obligations or undisclosed debts before the closing date, the transferee may demand the transferor to cover all costs and losses arising from such liability. In consequence, we may be held liable for outstanding obligations or debts of Wuxi Senheda, including under the “Contract for the transfer of state-owned land use rights” (國有建設用地使用權出讓合同) (the “**Land Use Contract**”) concerning certain land use rights, which was entered into with the Wuxi Municipal Bureau of Natural Resources and Planning (無錫市自然資源和規劃局) (the “**Wuxi NRPB**”) in June 2024. As of June 27, 2025, being the closing date of the Agreement, Wuxi Senheda had not commenced construction upon the relevant land parcels nor submitted a deferral application to Wuxi NRPB in accordance with the terms of the Land Use Contract. For details, see “Business – Our Properties – Owned Properties and Land – Matters relating to Wuxi Senheda”.

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There can be no assurance that relevant authorities will not take enforcement action or otherwise reassess Wuxi Senheda’s outstanding obligations, debts or compliance status in respect of the Land Use Contract, which may result in penalties, claims or other adverse actions being assessed or brought against us. Any such developments could expose us to liabilities and may adversely affect our business, financial condition, and results of operations.

Our business is subject to a variety of laws, rules, policies and other obligations regarding data protection domestically and abroad. Any losses or unauthorized access to or unauthorized releases of confidential information and data could subject us to significant reputational, financial, legal and operational consequences.

Our business involves the utilization and storage of confidential information, including but not limited to business contact information of our customers, suppliers, or other third parties. We are subject to laws relating to the collection, use, retention, protection and transfer of data domestically and abroad. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing overseas requirements may cause us to incur substantial costs or require us to change our business practices. Non-compliance could result in significant penalties or legal liability. Any failure by us to comply with other domestic and foreign privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others, which may lead to reputational impacts and significant legal liabilities. There can be no assurance that our data security measures are sufficient for all eventualities and invulnerable to hacking, employee error, malfeasance, system error, faulty password management or other non-compliant incidents. For further details, see “Business — Data Privacy and Security.”

RISKS RELATED TO THE [REDACTED]

There has been no prior public market for our H Shares and there can be no assurance that an active market will develop or be sustained after the [REDACTED].

Prior to this [REDACTED], there was no public market for our H Shares. The [REDACTED] is the result of negotiations between us and the [REDACTED] (for itself and on behalf of the [REDACTED]) and may differ significantly from the market price of our H Shares following the [REDACTED]. We have applied for the [REDACTED] of, and permission to [REDACTED] in, our H Shares on the Stock Exchange. A [REDACTED] on the Stock Exchange, however, does not guarantee that an active and liquid trading market for our H Shares will develop, or if it does develop, will be sustained following the [REDACTED] or that the [REDACTED] of our H shares will not drop below the [REDACTED] at any time after the completion of the [REDACTED].

The liquidity and [REDACTED] of our H Shares may be volatile.

The [REDACTED] and trading volume of our H Shares may be volatile and fluctuate materially due to various factors, such as the following:

- actual or anticipated fluctuations in our revenues and results of operations;
- news regarding the recruitment or loss of key personnel by ourselves or our competitors;
- announcements of competitive developments, acquisitions, or strategic alliances in our industry;
- changes in earnings estimates or recommendations by financial analysts, regardless of the accuracy of the information on which their estimates are based;
- potential litigations;

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- general market conditions or other developments affecting us or our industry;
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control; and
- sales or perceived sales of additional H Shares by us or other Shareholders.

Moreover, the Stock Exchange and other securities markets have from time to time experienced material price and volume fluctuations that were unrelated, or not directly related, to the operating performance of specific companies. These broad market and industry fluctuations may have a material and adverse effect on the [REDACTED] and [REDACTED] of our H Shares. In addition, the volatility in the [REDACTED] and [REDACTED] of our H Shares may negatively impact our ability to raise capital in the future through the issuance of additional equity securities.

You will incur immediate and substantial dilution and may experience further dilution if we issue additional H Shares in the future.

As the [REDACTED] of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the [REDACTED], purchasers of our H Shares in the [REDACTED] may experience an immediate dilution in the [REDACTED] consolidated net tangible asset value. To expand our business, we may consider [REDACTED] and issuing additional H Shares in the future. Purchasers of the [REDACTED] may also experience dilution in the net tangible asset value per Share of their H Shares if we issue additional H Shares in the future at a price lower than the net tangible asset value per Share at that time.

We cannot guarantee the accuracy of facts, forecasts, and other statistics obtained from official government sources contained in this document.

Certain facts, forecasts, and other statistics in this document are derived from various official government resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said 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. Nevertheless, information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision. We strongly caution you not to rely on any information contained in press articles or other media coverage relating to us or the [REDACTED].

We strongly caution our [REDACTED] not to rely on any information contained in press articles or other media coverage regarding us or the [REDACTED]. Prior to the publication of this document, there may be press and media coverage regarding us, our business, our industry, and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations, and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no

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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.

You should not place any reliance on any information released by Noblelift Company, one of our Controlling Shareholders, in connection with the listing of its A Shares on the Shanghai Stock Exchange.

As the A Shares of Noblelift Company are listed on the Shanghai Stock Exchange, it has been subject to periodic reporting and other information disclosure requirements in China. As a result, from time to time, Noblelift Company publicly releases information relating to us on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by Noblelift Company in connection with its A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in China, which are different from those applicable to the [REDACTED]. The presentation of our financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. As a result, prospective [REDACTED] in our H Shares should be reminded that, in making their [REDACTED] decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [REDACTED].

Holders of our H Shares may be subject to PRC income tax on dividends from us or any gains realized on the transfer of our H Shares.

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between China and a non-PRC investor’s jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in China, or which have an establishment or place of business in China if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within China unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. It is unclear whether dividends we pay with respect to our H Shares, or the gains realized from the transfer of our H Shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax. If PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

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

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by the Stock Exchange in its discretion.

Since our Group’s headquarters and our principal business operations are based, managed and conducted in the PRC, and all of our executive Directors and senior management members spend the majority of their time supervising our Group’s principal business operations in the PRC and do not ordinarily reside in Hong Kong. Given that (i) our Group’s principal business and operations are located, managed and conducted in the PRC through our PRC operating subsidiaries; (ii) none of our executive Directors is a Hong Kong permanent resident or is ordinarily based in Hong Kong; and (iii) our executive Directors will continue to be based in the PRC after the [REDACTED] to manage our business, our Company does not, and will not, in the foreseeable future, have a sufficient management presence in Hong Kong as required under Rules 8.12 and 19A.15 of the Listing Rules. As such, we do not, and in the foreseeable future will not, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, 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 and Rule 19A.15 of the Listing Rules, provided that our Company implements the following arrangements to maintain effective communication between the Stock Exchange and us:

- (1) pursuant to Rule 3.05 of the Listing Rules, the Company has appointed and will continue to maintain two authorized representatives, namely, Mr. Li Xiaobing and Mr. Dai Wenbin, being respectively an executive Director and a joint company secretary of our Company, to be the principal communication channel at all times between the Stock Exchange and the Company. Each of the Company’s authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email;
- (2) as and when the Stock Exchange wishes to contact our Directors on any matters, each of our authorized representatives has the means to contact all of our Directors (including the independent non-executive Directors) promptly at all times;
- (3) although our executive Directors do not ordinarily reside in Hong Kong, each of our Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and is able to meet with the Stock Exchange within a reasonable period of time, when required;
- (4) we have appointed Guotai Junan Capital Limited as our compliance advisor (the “**Compliance Advisor**”), pursuant to Rule 3A.19 of the Listing Rules, who will have access at all times to our authorized representatives, Directors and senior management, and will act as an additional channel of communication between the Stock Exchange and us for the period commencing from the [REDACTED] to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor will maintain constant contact with the authorized representatives, Directors and senior management through various means, including regular meetings and telephone discussions whenever necessary. Our authorized representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor’s duties as set forth in Chapter 3A of the Listing Rules;

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- (5) we have provided the Stock Exchange with the contact details of each Director (including their respective mobile phone number, office phone number and e-mail address); and
- (6) we will also retain legal advisers to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after [REDACTED].

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, an issuer 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 an individual as the company secretary of our Company who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

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

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

Note 2 to Rule 3.28 of the Listing Rules provides that in assessing "relevant experience", the Stock Exchange will consider the individual's:

- (a) length of employment with the Company and other listed companies and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than fifteen hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Our Company considers that while it is important for the company secretary to be familiar with the relevant securities regulation in Hong Kong, he/she also needs to have experience relevant to our Company's operations, nexus to the Board and close working relationship with the management of our Company in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who has been a member of the senior management for a period of time and is familiar with our Company's business and affairs as company secretary.

We have appointed Mr. Dai Wenbin and Ms. Zhao Na as the joint company secretaries of our Company. Ms. Zhao Na is a Chartered Secretary, a Chartered Governance Professional and an associate member of both of The Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly The Institute of Chartered Secretaries and Administrators), and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. Mr. Dai Wenbin, however, does not possess the qualifications set out in Rule 3.28 of the Listing Rules. We believe that Mr. Dai Wenbin, by virtue of his knowledge and

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experience in information disclosure and investor relations in PRC listed companies, is capable of discharging his functions as a joint company secretary. We therefore believe that it would be in the best interests of our Company and of the corporate governance of our Group to appoint Mr. Dai Wenbin as a joint company secretary. For more details of Mr. Dai Wenbin’s biographical information, see “Directors and Senior Management” in this document.

We have therefore applied to the Stock Exchange for, [and the Stock Exchange has granted us,] a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules on the conditions that: (i) Mr. Dai Wenbin must be assisted by Ms. Zhao Na, who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the waiver period; and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by our Company or if Ms. Zhao Na ceases to provide assistance to Mr. Dai Wenbin during the waiver period. We expect that Mr. Dai Wenbin will acquire the qualifications or relevant experience required under Rule 3.28 of the Listing Rules prior to the end of the three-year period after the [REDACTED]. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Mr. Dai Wenbin, having had the benefit of Ms. Zhao Na’s assistance for three years and has acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted us], a waiver from strict compliance with the announcement requirement under Rule 14A.105 of the Listing Rules in relation to partially-exempt continuing connected transactions between us and our connected person. For further details of such continuing connected transactions and the waiver, please refer to the section headed “Connected Transactions” in this document.

WAIVER IN RELATION TO POST-TRACK RECORD PERIOD ACQUISITION

Rules 4.04(2) and 4.04(4) of the Listing Rules require that the new applicant include in its accountants’ report the results and balance sheet of any business or subsidiary acquired, agreed or proposed to be acquired, since the date to which its latest audited accounts have been made up, in respect of each of the three financial years immediately preceding the issue of this Document.

Pursuant to note (4) of Rule 4.04(4) of the Listing Rules, the Stock Exchange may consider an application for a waiver of Rules 4.04(2) and 4.04(4) of the Listing Rules taking into account the following factors:

- (a) that all the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) are less than 5% by reference to the most recent audited financial year of the new applicant’s trading record period;
- (b) if the acquisition will be financed by the proceeds raised from a public offer, the new applicant has obtained a certificate of exemption from the SFC in respect of the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and
- (c) (i) where a new applicant’s principal activities involve the acquisition of equity securities (the Stock Exchange may require further information where securities acquired are unlisted), the new applicant is not able to exercise any control, and does not have any significant influence over the underlying company or business to which Rule 4.04(2) and 4.04(4) of the Listing Rules relate, and has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons. In this regard, “control” means the ability to exercise or control the

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exercise of 30% (or any amount specified in the Hong Kong Code on Takeovers and Mergers as the level for triggering a mandatory general offer) or more of the voting power at general meeting, or being in a position to control the composition of a majority of the board of directors of the underlying company or business; or

(ii) with respect to an acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (a) above) or a subsidiary by a new applicant, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under Rules 14.58 and 14.60 of the Listing Rules on each acquisition. In this regard, “unduly burdensome” will be assessed based on each new applicant’s specific facts and circumstances (e.g. why the financial information of the acquisition target is not available and whether the new applicant or its controlling shareholder has sufficient control or influence over the seller to gain access to the acquisition target’s books and records for the purpose of complying with the disclosure requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules).

Background

Subscription of equity interests in SVOLT Energy Technology

In June 2025, we entered into letter of intent in relation to our potential subscription of no more than 0.2% of the equity interests in SVOLT Energy Technology Co., Ltd. (蜂巢能源科技股份有限公司) (the “**SVOLT Energy Technology**”) at the consideration of RMB20.0 million (*the “**Subscription**”). The consideration was determined after arm’s length negotiation between the parties and with reference to the projected valuation of SVOLT Energy Technology, which was in turn arrived at with reference to the appraised value of the entire shareholders’ equity interests in SVOLT Energy Technology appraised by an independent valuer. In the event the Subscription does materialize, SVOLT Energy Technology will not be accounted as our subsidiary after the completion of the Subscription. Pursuant to the arrangement under the letter of intent, RMB20.0 million has been paid by the Company to SVOLT Energy Technology as earnest money as at the Latest Practicable Date, which will be used to settle the consideration payable in full in the event the Subscription materialises and upon the execution of the final investment agreement. There will not be any board representation from our Company in SVOLT Energy Technology.

SVOLT Energy Technology is a manufacturer of lithium-ion batteries established in the PRC. To our best knowledge after due and careful enquiry, SVOLT Energy Technology and its ultimate beneficial owners are independent of our Company and its connected persons.

The unaudited total assets of SVOLT Energy Technology was approximately RMB67.5 billion as at December 31, 2025. For the year ended December 31, 2025, the unaudited revenue of SVOLT Energy Technology was approximately RMB23.3 billion, the unaudited loss before tax of SVOLT Energy Technology was approximately RMB1.3 billion and the unaudited net loss of SVOLT Energy Technology was approximately RMB1.3 billion.

Reasons and benefits of the Subscription

The SVOLT Energy Technology is one of our major customers for the years ended December 31, 2023, 2024 and 2025 which procured smart intralogistics solutions from us. We believe the Subscription would help strengthen and foster a long-lasting business relationship with SVOLT Energy Technology, which is expected to continue to require our services and potentially create new business opportunities in the future. Further, SVOLT Energy Technology ranked among the top 10 suppliers in terms of market share in the electric vehicle battery in Europe and in the PRC respectively between January and December 2025, and had recorded substantial growth in both regions during the period. In light of the above and taking into account the growing relationship

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between the Group and SVOLT Energy Technology, the Directors consider that SVOLT Energy Technology has considerable business prospect and the Subscription could generate investment return, and the Subscription will not result in any material change to our Group's financial position. Our Directors considered that the Subscription is on normal commercial terms, fair and reasonable and in the interest of our Company and the Shareholders as a whole.

Conditions to the waiver granted by the Stock Exchange

We have applied to the Stock Exchange for, and the Stock Exchange has granted a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in respect of the Subscription on the following grounds:

(a) Immateriality

Under Rule 14.04(9) of the Listing Rules, all the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the Subscription are below 5% by reference to the most recent audited financial year of the Track Record Period. We consider the Subscription to be immaterial in the context of our Company's operations as a whole and therefore a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect potential [REDACTED] assessment of our business and future prospects when considering an [REDACTED] in our Company.

(b) Subscription of non-controlling interests only and absence of control for SVOLT Energy Technology

As we are only subscribing for non-controlling interests in SVOLT Energy Technology, we will not be able to control a majority of the board of directors nor the daily management of SVOLT Energy Technology, and therefore SVOLT Energy Technology will not be treated as our subsidiary upon completion of the Subscription. As a result, its financial information will not be consolidated into our Group.

(c) Impracticality and undue burden

As mentioned in (b), we will not control SVOLT Energy Technology. As a result, we are unable to provide our reporting accountant with full access to their financial record, provide them opportunities to fully familiarize with SVOLT Energy Technology's accounting policies or to gather and compile the necessary financial information and supporting documents to prepare the financial information required under the Listing Rules. As such, it would be impracticable and unduly burdensome for us to disclose the financial information of SVOLT Energy Technology in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules.

(d) Alternative disclosure in this Document

We have provided alternative information in this document in connection with the Subscription required for the announcement for a discloseable transaction under Chapter 14 of the Listing Rules including, among other things, (i) the reasons and benefits for the Subscription, (ii) description of the principal business of SVOLT Energy Technology, (iii) a confirmation that SVOLT Energy Technology and its ultimate beneficial owners are Independent Third Parties, (iv) the consideration for the Subscription and how it is expected to be satisfied, (v) basis on which the consideration for the Subscription is determined, and (vi) key financial information of SVOLT Energy Technology.

For the avoidance of doubt, we have only entered into the letter of intent with respect to the Subscription and are currently under further negotiations on the details of such Subscription and the terms of the definitive subscription agreement. As a result, the Subscription may or may not materialize.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Ding Sheng (丁晟)	Room 1004 , Building 5 Hongqiao Tiandi No. 99 Shaohong Road Xinhong Street, Minhang District Shanghai China	Chinese
Mr. Yang Tianbiao (楊天彪)	Room 1103, Building 10 Donghu Linyu, Suzhou Industrial Park Suzhou Jiangsu Province China	Chinese
Mr. Chen Lisheng (陳黎升)	Room 2, Building 87 Rongjun Residential Quarter Binhe Avenue Huangjiawan Community Committee Zhicheng Subdistrict Changxing County, Huzhou City Zhejiang Province China	Chinese
Mr. Li Xiaobing (李小兵)	Room 1202, Block 9 Shengshi Mingyuan, Yuecheng District Shaoxing City Zhejiang Province China	Chinese
Ms. Du Jing (杜晶)	Room 401, Unit 3, Building 18 Lily Quarter, Shuimuhuadu Community Zhicheng Subdistrict Changxing County, Huzhou City Zhejiang Province China	Chinese
Mr. Su Tong (蘇彤)	Room 402, No. 56, Lane 500 Baodi Road, Baoshan District Shanghai China	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Independent non-executive Directors

Ms. Zhu Ying (朱應)	No. 1811, Building 1 Yard 97, Youwai Street Fengtai District, Beijing China	Chinese
Ms. Lam Fei Sui (林菲萃)	Flat E, 38/F, Block 3 The Belcher’s 89 Pok Fu Lam Road Pok Fu Lam Hong Kong	Chinese
Mr. Cong Runmin (叢潤民)	Room 701, Unit 3 Building 1, Youth Experts Apartment Xinglongshan Campus Shandong University Shizhong District Jinan City, Shandong China	Chinese

For further details, see “Directors and Senior Management” in this document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

[REDACTED]

Legal Advisors to the Company

As to Hong Kong law:
Jingtian & Gongcheng LLP
Suites 3203-3207, 32/F, Edinburgh Tower
The Landmark
15 Queen’s Road Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

	<i>As to PRC law:</i> Jingtian & Gongcheng 34/F, Tower 3 China Central Place 77 Jianguo Road Chaoyang District Beijing PRC
Legal Advisors to the Sole Sponsor and the [REDACTED]	<i>As to Hong Kong law:</i> King & Wood 13/F, Gloucester Tower The Landmark 15 Queen’s Road Central Hong Kong
	<i>As to PRC law:</i> King & Wood 17th Floor, One ICC, Shanghai ICC 999 Middle Huai Hai Road Xuhui District, Shanghai PRC
Auditor and Reporting Accountant	Ernst & Young <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance</i> 27/F, One Taikoo Place 979 King’s Road Quarry Bay, Hong Kong
Industry Consultant	China Insights Industry Consultancy Limited 10/F, Block B, Jing’an International Center 88 Puji Road Jing’an District, Shanghai PRC
Special Litigation Counsel	Zhe Jiang Zhong Cheng Lawyer’s Office (浙江眾成律師事務所) 3rd Floor, Mingzhu Business Building No. 1258 Mingzhu Road Taihu Subdistrict, Changxing County Zhejiang PRC
Tax Consultant	Pan-China Certified Tax Agents Limited B Building, China Resources Tower 1366 Qianjiang Road, Shangcheng District, Hangzhou Zhejiang PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office, headquarters and principal place of business in the PRC	No. 5, Dahuai Road Luoshe Town, Huishan District Wuxi City China
Principal Place of Business in Hong Kong	Room 1917, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Company Website	https://www.zdjc.cn/ <i>(the information contained on this website does not form part of this document)</i>
Joint Company Secretaries	Mr. Dai Wenbin (戴文斌) No. 5, Dahuai Road Luoshe Town, Huishan District Wuxi City Jiangsu Province, China Ms. Zhao Na (趙娜) <i>(ACG, HKACG)</i> Room 1917, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Authorized Representatives	Mr. Li Xiaobing (李小兵) Room 1202, Block 9 Shengshi Mingyuan, Yuecheng District Shaoxing City Zhejiang Province China Mr. Dai Wenbin (戴文斌) No. 5, Dahuai Road Luoshe Town, Huishan District Wuxi City Jiangsu Province China
Audit Committee	Ms. Lam Fei Sui (林菲萃) (<i>Chairman</i>) Ms. Zhu Ying (朱應) Mr. Cong Runmin (叢潤民)
Remuneration Committee	Ms. Zhu Ying (朱應) (<i>Chairman</i>) Mr. Ding Sheng (丁晟) Mr. Cong Runmin (叢潤民)
Nomination Committee	Ms. Zhu Ying (朱應) (<i>Chairman</i>) Mr. Ding Sheng (丁晟) Mr. Cong Runmin (叢潤民)

CORPORATE INFORMATION

Strategy and Sustainability Committee

Mr. Ding Sheng (丁晟) (*Chairman*)
Ms. Zhu Ying (朱應)
Mr. Cong Runmin (叢潤民)

[REDACTED]

Compliance Advisor

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

Principal Bankers

**Bank of China Limited,
Wuxi Luoshe Sub-branch**
No. 1, Xinxing West Road
Luoshe Town, Huishan District
Wuxi City, Jiangsu Province
China

**China Merchants Bank Co., Ltd,
Wuxi Xueqian Sub-branch**
No. 7, Xueqian Street
Liangxi District, Wuxi City
Jiangsu Province, China

INDUSTRY OVERVIEW

The information and statistics presented in this section and other sections of this document, unless otherwise indicated, were extracted from different official government publications and other publications, and from the industry report prepared by CIC, an independent market research and consulting company that was commissioned by us, in connection with this [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of our or their respective directors, officers, employees, agents, or representatives, or any other person or party involved in the [REDACTED], and no representation is given as to its accuracy.

SOURCES OF INFORMATION

China Insights Consultancy was commissioned to conduct research, provide an analysis of, and to produce a report on the smart intralogistics solution industry in China, and other related economic data. The commissioned report has been prepared by China Insights Consultancy independent of the influence of the Company and other interested parties. We have agreed to pay a fee of RMB400,000 to CIC in connection with the preparation of the CIC Report.

China Insights Consultancy provides industry consulting services, commercial due diligence, strategic consulting and so on. Its consultant team has been tracking the latest market trends in intralogistics, consumer goods and services, manufacturing, chemicals, marketing and advertising, culture and entertainment, energy and industry, finance and services, healthcare, TMT, transportation, among others, and possesses the most relevant and insightful market intelligence regarding these industries.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as the National Bureau of Statistics. The market projections in the commissioned report are based on the following key assumptions: (i) the overall social, economic and political environment in China is expected to remain stable during the forecast period; (ii) related key industry drivers are likely to continue driving the growth of the smart intralogistics solution market during the forecast period; and (iii) the market will not be dramatically or fundamentally affected by any extreme force majeure events or unforeseen industry regulations.

ANALYSIS OF GLOBAL AND CHINA’S SMART INTRALOGISTICS SOLUTION MARKET

Booming Global Market for Smart Intralogistics Solution

Logistics serves as the backbone of China’s economy, with social logistics expenditure reached RMB19.5 trillion in 2025. The logistics market can be broadly categorized into external logistics and intralogistics. External logistics primarily covers various modes of transportation and supply chain fulfillment, while intralogistics focuses on the integration of production lines and inventory systems, deployed within factory and warehouse environments. Therefore, smart external logistics and intralogistics solution providers possess distinct capabilities. The former excels in operational scale and platform-based resource coordination, while the latter specializes in intelligent manufacturing system integration.

Although external logistics accounts for the majority share of the logistics market, intralogistics, focusing on core processes such as manufacturing, warehousing, and distribution, remains an indispensable foundation for the efficient operation of the entire supply chain, despite its relatively smaller scale. Compared with the scale-driven nature of external logistics, providers of smart intralogistics solutions typically demonstrate stronger technological barriers and deeper value-creation capabilities. By leveraging automation and smart technologies, they address complex, high frequency, and real-time material handling challenges within confined spaces, directly enhancing production efficiency and operational resilience. As such, they play a pivotal role in driving the logistics industry’s transformation toward greater intelligence and leaner operations. Since 2010, breakthroughs in IoT and other advanced technologies have propelled the

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industry into an era of accelerated intelligent development. Smart intralogistics solution providers now offer integrated solutions that combine automated equipment with software, covering storage, conveyance, and sorting, fully meeting the needs of diverse scenarios such as factories and logistics hubs.

According to CIC, global smart intralogistics solution market grew from RMB379.8 billion in 2021 to RMB528.6 billion in 2025, with a CAGR of 8.6%. Currently, the global penetration rate of smart intralogistics solutions is approximately 20%, and the global smart intralogistics solution market is expected to maintain a growth momentum going forward, surpassing RMB850 billion in 2030.

China’s Smart Intralogistics Solution Market Continues to Evolve and Upgrade

China’s smart intralogistics solution market is experiencing robust growth, driven by the continued expansion of distribution industries such as e-commerce logistics and retail, the rise of emerging sectors such as new energy, the intelligent transformation of manufacturing industries such as automotive, and favorable national policies. As technology costs continue to decline and smart intralogistics systems prove effective in improving operational performance, businesses across sectors are accelerating adoption, fueling the market’s ongoing expansion.

By integrating in-house and purchased hardware with deeply embedded software systems, and leveraging insights into diverse scenarios, smart intralogistics solution providers deliver tailored, integrated solutions to customers. Therefore, they possess industry know-how, a broad customer base, intelligent technological capabilities, and strong project implementation skills, enabling them to empower the entire industry chain and drive overall efficiency. As the variety of intralogistics equipment expands and robotics technology advances, leading solution providers are increasingly capable of coordinating and managing multiple devices and processes, further optimizing resource allocation, and improving collaboration efficiency.

Smart intralogistics solution, categorized by solution type, encompasses key hardware devices such as AS/RS, conveyors, sorters, and robots. Supporting software systems primarily include Warehouse Control Systems (WCS), Warehouse Management Systems (WMS), and other applications focused on robots and various equipment scheduling, warehouse process optimization, and production management.

Key Components of Smart Intralogistics Solution, 2025

	AS/RS	Conveyors	Sorters	Robots	Software
<i>Description</i>	• AS/RS has different types, including heavy-load and light-load systems. They are primarily composed of stacker cranes, high-rise racking, and shuttles	• Conveyors include powered roller lines, belt conveyors, etc.	• Sorters include cross-belt sorters, sliding shoe sorters, etc.	• Robots include industrial robots, mobile robots, etc.	• The software solutions for smart intralogistics include warehouse control, warehouse management, order management systems, etc.
<i>Core Function</i> . . .	• High-density storage and automated retrieval	• Continuous transportation and sorting	• Efficient sorting and order processing	• Flexible material handling and agile scheduling	• Real-time resource and equipment scheduling and end-to-end visibility

Source: CIC

INDUSTRY OVERVIEW

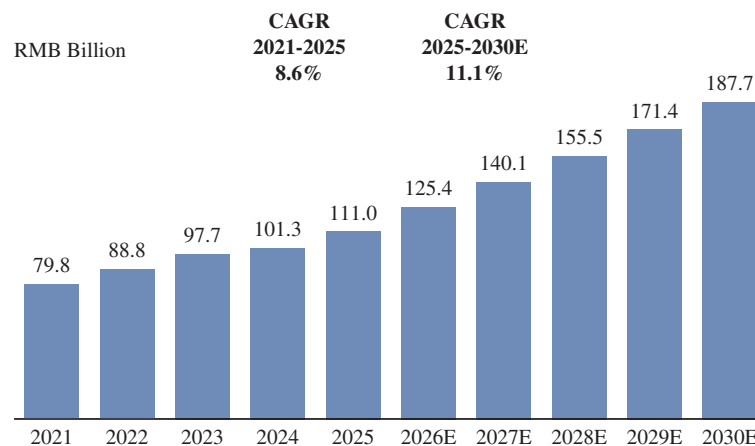
The AS/RS significantly enhances storage density by efficiently utilizing vertical space, leading to substantial reductions in land costs. As its core equipment, the stacker crane offers high-precision positioning and fast retrieval capabilities, enabling fully automated inbound and outbound operations. It adapts to various shelf heights and load requirements, making it ideal for large-scale storage, high-frequency retrieval, and high-informatization scenarios. It is the preferred solution for companies seeking warehouse intensification and standardized processes, serving as a key infrastructure for advancing smart intralogistics.

Robots play a supporting role in smart intralogistics solutions, replacing and optimizing labor in critical functions such as material handling, picking, and transportation. Their application in material flow and production line integration breaks down barriers between intelligent manufacturing processes, facilitating end-to-end automation and transcending the boundaries of traditional human-machine collaboration.

Software systems, including WCS and WMS, are also critical components of smart intralogistics solution. By integrating holistic data and coordinating processes, these systems enable dynamic scheduling of storage resources, precise control of equipment operations, and intelligent optimization of order fulfillment, thereby supporting efficient and transparent logistics operations.

According to CIC, China’s smart intralogistics solution market exceeded RMB110 billion in 2025. In 2030, China’s smart intralogistics solution market is projected to grow rapidly to RMB187.7 billion, representing a CAGR of 11.1%.

◆ China’s Smart Intralogistics Solution Market, 2021-2030E ◆



Source: Mobile Robot and AGV/AMR Industry Alliance, Annual Reports, CIC

Market Trends and Drivers of Smart Intralogistics Solution Market

- **Rising Land and Labor Costs:** Under tightening land resources and rising labor costs, China’s manufacturing sector is accelerating its shift toward digitalization and intelligent operations. Smart intralogistics solutions, featuring integrated automation and smart capabilities, effectively reduces labor dependency, optimize warehouse layout, save space, and enhance logistics efficiency and accuracy. These advantages work together to strengthen operational performance and sharpen market competitiveness.
- **Deep Integration of Frontier Technologies:** AI is reshaping the role of robots in intralogistics by enabling real-time learning to optimize processes, allowing them to handle more diverse tasks and adapt flexibly to dynamic environments. Advancements in foundational mobile robot navigation technology, combined with the integration of multimodal perception, have

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significantly improved path planning efficiency in complex environments. The rapid iteration of cobots, embodied intelligence, and humanoid robotics technologies is poised to further overcome the limitations of automation, driving the industry toward a flexible transformation across all scenarios.

- **Refined Scenario Adaptation:** As industries upgrade and demand diversifies, smart intralogistics solutions are transitioning to deeply customized solutions tailored to specific operational environments, workflows, and needs. Diverse industry-specific pain points are prompting solution providers to rapidly develop flexible delivery capabilities that combine reusable technology modules with scenario-based knowledge frameworks.
- **Maturing Industry Chain:** The maturation of hardware technology, coupled with the rise of cost-effective Chinese manufacturers, has driven a significant reduction in the hardware costs of smart intralogistics systems, further accelerating innovation and iteration in smart intralogistics equipment. At the same time, the ever-improving industry chain enables solution providers to collaborate with multiple resources, offering customers more efficient integrated solutions.
- **Acceleration of High-Quality Industry Growth:** The widespread adoption of more intelligent solutions has raised higher expectations for providers. Leading smart intralogistics solution providers, leveraging their technological expertise and cross-industry adaptability, can efficiently respond to customized client needs, further consolidating market share and driving the industry toward higher-value, quality-driven growth.
- **Supportive Government Policies:** Governments around the world are vigorously promoting the upgrade of smart intralogistics technologies and infrastructure through strategic planning and financial support. Initiatives such as “*Made in China 2025*” (中國製造2025) call for the manufacturing sector to become more connected, intelligent, and flexible, pushing enterprises to restructure their supply chain logistics. The “*14th Five-Year Plan for Modern Logistics Development*” (《“十四五”現代物流發展規劃》) outlines the construction of smart and green logistics systems, while the “*Large-Scale Transportation Equipment Renewal Action Plan*” (《交通運輸大規模設備更新行動方案》) issued by 13 departments including the Ministry of Transport specifically calls for the intelligent transformation of logistics hubs and parks. “*Development Plan on Smart Manufacturing in the 14th Five-Year Plan*” (《“十四五”智能製造發展規劃》), calls for the vigorous development of smart manufacturing equipment, including smart intralogistics systems such as large-scale AS/RS. “the Guiding Opinions on Accelerating Scenario Innovation and Promoting High-quality Economic Development with High-level Application of Artificial Intelligence” (《關於加快場景創新以人工智能高水平應用促進經濟高質量發展的指導意見》), proposes prioritizing the exploration intelligent scenarios such as robotic sorting and handling, material transportation, AS/RS, and traceability terminals in the intralogistics sector. Local governments have also rolled out tailored supporting measures to accelerate the deployment of “lights-out factories,” further driving the rapid growth of the smart intralogistics solution industry.

ANALYSIS OF GLOBAL AND CHINA’S SMART INTRALOGISTICS SOLUTION MARKET FOR INDUSTRIAL SECTOR

Smart Intralogistics Solutions Empower Intelligent Upgrades Across Industrial Systems

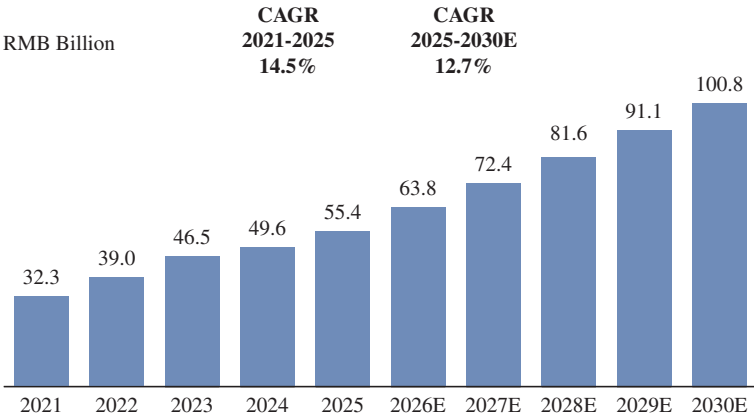
Global industrial manufacturing is rapidly advancing toward intelligent manufacturing, shifting its focus from capacity expansion to greater flexibility, efficiency, and optimized resource allocation. As a critical enabler of this transformation, smart intralogistics systems eliminate bottlenecks in the flow of information and materials across production, warehousing, and distribution, fostering high levels of collaboration and the evolution towards unmanned manufacturing. According to CIC, global smart intralogistics solution market for industrial sector is expected to maintain strong growth momentum in the years ahead, increasing from RMB223.4

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billion in 2025 to over RMB360 billion in 2030. China is the world’s largest manufacturing powerhouse, accounting for nearly 40% of global industrial output, and with the maturing application of cutting-edge technology, intelligent manufacturing is further emerging as a vital path to improving quality, efficiency, and resilience.

Industries such as automotive have witnessed increased demand for smart intralogistics solutions following their digital and intelligent upgrades. At the same time, the rapid growth of the new energy industry, particularly in lithium-ion batteries and photovoltaics, is generating substantial downstream market demand. According to CIC, China’s smart intralogistics solution market for industrial sector exceeded RMB50 billion in 2025, accounting for almost half of the total smart intralogistics solution market. The market is projected to maintain strong growth, reaching RMB100.8 billion in 2030, with a CAGR of 12.7%.

China’s Smart Intralogistics Solution Market for Industrial Sector, 2021-2030E



Source: Mobile Robot and AGV/AMR Industry Alliance, Annual Reports, CIC

New Energy Industry Emerges as a Driver for China’s Smart Intralogistics Solution Market

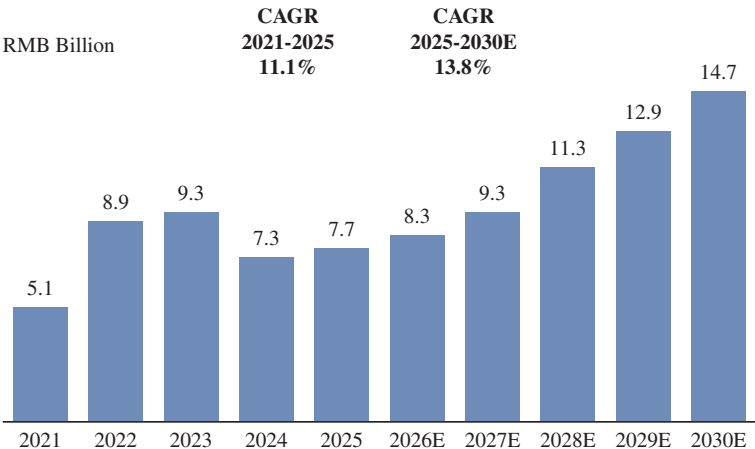
Driven by the global energy transition and China’s goals of carbon neutrality and carbon peaking, China’s new energy industry has entered a phase of large-scale development. China’s installed capacities of solar and wind power continue to expand, while both the production and sales of new energy vehicles (NEVs) exceeded 16.4 million units in 2025, with a penetration rate reaching around 50%. The rapid growth of the new energy industry is driving capacity expansion across manufacturing processes and accelerating the shift toward larger-scale and more flexible factory operations.

Due to the high degree of customization, complex system integration, and the need for deep alignment with production lines, smart intralogistics solution projects in the new energy sector typically involve longer construction cycles and larger investment scales. Triggered by fast expansion of downstream applications for lithium-ion battery such as EV, energy storage system, consumer electronics, etc., the market size of China’s smart intralogistics solution market for new energy sector grew rapidly. According to CIC, the market size of China’s smart intralogistics solution for new energy sector grew from RMB5.1 billion in 2021 to RMB7.7 billion in 2025, representing a CAGR of 11.1% and reaching nearly 7% of the total smart intralogistics solution market. Since the second half of 2024, leading lithium-ion battery manufacturers have resumed their capacity expansion plans amid a gradual recovery in downstream demand. This has ushered in a new wave of industry growth, marked by structural overcapacity. The Chinese lithium battery market is increasingly transitioning from competition centered on scale and cost to differentiators rooted in technological innovation and product quality. Rising requirements for higher energy density,

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enhanced safety, and extended cycle life are accelerating the commercialization of advanced battery technologies, including large cylindrical cells and solid-state batteries. These developments have continued to stimulate a rebound in the smart intralogistics solutions market for China’s lithium-ion battery sector in 2025, with positive ripple effects across the broader new energy industry. Looking ahead, against the global backdrop of carbon neutrality, increasing consumer adoption of electric vehicles, and accelerated advancement of emerging technologies, China’s smart intralogistics solution market for the new energy sector is expected to grow significantly and reach RMB14.7 billion by 2030.

China’s Smart Intralogistics Solution Market for New Energy Sector, 2021-2030E



Source: Mobile Robot and AGV/AMR Industry Alliance, Annual Reports, CIC

Given the high energy density and complex electrochemical properties of lithium-based new energy products, stringent safety standards are essential for their storage and handling. For instance, the formation and aging process in lithium-ion battery production requires precise control over temperature, humidity, static electricity, gas composition, and equipment cleanliness. Smart intralogistics solution, with its proven strengths in safety, efficiency, and smart operations, has emerged as the ideal choice to support stable, secure, and high-performance production processes. In 2025, China’s smart intralogistics solutions market for new energy lithium-ion batteries accounted for approximately 80% of the overall smart intralogistics market in the new energy sector.

Against the background of rapid-developing new energy industry, China’s lithium-ion battery sector is experiencing unprecedented growth momentum, solidifying its global standing. China’s lithium-ion battery shipments expanded from less than 200GWh in 2021 to over 1,100GWh in 2025, accounting for over 50% globally. Looking ahead, shipments are projected to reach approximately 2,600 GWh by 2030, indicating a promising growth outlook for smart intralogistics solutions in downstream applications. Besides, lithium-ion battery technology is shifting toward higher energy density solid-state batteries and large-scale production, significantly driving demand in the smart intralogistics system solutions market. The manufacturing requirements of solid-state batteries, such as oxygen-free settings and precise handling, are accelerating the development of high-cleanliness customized equipment and deep integration with the Industrial Internet of Things (IIoT).

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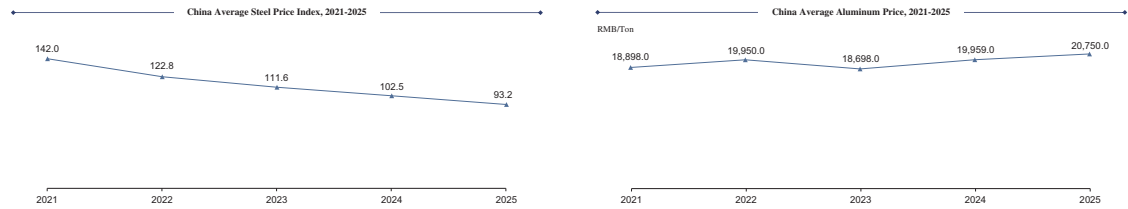
The following are the key market trends in China’s smart intralogistics solution market for new energy sector:

- **Technological advancements drive incremental demand:** Taking lithium-ion battery technology as an example, its continuous evolution, particularly the development of next-generation technologies such as solid-state batteries, places higher demands on production environments. This trend is pushing smart intralogistics solutions to achieve more precise adaptation in areas such as multi-sensor integration, flexible gripping, and dynamic temperature and humidity control, accelerating the upgrading of warehousing and handling operations.
- **Enhancing Policies and Standards:** Policies, such as the Ministry of Industry and Information Technology’s “Regulations for the Lithium-ion Battery Industry,” (《鋰電池行業規範條件》) stipulate the need for intelligent risk management in warehousing and transportation, compelling companies to adopt smart intralogistics systems with real-time monitoring and early warning functionalities. “Development Plan for the New Energy Vehicle Industry (2021-2035)” (《新能源汽車產業發展規劃(2021-2035年)》), promotes the development of the new energy vehicle industry while calling for core technology enhancements in both vehicle manufacturing and power batteries, thereby generating strong downstream demand for China’s smart intralogistics solution market for new energy sector.
- **Technological Integration and Scenario Innovation:** Providers of smart intralogistics solutions for new energy sector are continuously exploring the application of emerging technologies, to enhance system intelligence and automation. These innovations enable end-to-end visibility and dynamic optimization of logistics processes delivering more efficient and intelligent intralogistics support for the new energy industry.
- **Trend Toward Modular Development:** As the application scope of new energy products, such as lithium-ion batteries, continue to diversify, modular design has become a key trend in the industrial smart logistics solutions for the new energy sector. By adopting modular designs, companies can rapidly respond to customer needs, flexibly combine different functional modules, and enable planned, quick deployment.
- **Development of the Lithium Energy Storage Industry:** The demand for production capacity from diversified application scenarios, such as peak load regulation of power systems and industrial and commercial energy storage, has grown significantly, accelerating the transition to an ultra-large scale and continuous production model of the lithium-ion batteries. At the same time, the trend towards large-capacity development of energy storage batteries, together with their heat-sensitive characteristics and explosion-proof safety requirements, has further improved the technical threshold of smart intralogistics solutions and facilitated their continuous upgrade to specialization and high precision.

Analysis of Major Raw Material

Smart intralogistics solution providers usually procure most of their equipment and hardware from external sources, leveraging specialized expertise and optimizing resources. They generally manufacture only a limited number of equipment items in-house. Regarding solution providers that manufacture their own stackers, steel and aluminum are raw materials used in their equipment production. In recent years, the prices of these two raw materials have experienced significant fluctuations, primarily due to changes in supply and demand dynamics, policy interventions, and macroeconomic conditions. Given that self-manufactured stackers account for a limited portion of the overall revenue of smart internal logistics solutions, these price fluctuations have a limited impact on the overall cost structure of smart internal logistics solutions providers.

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Source: China Iron and Steel Association (CISA), CIC

Source: Shanghai Futures Exchange (SHFE), Annual Report, CIC

COMPETITIVE LANDSCAPE IN CHINA’S SMART INTRALOGISTICS SOLUTION MARKET

Ranking of Players in China’s Smart Intralogistics Solution Market

China’s smart intralogistics solution market is sizable and highly competitive. Leading players with strong hardware-software integration capabilities have established a significant scale advantage. According to CIC, the market size of China’s smart intralogistics solution industry reached approximately RMB111.0 billion in 2025, with the top five players collectively accounting for nearly 9% of the total market share. Based on our revenue in China in 2025, we ranked as the fourth largest provider of smart intralogistics solutions in China. Meanwhile, we ranked as the second-largest provider of industrial smart intralogistics solutions and the largest smart intralogistics solution provider in the new energy lithium-ion battery segment in China.

Rank	Company	Smart Intralogistics Solution Related Revenue, RMB Billion, 2025	Market Share, %, 2025
1	Company A ¹	~2.3	~2.1%
2	Company B ²	~2.2	~2.0%
3	Company C ³	~2.1	~1.9%
4	The Company	~1.8	~1.6%
5	Company D ⁴	~1.4	~1.2%

Source: Annual Reports, Expert Interviews, CIC

Notes:

1. Company A: Established in 2000, headquartered in Shenzhen, listed on Shenzhen Stock Exchange in 2016.
2. Company B: Established in 2016, headquartered in Wuxi, listed on Shanghai Stock Exchange in 2021.
3. Company C: Established in 2018, headquartered in Beijing, listed on Shanghai Stock Exchange in 2024.
4. Company D: Established in 2001, headquartered in Jinan, listed on Shanghai Stock Exchange in 2020.

Ranking of Players in China’s Smart Intralogistics Solution Market for Industrial Sector

China’s smart intralogistics solution market for industrial sector is characterized by intense competition, with hundreds of active industry participants. According to CIC, the top five players accounted for approximately 13% of the total market share in 2025. In terms of related revenue in 2025, the Company ranked as the second-largest provider of industrial smart intralogistics solutions in China.

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Rank	Company	Smart Intralogistics Solution for Industrial Sector Related Revenue, RMB Billion, 2025	Market Share, %, 2025
1	Company A	~2.2	~3.9%
2	The Company	~1.8	~3.2%
3	Company C	~1.5	~2.6%
4	Company E	~0.9	~1.7%
5	Company F	~0.9	~1.5%

Source: Annual Reports, Expert Interviews, CIC

Note:

1. Company E: Established in 2002, headquartered in Wuxi, listed on Shenzhen Stock Exchange in 2015.
2. Company F: Established in 2007, headquartered in Hefei, listed on Shanghai Stock Exchange in 2022.
3. The above-mentioned competitors includes Shen Zhen New Trend International Logistics Technology, Wayzim Technology, BZS (Beijing) Technology Development, BlueSword Intelligent Technology, Wuxi Lead Intelligent Equipment and Hefei Jingsong Intelligent Technology.

Ranking of Players in China’s Smart Intralogistics Solution Market for New Energy Sector

In China’s smart intralogistics solution market for new energy sector, leading players have a deep understanding of the new energy industry and profound technical accumulation. By meeting the high standards of downstream customers, they establish strong customer trust and create high entry barriers, resulting in a highly concentrated market. According to CIC, the top three players accounted for approximately 50% of the total market share in 2025. In terms of related revenue in 2025, the Company ranked as the largest provider of smart intralogistics solutions for new energy sector and the largest smart intralogistics solution provider in the new energy lithium-ion battery segment in China.

Rank	Company	Smart Intralogistics Solution for New Energy Sector, RMB Billion, 2025	Market Share, %, 2025
1	The Company	~1.7	~21.7%
2	Company A	~1.4	~17.8%
3	Company E	~0.8	~10.9%

Source: Annual Reports, Expert Interviews, CIC

Rank	Company	Smart Intralogistics Solution Market for New Energy Lithium-ion Battery Segment, RMB Billion, 2025	Market Share, %, 2025
1	The Company	~1.6	~25.6%
2	Company A	~1.0	~16.7%
3	Company E	~0.8	~12.9%

Source: Annual Reports, Expert Interviews, CIC

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Entry Barriers and Key Success Factors in China’s Smart Intralogistics Solution Market

- ***Deep Industry Insight and Established Client Base:*** The downstream applications of smart intralogistics solution are highly diverse, requiring solution providers to possess deep insights into the logistics demands of various industries. Leading providers are distinguished by their ability to deliver tailored solutions that address the specific pain points and operational characteristics of different sectors. In addition, delivering reliable products, long-term maintenance services, and cultivating a broad client base and strong brand reputation are essential for building trust, enhancing market visibility, securing high-quality customer resources, and driving sustainable growth in market share.
- ***Diversified Product Portfolio and High Performance:*** A wide product offering across diverse applications, coupled with supporting software systems, allows providers to deliver full-stack solutions. High product performance — marked by efficiency, reliability, and precision — offers customers greater flexibility and adaptability to meet the evolving demands of modern logistics, strengthening the provider’s market competitiveness. Meanwhile, top-tier providers leverage self-developed hardware deeply integrated with scheduling algorithms, enabling fast coordination between equipment and system layers.
- ***Continuous Software Development and Coordination Capabilities:*** Leading solution providers showcase robust technological foundations and application capabilities, particularly in core areas including scheduling algorithms, motion control, and navigation. Their systems can integrate and coordinate a diverse range of smart intralogistics equipment and robots, encompassing stacker cranes, shuttle systems, and articulated robots, achieving unified scheduling and collaborative management across brands and equipment models.
- ***Modular Development and Deployment with Supply Chain Integration:*** Modular design and deployment capabilities can speed up project implementation, cut on-site assembly time, and lower overall costs. Integrated control over the supply chain, from research to sales, enables resource optimization and cost-efficiency.

Threats and Challenges of China’s Smart Intralogistics Solution Market

- ***Rapid Technological Evolution Imposes Continuous R&D Pressure:*** With the increasing application of technologies such as AI and machine vision in smart intralogistics scenarios, customers are demanding higher levels of system flexibility and intelligence. To remain competitive, solution providers must commit to ongoing R&D investment. Delayed responses to evolving technical requirements may result in customer attrition or marginalization in the market.
- ***System Complexity Creates Challenges in Delivery and Operations:*** Smart intralogistics solutions typically involve the integration of diverse hardware and software components, placing significant demands on project management, system coordination, and delivery schedules. Misalignment in solution design, system debugging, or client collaboration may lead to project delays, reduced customer satisfaction, and increased after-sales service burden.
- ***Downstream Demand Volatility Introduces Performance Uncertainty:*** The market is closely tied to capital investment cycles in downstream industries, particularly in the new energy sector. A slowdown in capacity expansion or capital expenditure can directly impact project execution timelines and order conversion. Coupled with the long lead times and complex delivery nature of such projects, these factors may result in fluctuations in financial performance of smart intralogistics solution providers.

REGULATORY OVERVIEW

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the most important significant laws and regulations that are applicable to our current business activities within the territory of the PRC.

LAWS AND REGULATIONS ON CORPORATION

The PRC Company Law (《中華人民共和國公司法》) was last revised on December 29, 2023 by the Standing Committee of the National People’s Congress (the “SCNPC”), with the latest amendment of which coming into effect on July 1, 2024. Under the PRC Company Law, companies are generally classified into two categories, namely, limited liability companies and joint stock limited companies. The PRC Company Law also applies to foreign-invested enterprises. Pursuant to the PRC Company Law, where laws on foreign investment have other stipulations, such stipulations shall prevail. The PRC Company Law includes improving the company establishment and exit regime, optimizing the organizational structures of companies, improving the capital system of companies, strengthening the responsibilities of controlling shareholder and management, and reinforcing the social responsibilities of companies, among others.

LEGAL PROVISIONS AND POLICIES RELATED TO THE SMART LOGISTICS INDUSTRY

Pursuant to the 14th Five-Year Plan for the Development of Modern Logistics (《“十四五”現代物流發展規劃》), which was promulgated by the General Office of the State Council on May 17, 2022, supply chain collaboration shall be ensured to optimize the service chain and strengthen service functions. The intensive and efficient modern logistics service system shall be improved to support the upgrading of the modern industrial system, thereby facilitating the industry’s move towards the mid-to-high end of the global value chain. In addition, the smart transformation of logistics shall be promoted. Fifth-generation (5G) mobile communications, Beidou, mobile Internet, big data, artificial intelligence, and other technologies shall be deeply applied to promote the classified transformation and upgrading of logistics infrastructure. The construction of Internet of Things-related facilities shall be accelerated, and new logistics infrastructure, including smart logistics hubs, smart logistics parks, smart logistics bases, smart ports, and digital warehouses, shall be developed. The innovation of smart logistics technology and models shall be encouraged, and the commercialization of innovation achievements shall be promoted. Commercial application scenarios for smart logistics shall be expanded to advance the adoption of automated, unmanned, and intelligent logistics technologies and equipment, as well as smart management technologies, including automatic perception, automatic control, and intelligent decision-making. The construction of high-end standard warehouses and smart vertical storage facilities shall be accelerated, and the development and promotion of low-cost, modular, user-friendly, and easy-to-maintain smart equipment tailored for micro, small, and medium-sized enterprises shall be advanced.

Pursuant to Promoting the Deep Integration and Innovative Development of the Logistics Manufacturing Industry (《推動物流業製造業深度融合創新發展實施方案》) promulgated by the National Development and Reform Commission (NDRC) on August 22, 2020 and was implemented on the same day, it encourages manufacturing enterprises to carry out intelligent transformation of logistics, and promotes the application of new logistics technology and equipment, such as logistics robots, intelligent warehousing, and automatic sorting.

Pursuant to the Opinions of Further Promoting Logistics Cost Reduction and Efficiency Improvement to Promote the Development of the Real Economy (《關於進一步推進物流降本增效促進實體經濟發展的意見》) promulgated by the State Council’s General Office on August 17, 2017, and implemented on the same day, it highlights the importance of carrying out pilot demonstrations of intelligent warehousing, and in combination with the demonstration work of the national intelligent warehousing and logistics base, promote the application of advanced information technology and equipment, and accelerate the pace of intelligent development. What’s

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more, the opinions also explain that it is necessary to improve the efficiency of the State Council of warehousing, transportation, sorting, packaging and other operations and the level of warehousing management, and reduce the cost of warehousing management.

Pursuant to the New Generation Artificial Intelligence Development Plan (《新一代人工智能發展規劃》) promulgated by the General Office of the State Council on July 8, 2017, and implemented on the same day, it proposes to strengthen the research and development, promotion and application of intelligent logistics equipment such as intelligent loading and unloading, sorting and packaging, processing and distribution.

LAWS AND REGULATIONS RELATING TO SMART LOGISTICS EQUIPMENT

In order to supervise and manage the logistics robot, the State Administration for Market Regulation and the Standardization Administration of the PRC promulgated the General Technical Specifications for Logistics Robot Information System (《物流機器人資訊系統通用技術規範》) on April 15, 2022, which was implemented on November 1, 2022, stipulating the design, construction and testing of the logistics robot information system. Meanwhile, the State Administration for Market Regulation and the Standardization Administration of the People’s Republic of China promulgated the Technical Specification for the Interface of Logistics Robot Control System (《物流機器人控制系統接口技術規範》) on September 7, 2023, which was implemented on April 1, 2024, stipulating the design, development, inspection and so on of the logistics robot control system interface in the fields of warehousing, production line, transportation, manufacturing, etc.

In order to carry out stricter supervision, the State Administration for Market Regulation and the Standardization Administration of the PRC promulgated the General Technical Conditions for Automated Guided Vehicles (《自動導引車通用技術條件》) on April 15, 2022, which was implemented on November 1, 2022, stipulating the product classification, technical requirements, test methods, inspection rules and marking, packaging, transportation and storage of automated guided vehicles. Meanwhile, the State Administration for Market Regulation and the Standardization Administration of the People’s Republic of China also promulgated the General Principles for the Design of Automated Guided Vehicles (《自動導引車設計通則》) on May 23, 2023, which was implemented on December 1, 2023, stipulating the composition and classification of automated guided vehicles, the conditions of use, the system design, and the design of automated guided vehicles.

Pursuant to Functional Safety Specification for Warehousing and Logistics Automation Systems (《倉儲物流自動化系統功能安全規範》) promulgated by the General Administration of Quality Supervision, Inspection and Quarantine of PRC and the Standardization Administration of the PRC on August 29, 2016, and implemented on March 1, 2017, the general requirements for the functional safety of warehousing and logistics automation systems (hereinafter referred to as WAS) shall be specified according to the technical specifications of WAS, the methods for conducting WAS functional safety evaluation, and the measures to be taken to achieve WAS functional safety. This specification is used to deal with activities related to WAS functional safety, and is applied to the safety requirements of WAS in relation to the overall operation and functionality of the system, excluding the safety requirements of individual devices.

LAWS AND REGULATIONS RELATING TO SPECIAL EQUIPMENT

The Special Equipment Safety Law of the PRC (《中華人民共和國特種設備安全法》) (the “Special Equipment Safety Law”) released by the SCNPC on June 29, 2013 and taking effect on January 1, 2014, regulates the production, operation and use of special equipment. Special equipment users shall, before or within 30 days after the special equipment is put into use, register with the department responsible for the safety supervision and management of special equipment and obtain the use registration certificate. The registration mark shall be placed in a conspicuous position on the special equipment.

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As a special equipment user, we have completed the usage registration with the department responsible for safety supervision and administration of special equipment in accordance with the Special Equipment Safety Law and obtained the usage registration certificate.

LAWS AND REGULATIONS ON PRODUCT LIABILITY

In accordance with the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “Product Quality Law”) which was promulgated by the SCNPC on February 22, 1993, with the latest amendment of which coming into effect on December 29, 2018, producers and sellers shall establish and improve internal product quality management systems, and strictly implement post quality standards, quality responsibility, and corresponding assessment methods. Any producer or seller who violates the Product Quality Law will be subject to (1) administrative penalties, including stopping production and sales, ordered correction of illegal acts, confiscating of products subject to illegal production or sale, imposition of fines, confiscation of illegal gains and, in severe cases, revocation of business license; and (2) criminal liabilities if the illegal activity constitutes a crime.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》), which was promulgated by the NPC on May 28, 2020 and became effective on January 1, 2021, where a defect of a product endangers the personal or property safety of another person, the infringed person has the right to request the manufacturer or seller of the product to bear tort liability in forms of cessation of the infringement, removal of the nuisance, elimination of the danger, or the like.

LAWS AND REGULATIONS ON PRODUCTION SAFETY

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the “Production Safety Law”), which was last revised on June 10, 2021 and came into force on September 1, 2021, a production and operation entity must comply with this Law and other laws and regulations related to work safety, strengthen work safety management, establish and improve a work safety responsibility system and work safety rules and systems for all employees, raise work safety levels, and ensure work safety. The main responsible person of a production and operation entity, as the primary person responsible for the work safety of the entity, shall be fully responsible for the work safety of the entity. Any other person in charge shall be responsible for the work safety within the scope of his or her duties. Violation of the Production Safety Law may result in (1) imposition of correction of illegal acts and penalties, and, in severe cases, stopping production and sales, and (2) criminal liabilities if the illegal activity constitutes a crime.

LAWS AND REGULATIONS RELATING TO THE IMPORT AND EXPORT OF GOODS

In accordance with the Customs Law of the PRC (《中華人民共和國海關法》) which was promulgated by the Standing Committee of the National People’s Congress on January 22, 1987, with the latest amendment of which coming into effect on April 29, 2021, unless otherwise stipulated, the declaration of import and export goods and payment of duties may be made by the consignees or the consignors, or the entrusted customs brokers. To undergo customs declaration formalities, the consignee or consignor of imported or exported goods and the customs declaration enterprise shall file with the Customs in accordance with the law.

According to the Provisions on the Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》), which was promulgated by the General Administration of Customs on November 19, 2021 and implemented on January 1, 2022, the consignee or consignor of imported or exported goods or a customs declaration enterprise, as filed with the customs (hereinafter referred to as “a customs declaration entity”) may undergo customs declaration within the customs territory of the PRC. Where a consignee or consignor of imported or exported goods or a customs declaration enterprise applies for recordation, it shall obtain the qualification of market entities.

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LAWS AND REGULATIONS RELATING TO REAL ESTATES

In accordance with the Land Administration Law of the PRC (《中華人民共和國土地管理法》) which was promulgated by the Standing Committee of the National People’s Congress on June 25, 1986, with the latest amendment of which coming into effect 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. 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 and may not be infringed upon by any entities or individuals.

In accordance with the regulations of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) which was promulgated by the State Council on November 24, 2014, with latest amendment of which coming into effect on May 1, 2024, and the the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) which was promulgated by the Ministry of Natural Resources of the PRC on January 1, 2016, with the latest amendment coming into effect on May 21, 2024, the State shall implement a unified system of registration of immovable property, and that the registration of immovable property shall follow the principles of strict management, stability and continuity, and convenience for the masses.

LAWS AND REGULATIONS ON THE RENTAL OF PROPERTIES

Pursuant to the PRC Civil Code, a lease contract is a contract under which the lessor delivers to the lessee the leased object for the lessee to use or benefit therefrom, and the lessee pays the rent for the lease; with the consent of the lessor, the lessee may sublease the leased object to a third party; where the lessee subleases the leased object, the lease contract between the lessee and the lessor shall continue to be valid, and the lessee shall be liable to the lessor for any damage caused to the leased object by the third party.

According to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, the parties to premise leasing shall, within 30 days after the conclusion of the premise leasing contract, handle the premise leasing registration and filing formalities at the competent government authority. If the parties concerned fail to make the registration and filing formalities, the competent authority may order them to register and file the lease within a prescribed period of time, and may impose a fine of more than RMB1,000 and less than RMB10,000 on it.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION AND FIRE CONTROL

Environment Impact Assessment

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989 and amended on April 24, 2014, the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》) (the “Construction Environmental Protection Rule”), promulgated by the State Council on November 29, 1998 and amended on July 16, 2017, and other relevant environmental laws and regulations, enterprises which plan to construct projects shall provide the assessment reports, assessment form, or registration form on the environmental impact of such projects with relevant environmental protection administrative authority for approval or filing.

In accordance with the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) which was promulgated by the SCNPC on October 28, 2002, with the latest amendment of which coming into effect on December 29, 2018, for any construction projects that

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have an impact on the environment, an entity is required to produce either a report, or a statement, or a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

The Construction Environmental Protection Rule also requires that upon completion of construction for which an environmental impact report or environmental impact statement is formulated, the constructor shall conduct an acceptance inspection of the environmental protection facilities pursuant to the standards and procedures stipulated by the environmental protection administrative authorities of the State Council, formulate the acceptance inspection report, and announce the acceptance inspection report pursuant to the law except for circumstances where there is a need to keep confidentiality pursuant to the provisions of the State. Where the environmental protection facilities have not undergone acceptance inspection or do not pass acceptance inspection, the construction project shall not be put into production or use.

Completion and Acceptance

The Interim Measures for Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) (the “Measures”) was promulgated and implemented by the former Ministry of Environmental Protection (now the Ministry of Ecology and Environment) on November 20, 2017. The Measures regulate the procedures and standards for environmental protection independent acceptance by construction units upon the completion of construction projects.

Water Pollution and Pollutant Discharge

According to the Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《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, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors, such as the amount of pollutants generated, the amount of emissions, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

Fire Control

In accordance with the Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the “Fire Prevention Law”) which was promulgated by the SCNPC on April 29, 1998, with the latest amendment of which coming into effect on April 29, 2021, as well as other relevant laws and regulations of the PRC, where the housing and urban-rural development authority under the State Council requires that an application for fire protection final inspection of an as-built construction project should be filed, the construction entity shall file such an application with the housing and urban-rural development authority. For construction projects other than those specified in the preceding paragraph, the construction entity shall report for record to the housing and urban-rural development authority after final inspection, and the housing and urban-rural development authority shall conduct random inspection.

LAWS AND REGULATIONS RELATING TO CYBER SECURITY AND DATA SECURITY

Regulations Relating to Cyber Security

On November 7, 2016, the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the “Cyber Security Law”) was promulgated by the SCNPC and amended on October 28, 2025. The Cyber Security Law requires network operators to comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services.

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According to the Measures for Cybersecurity Review (《網絡安全審查辦法》) which was jointly promulgated by the CAC and other twelve PRC regulatory authorities on December 28, 2021 and effective on February 15, 2022, (i) the purchase of cyber products and services by critical information infrastructure operators (the “CIIO(s)”) and the network platform operators (the “Network Platform Operators”) who engage in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, which is responsible for the implementation of cybersecurity review under the CAC; and (ii) the Network Platform Operators possessing personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office. Further, the relevant governmental authorities in the PRC may initiate cybersecurity review if such governmental authorities determine the cyber products or services, and data processing activities affect or may affect the national security.

Since as of the date of this document, (i) we only collect and process limited type of data such as operating data of subscribed intralogistics equipment (such as, location, speed, working time), and service process of our technicians in the ordinary course of our business and we have in place a robust data protection policy to ensure our compliance with the applicable laws and regulations, (ii) we are not the CIIO or the Network Platform Operator under the Measures for Cybersecurity Review, (iii) we did not hold, control or process more than one million users’ personal information, (iv) we had not been notified by any authority of being classified as a data processor carrying out data processing activities that affect or may affect national security, or that our [REDACTED] affects or may affect national security, and (v) we have never been involved in any investigations on cybersecurity review by the CAC, nor have we received any regulatory inquiries, notice, warnings, sanctions or penalties in relation to cybersecurity and data protections regulations, our Directors are of the view that the Measures for Cybersecurity Review will not have a material adverse impact on us in material aspects, and the Sole Sponsor concurs with the Directors’ view based on the reasons above.

However, we cannot guarantee whether we will be subject to the cybersecurity review in the future if new rules or regulations promulgated in the future impose additional compliance requirements on us. Further, the cybersecurity review office could initiate a cybersecurity review against any entity after completing necessary procedures in accordance with the Measures for Cybersecurity Review, if the members of the cybersecurity review working mechanism consider that an entity’s data processing activities affect or may affect national security. The interpretation and application of the Measures for Cybersecurity Review shall be determined in accordance with the then applicable laws and regulations in force.

Regulations Relating to Data Security

On June 10, 2021, the SCNPC promulgated the Data Security Law of PRC (《中華人民共和國數據安全法》) (the “PRC Data Security Law”), which became effective on September 1, 2021. The PRC Data Security Law stipulates that each organization or individual collecting data shall adopt legal and proper methods, and shall not steal or obtain data by any illegal methods, and the data processing activities shall comply with laws and regulations, respect social mores and ethics, comply with commercial ethics and professional ethics, be honest and trustworthy, perform obligations to protect data security, and undertake social responsibility; and it shall not endanger national security, the public interest, or individuals’ and organizations’ lawful rights and interests.

On July 7, 2022, the Measures for the Security Assessment of Cross-border Data Transmission (《數據出境安全評估辦法》) (the “Data Transmission Measures”) was released by the CAC and became effective on September 1, 2022, which requires that any data processor providing important data collected and generated during operations within the PRC or personal information that should be subject to security assessment according to law to an overseas recipient shall conduct security assessment. The Data Transmission Measures provides five circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where the data to be transferred to an overseas recipient are personal

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information or important data collected and generated by operators of critical information infrastructure; (ii) where the data to be transferred to an overseas recipient contain important data; (iii) where a personal information processor that has processed personal information of more than one million people provides personal information overseas; (iv) where the personal information of more than 100,000 people or sensitive personal information of more than 10,000 people are transferred overseas accumulatively; or (v) other circumstances under which security assessment of data cross-border transfer is required as prescribed by the national cyberspace administration.

Regulation on Network Data Security Management (《網絡數據安全管理條例》), promulgated by the State Council on September 24, 2024 and implemented on January 1, 2025, stipulates that if online data processors who carry out online data processing activities may affect national security, they shall conduct a national security review in accordance with relevant national provisions. Network data processors that handle more than 10 million personal information shall also comply with the provisions made by the processors of important data. From the above provisions, it is obvious that the Regulation on Network Data Security Management only provide the principles that affect or may affect national security, and do not fully enumerate specific circumstances or make further explanations, only carry out dynamic management through legal frameworks and regulatory mechanisms.

Since as of the date of this document, (i) we only collect and process limited type of data such as operating data of subscribed intralogistics equipment (such as, location, speed, working time), and service process of our technicians in the ordinary course of our business and we have in place a robust data protection policy to ensure our compliance with the applicable laws and regulations, (ii) we did not hold, control or process more than 10 million users' personal information, (iii) we had not been notified by any authority of being classified as a data processor carrying out data processing activities that affect or may affect national security, or that our [REDACTED] affects or may affect national security, and (iv) we have never been involved in any investigations on cybersecurity review by the CAC, nor have we received any regulatory inquiries, notice, warnings, sanctions or penalties in relation to cybersecurity and data protections regulations. As a result, our PRC counsel anticipates that there are no significant barriers to our compliance.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademarks

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) which was promulgated by SCNPC on August 23, 1982, last amended April 23, 2019, and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) which was implemented on September 15, 2002, last revised on April 29, 2014 and came into force on May 1, 2014, they regulate the application, examination and approval, renewal, alteration, transfer, and license of trademark registration.

The Trademark Office under the State Administration for Industry and Commerce of the PRC (the National Intellectual Property Administration of the PRC has been established to undertake the duties of the Trademark Office in March 2018) handles trademark registrations and grants a term of ten years to registered trademarks. A trademark registrant may license its registered trademark to another party by entering into a trademark license contract. Trademark license agreements must be filed with the Trademark Office for record.

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) which was promulgated by the SCNPC on March 12, 1984, with the latest amendment of which coming into effect on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) which was promulgated by the State Council on December 21, 1992, with the latest amendment of which coming into effect on January 20, 2024, provide three types of patents, namely "inventions,"

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“utility models” and “designs.” Invention patents are valid for twenty years, while utility model patents and design patents are valid for ten years and fifteen years, respectively, in each case from the date of application.

Copyright

In accordance with 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, with latest amendment of which coming into effect on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

In accordance with the the Regulations on Computers Software Protection (《計算機軟件保護條例》) which was promulgated by the State Council on June 4, 1991, with the latest amendment of which coming into effect on March 1, 2013, and the the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) which was promulgated by the National Copyright Administration on February 20, 2002, and implemented on the same day, 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.

Domain Names

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and taking effect on November 1, 2017, establishing any domain name root server and institution for operating domain name root servers, managing the registration of a domain name and providing registration services in relation to domain name within the territory of China shall be subject to the approval of the MIIT or provincial, autonomous regional and municipal communications administration. The registration of a domain name shall follow the principle of “first apply, first register.”

LAWS AND REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WELFARE

Labor Law

In accordance with the Labor Law of the PRC (《中華人民共和國勞動法》) which was promulgated by the SCNPC on July 5, 1994, with the latest amendment of which coming into effect on December 29, 2018, every employer must ensure workplace safety and sanitation in accordance with national regulations, provide relevant training to its employees, prevent accidents in the process of work, and lessen occupational hazards.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) issued by the SCNPC on June 29, 2007 and amended on December 28, 2012, requires every employer to enter into a written contract of employment with each of its employees. The wage of each employee is to be no less than the local standard on minimum wages.

LAWS AND REGULATIONS RELATING TO SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

In accordance with the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) issued by the SCNPC on October 28, 2010, last amended on December 29, 2018 and taking effect on the same day, as well as other relevant provisions, an employee shall participate in five types of social insurance funds, including pension, medical, unemployment, maternity and occupational

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injury insurance. If the employer fails to fully contribute to social insurance funds on time, the collection agency for such social insurance may demand the employer to make full payment or to pay the shortfall within a set period and collect a late charge. If the employer fails to pay after the due date, the relevant government administrative body may impose a fine on the employer.

In accordance with the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》) which was promulgated by the State Council on April 3, 1999, with the latest amendment of which coming into effect on March 24, 2019, every employer must register with the competent managing center for housing funds and shall contribute to the Housing Provident Fund for any employee on its payroll. Where an employer fails to pay up housing provident funds within the prescribed time limit, the employer may be ordered to make payment within a certain period, where the payment has not been made after the expiration of the time limit, an application may be made to the court for compulsory enforcement.

On July 31, 2025, the Supreme People’s Court of the PRC issued the Interpretation II by the Supreme People’s Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)) (the “**Interpretation II**”), which took effect from September 1, 2025. Pursuant to the Interpretation II, it is a statutory obligation on both the employers and employees to participate in social insurance. Any arrangement not to participate in social insurance, either by unilateral undertaking or mutual agreement, is invalid. Further, the Interpretation II specifies that if the employee terminates their labor contract on the grounds that the employer has failed to make social insurance contributions as required by law, and claims economic compensation from the employer, the People’s Court of the PRC shall uphold the claim.

REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal law governing foreign currency exchange in the PRC is the Regulations of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on January 29, 1996, with the latest amendment of which coming into effect on August 5, 2008 (the “Forex Regulations”). According to the Forex Regulations, international payments in foreign currencies and transfers of foreign currencies under current account, such as payments of dividends or interests, shall not be restricted. Foreign currency transactions under the capital account, such as direct investment and capital contributions, require approvals from, or registration with, the SAFE and other relevant PRC governmental authorities.

In accordance with Notice of Issues Concerning the Administration of Funds Related to Overseas Listings of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》) issued by the People’s Bank of China and the State Administration of Foreign Exchange on December 24, 2025 and implemented on April 1, 2026, a domestic enterprise that makes an overseas listing shall, within 30 working days from the first trading day of the overseas listing or from the completion of an over-allotment, apply for overseas listing registration to a bank within the provincial area or city under separate state planning where it is registered. A domestic enterprise shall, in principle, repatriate the proceeds of an overseas listing in a timely manner. Where it retains such funds overseas for overseas direct investment, overseas securities investment, overseas lending, or other business, it shall obtain approval or recordation documents from the appropriate authorities prior to the completion of the overseas listing offering or the over-allotment, and comply with relevant provisions on the administration of cross-border funds.

On June 9, 2016, SAFE issued the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Accounts (《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》), (the “Circular 16”), which came into effect on the same day. The Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted listed overseas proceeds, and the corresponding RMB capital converted from foreign exchange may be used to extend loans to related parties or repay inter-company loans (including advances by third parties). According to the Circular on Optimizing Administration of Foreign

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Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020 and taking effect on April 1, 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, with no need to provide the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts. The concerned bank shall conduct spot-checking in accordance with the relevant requirements.

REGULATIONS RELATING TO TAX

Enterprise Income Tax

In accordance with the Law of the PRC on Enterprise Income Tax (《中華人民共和國企業所得稅法》) (the “IT Law”) which was promulgated by the SCNPC on March 16, 2007, with the latest amendment of which coming into effect on December 29, 2018, a domestic enterprise which is established within the PRC in accordance with the laws shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the state.

Enterprises that are recognized as high and new technology enterprises in accordance with the Administrative Measures for the Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》) issued by the Ministry of Science and Technology of the PRC, the MOF and the SAT on January 29, 2016, are entitled to enjoy a preferential enterprise income tax rate of 15%. Under these measures, the validity period of the recognition as a high and new technology enterprise shall be three years from the date of issuance of the certificate. An enterprise can re-apply for such recognition before or after the previous certificate expires.

Value-Added Tax

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), or the Value-added Tax law, which took effect on January 1, 2026 and replaced the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》). Pursuant to the Value-added Tax Law, entities engaged in the sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are value-added tax (“VAT”) payers and shall pay VAT. Taxpayers that sell goods are subject to a tax rate of 13% and taxpayers that sell services or intangible assets are subject to a tax rate of 6%. Unless otherwise specified in the Value-added Tax Law, taxpayers making taxable transactions shall calculate and pay VAT by offsetting input tax against output tax according to the general tax calculation method and calculate the VAT payable.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “Foreign Investment Law”), which was promulgated by the NPC on March 15, 2019, and was implemented on January 1, 2020, establishes the management system for pre-access national treatment and negative list for foreign investment in the PRC. “Pre-access national treatment” means that foreign investors and their investments shall be treated no less favorably than domestic investors and their investments at the stage of investment access; “negative list” refers to the special administrative measures for access of foreign investment in specific fields as prescribed by the PRC. The PRC gives national treatment to foreign investment outside the negative list. In addition, the Regulations 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》) (the “Implementation Regulations”), which promulgated by the State Council on December 26, 2019, and came into effect on January 1, 2020, further stipulates that the PRC shall, according

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to the needs of national economic and social development, formulate a catalog of encouraged foreign-invested industries, and specify the specific industries, fields and regions in which foreign investors are encouraged and guided to invest.

The Special Administrative Measures (Negative List) for Foreign Investment Access 2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “2024 Negative List”) is issued by the NDRC and the MOFCOM jointly on September 6, 2024 to replace the previous encouraging catalog and negative list thereunder. Pursuant to the Foreign Investment Law, the Implementation Regulations and the 2024 Negative List, foreign investors shall not make investments in prohibited industries as specified in the negative list, while foreign investments must satisfy certain conditions stipulated in the negative list for investment in restricted industries. Industries not listed in the negative list are generally deemed “permitted” for foreign investments.

REGULATIONS ON OVERSEAS INVESTMENT

The Measures for the Administration of Overseas Investment (《境外投資管理辦法》), which became effective on May 1, 2009, was last revised on September 6, 2014, the Ministry of Commerce and provincial commercial authorities shall carry out filing and approval management of overseas investment, according to different conditions of overseas investment of enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

The Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which became effective on March 1, 2018, specifies that investors with overseas investment shall go through the procedures of overseas investment project approval and filing, report relevant information, and co-operate with the supervision and inspection. Overseas investment projects are subject to filing and approval administration according to whether they are in sensitive industries, and the catalog of sensitive industries is issued by the National Development and Reform Commission.

FULL CIRCULATION OF H SHARES

“Full circulation” represents the shareholders of domestic unlisted shares of domestic companies, which directly offer and list securities in overseas markets, converting its domestic unlisted shares into foreign listed shares circulating in overseas markets. “Full circulation” shall comply with relevant regulations of the CSRC and the shareholders of domestic unlisted shares shall entrust the domestic company to report the “Full circulation” with CSRC by filing materials on key compliance issues.

In order to fully promote the reform of H-shares “full circulation” and clarify the business arrangement and procedures for the relevant shares’ registration, custody, settlement and delivery, clearing and settlement of relevant shares have been clarified. On September 20, 2024, the CSDC also promulgated the China Securities Depository and Clearing (Hong Kong) Limited H-Shares Full Tradability Business Guide (《中國證券登記結算(香港)有限公司H股「全流通」業務指南》), which was implemented on September 23, 2024 to set out the relevant custody, depository, nominee services, settlement arrangements and other related matters of ChinaClear Hong Kong.

REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING

The CSRC promulgated 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 guidelines on February 17, 2023, which took effect on March 31, 2023. According to the Overseas Listing Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either by direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information.

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Where an issuer submits an application for an initial public offering to competent overseas regulators, filing an application with the CSRC shall be submitted within three business days thereafter. Subsequent securities offering of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Subsequent securities offering and listing of an issuer in other overseas markets shall be filed as initial public offering.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《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》) (the “Provisions on Confidentiality”), which took effect on March 31, 2023. Pursuant to the Provisions on Confidentiality, where a domestic enterprise 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 report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

INTRODUCTION

Overview

We are an established smart intralogistics and warehouse automation solution provider in China. Our core offering is our smart intralogistics solutions, while we also offer after-sales services and sell standalone intralogistics equipment. Our Company was established in 2009. Noblelift Company, one of our Controlling Shareholders, saw the prospect of our Group and acquired 90% of our equity interests in 2016. Building on our years of experience and strong production and service capabilities, we have developed smart intralogistics solutions and diverse intralogistics systems that are tailored to the specific needs of different industry verticals, including new energy, automotive parts, healthcare and food.

BUSINESS DEVELOPMENT MILESTONES

The following table illustrates the key milestones of our business and corporate developments:

Time	Milestones
2009 . . .	Our Company was established.
2013 . . .	We partnered with a new energy company and provided new energy stacker crane.
2016 . . .	- Our new sales orders during the year exceeded RMB720 million. - Noblelift Company acquired 90% of the equity interests of our Company.
2018 . . .	- Our new sales orders during the year exceeded RMB1.6 billion. - We were awarded the Science and Technology Achievement Award for Lithium Power Batteries at the National Level (“國家級動力鋰電池科學技術成果獎”) granted by China High-Tech Industrialization Association (中國高科技產業化研究會).
2021 . . .	- Our new sales orders during the year exceeded RMB3 billion. - We were recognized as a Specialised and New “Little Giant” Enterprise at the National Level (國家級專精特新“小巨人”企業).
2023 . . .	We have completed updates of our core products and obtained the registration of 19 patents.
2024 . . .	We implemented a global growth strategy and expanded our product lines, including heavy-duty stacker crane (重載堆垛機) and tire warehouse-dedicated stacker crane (輪胎庫專用堆垛機).
2025 . . .	Our Company was converted into a joint stock company and renamed as Zhongding Intelligent (Wuxi) Technology Co., Ltd., (中鼎智能(無錫)科技股份有限公司).

MAJOR CORPORATE DEVELOPMENT

Establishment of our Company

Our Company was established as a limited liability company in the PRC on February 9, 2009 with an initial registered capital of RMB5 million, which was held as to 90% by Mr. Zhang Yaoming (張耀明) and 10% by Mr. Zhang Ji (張技), both of whom are Independent Third Parties as of the Latest Practical Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subsequent capital increases and equity transfers

1. Capital increase in August 2010

Pursuant to the shareholders’ resolutions dated August 19, 2010, the registered capital of our Company was increased from RMB5 million to RMB10.8 million. The additional registered capital was contributed by Mr. Zhang Yaoming (張耀明) and Mr. Zhang Ji (張技) in proportion to their then respective equity interests of 90% and 10% in our Company. As a result, their shareholding percentage in our Company remained unchanged upon the completion of the said capital increase on August 26, 2010.

2. Capital increase in January 2012

Pursuant to the shareholders’ resolutions dated January 11, 2012, the registered capital of our Company was increased from RMB10.8 million to RMB15.8 million. The additional registered capital was solely contributed by Mr. Zhang Yaoming (張耀明). As a result, upon the completion of such capital increase on January 11, 2012, our Company was owned as to approximately 93.16% and 6.84% by Mr. Zhang Yaoming (張耀明) and Mr. Zhangji (張技), respectively.

3. Capital increase in June 2012

Pursuant to the shareholders’ resolutions dated June 1, 2012, the registered capital of our Company was increased from RMB15.8 million to RMB30.8 million. The additional registered capital was subscribed for by Mr. Zhang Ke (張科), an Independent Third Party as of the Latest Practical Date, at the consideration of RMB15 million. Upon the completion of such capital increase on June 4, 2012, our Company was owned as to 48.70%, 47.79% and 3.51% by Mr. Zhang Ke (張科), Mr. Zhang Yaoming (張耀明) and Mr. Zhang Ji (張技), respectively.

4. Capital increase in July 2015

Pursuant to the shareholders’ resolutions dated July 9, 2015, the registered capital of our Company was increased from RMB30.8 million to RMB74.0 million. The additional registered capital was solely contributed by Mr. Zhang Ke (張科) at the consideration of RMB43.2 million. Upon the completion of such capital increase on July 10, 2015, our Company was owned as to 78.65%, 19.89% and 1.46% by Mr. Zhang Ke (張科), Mr. Zhang Yaoming (張耀明) and Mr. Zhangji (張技), respectively.

5. Equity transfer in November 2015

On November 23, 2015, (i) Mr. Zhang Yaoming (張耀明) and Mr. Zhang Yuanchao (張元超) (an Independent Third Party as of the Latest Practicable Date) entered into an equity transfer agreement, pursuant to which Mr. Zhang Yaoming (張耀明) transferred 18.92% equity interest in our Company to Mr. Zhang Yuanchao (張元超) at the consideration of RMB14 million; and (ii) Mr. Zhang Ji (張技) and Mr. Zhang Ke (張科) entered into an equity transfer agreement, pursuant to which, Mr. Zhang Ji (張技) transferred 1.46% equity interest in our Company to Mr. Zhang Ke (張科) at the consideration of RMB1.08 million. The considerations of the above equity transfers were determined based on the amount of the corresponding registered capital. Upon the completion of the above equity transfers on November 27, 2015, our Company was owned as to 80.11%, 18.92% and 0.97% by Mr. Zhang Ke (張科), Mr. Zhang Yuanchao (張元超) and Mr. Zhang Yaoming (張耀明), respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

6. Acquisition of 90% of equity interests in our Company by Noblelift Company in July 2016

On July 4, 2016, Mr. Zhang Ke (張科), Mr. Zhang Yuanchao (張元超) and Mr. Zhang Yaoming (張耀明) entered into an Agreement on Issuance of Shares and Payment of Cash for Asset Purchase (“發行股份及支付現金購買資產協議”) (as amended and supplemented by a supplemental agreement dated August 4, 2016) with Noblelift Company as follows:

Selling shareholders	Approximate percentage of equity interests of our Company transferred	Total consideration	Settlement by issuance of consideration shares	Settlement by cash payment
Mr. Zhang Ke (張科)	70.11%	RMB420.66 million	11,743,368 shares of Noblelift Company, corresponding to RMB255.89 million	RMB164.77 million
Mr. Zhang Yuanchao (張元超)	18.92%	RMB113.52 million	3,125,837 shares of Noblelift Company, corresponding to RMB68.11 million	RMB45.41 million
Mr. Zhang Yaoming (張耀明)	0.97%	RMB5.82 million	–	RMB5.82 million
Total	90.00%	RMB540 million	14,869,205 shares of Noblelift Company, corresponding to RMB324 million	RMB216 million

The consideration of the equity transfer was determined after arm’s length negotiation between the parties, with reference to the appraised value of the total equity value of shareholders of our Company by an independent valuer by using the discounted cash flow method under the income approach with March 31, 2016 as the reference date, and such consideration was fully settled on January 23, 2017. Upon the completion of such equity transfers on December 22, 2016, our Company was owned as to 90% by Noblelift Company and 10% by Mr. Zhang Ke (張科).

7. Equity transfer in February 2017

On February 21, 2017, Mr. Zhang Ke (張科) and Mr. Zhang Yuanchao (張元超) entered into an equity transfer agreement, pursuant to which Mr. Zhang Ke (張科) transferred 10% equity interest in our Company to Mr. Zhang Yuanchao (張元超) at the consideration of RMB7.4 million, which is equivalent to the amount of the registered capital of our Company transferred. Upon the completion of such equity interest transfers on March 7, 2017, our Company was owned as to 90% by Noblelift Company and 10% by Mr. Zhang Yuanchao (張元超).

8. Acquisition of 10% of equity interests in our Company by Noblelift Company in May 2019

On May 1, 2019, Mr. Zhang Yuanchao (張元超) and Noblelift Company entered into an equity transfer agreement, pursuant to which Mr. Zhang Yuanchao (張元超) transferred 10% equity interest in our Company to Noblelift Company at the consideration of RMB102 million. The consideration of the said equity transfer was determined after arm’s length negotiation between the parties with reference to the appraised value of the total equity value of shareholders of our Company by an independent valuer by using the discounted cash flow method under the income approach with December 31, 2018 as the reference date, and such consideration was fully settled on October 18, 2019. Upon the completion of such equity transfer on March 2, 2022, our Company became wholly-owned by Noblelift Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

9. Capital increase in November 2024

Pursuant to the shareholders’ resolutions dated November 18, 2024, the registered capital of our Company was increased from RMB74 million to RMB74.3 million. The additional registered capital was solely contributed by Wuxi Dinghong at the consideration of RMB0.3 million. Upon the completion of the above capital increase on November 26, 2024, our Company was owned as to 99.6% and 0.4% by Noblelift Company and Wuxi Dinghong, respectively. Wuxi Dinghong is an employee incentive shareholding platform of our Company. For further details, please refer to the paragraph headed “Incentive Platform” in this section below.

10. Joint Stock Reform in March 2025

Pursuant to the inaugural meeting on March 7, 2025, and the promoters’ agreement dated March 7, 2025, the then existing Shareholders of our Company agreed to convert our Company into a joint stock company with limited liability with a registered capital of RMB120,000,000. Pursuant to the promoters’ agreement, the net asset value of our Company as of November 30, 2024 amounted to RMB483,952,067.54, of which (i) RMB120,000,000 was converted into 120,000,000 Shares of RMB1.0 par value each, which were subscribed for by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company; and (ii) the remaining amount of RMB363,952,067.54 was converted to capital reserve of our Company. Upon the completion of registration with Wuxi Municipal Bureau of Data (無錫市數據局) on March 18, 2025, our Company was converted into a joint stock company with limited liability and renamed as Zhongding Intelligent (Wuxi) Technology Co., Ltd. (中鼎智能(無錫)科技股份有限公司). Upon completion of the joint stock reform, our Company was owned as to approximately 99.60% and 0.40% by Noblelift Company and Wuxi Dinghong, respectively.

Incentive Platform

In recognition of the contributions of our employees and to incentivize and to further promote our development, our Company implemented the Restricted Share Incentive Plan in October 2024 and established Wuxi Dinghong as the employee incentive shareholding platform to strategically align the interests of our employees with those of our Company and our Shareholders.

Wuxi Dinghong

Wuxi Dinghong was established in the PRC as a limited partnership on October 21, 2024. As of the Latest Practicable Date, Mr. Chen Lisheng (陳黎升), our executive Director, is the general partner of Wuxi Dinghong and holds approximately 33.33% partnership interests in Wuxi Dinghong. Pursuant to the partnership agreement of Wuxi Dinghong, the general partner has the exclusive authority to conduct partnership affairs and manage all business operations of the limited partnership. Wuxi Dinghong has four limited partners, namely, (i) Mr. Yang Tianbiao (楊天彪), our executive Director, who holds approximately 16.67% partnership interests; (ii) Mr. Li Xiaobing (李小兵), our executive Director, who holds approximately 16.67% partnership interests; (iii) Mr. Feng Yixin (馮一新), our deputy general manager, who holds approximately 16.67% partnership interests; and (iv) Ms. Du jing (杜晶), our executive Director and chief financial officer, who holds approximately 16.67% partnership interests.

As of the Latest Practicable Date, all incentive shares under the Restricted Share Incentive Plan have been fully granted and the selected participants have become the partners of Wuxi Dinghong. The capital contribution in relation to the awards granted have been fully settled by the relevant participants with their own funds.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CONFIRMATION BY THE PRC LEGAL ADVISORS

Our PRC Legal Advisors have confirmed that the above mentioned equity transfers involving our Shares, increase in share capital and conversion from a limited company to a joint stock company with limited liability have been properly and legally completed in all material respects and all requisite regulatory approvals have been obtained in accordance with the applicable PRC laws and regulations in all material respects.

OUR SUBSIDIARIES

The following table sets out the details of our subsidiaries as of the Latest Practicable Date:

Name	Principal business	Date of establishment	Place of establishment	Shareholding by our Company as of the Latest Practicable Date	Registered capital
Zhongding Integration Technology Singapore Pte. Ltd. (“ Zhongding Singapore ”)	Sales and after-sales operations in Asia Pacific	March 8, 2024	Singapore	100%	SGD0.2 million
Zhongding Integration Technology Hungary Limited Liability Company (“ Zhongding Hungary ”) . . .	Sales and after-sales operations in Europe	November 17, 2023	Hungary	100%	HUF3 million
Zhongding Integration Technology Malaysia Sdn. Bhd. (“ Zhongding Malaysia ”)	Sales and after-sales operations in southeast Asia	February 20, 2025	Malaysia	100%	RM10 million

We had not conducted any acquisitions, disposals or mergers that we considered to be material to us during the Track Record Period and up to the Latest Practicable Date.

DEREGISTRATION OF SUBSIDIARIES DURING THE TRACK RECORD PERIOD

Deregistration of Suyue Intelligent Equipment (Wuxi) Co., Ltd. (速躍智能裝備(無錫)有限公司) (“**Suyue Intelligent**”)

Suyue Intelligent was established in PRC on April 26, 2020 and was primarily engaged in the manufacturing of stacker cranes. For the purpose of, among other things, streamlining the corporate structures of our Group, and enhancing operating efficiency, the stacker crane manufacturing business of Suyue Intelligent (along with its assets, liabilities, benefits and obligations) was merged and absorbed into our Company. After the completion of the aforesaid merger and absorption, Suyue Intelligent was deregistered on February 1, 2024.

Deregistration of Wuxi Zhongyun Hongye Soft Control Technology Co., Ltd. (無錫中雲宏業軟控科技有限公司) (“**Zhongyun Hongye**”)

Zhongyun Hongye was established in PRC on April 10, 2013 and was primarily engaged in software business. For the purpose of consolidating the control and management of our subsidiaries to enhance operation efficiency, the operation of Zhongyun Hongye was taken over by Wuxi Zhongnuo, which has the same business as Zhongyun Hongye. As a result, Zhongyun Hongye was deregistered on January 9, 2023.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Our PRC Legal Advisors have confirmed that the above deregistrations have been properly and legally completed in all material respects and all requisite regulatory approvals have been obtained in accordance with the applicable PRC laws and regulations in all material respects.

Deregistration of Wuxi Liding

Wuxi Liding was established in the PRC on July 21, 2022 and was primarily engaged in after-sales services. Pursuant to (i) the board meeting and the general meeting of our Company held in October 2025; and (ii) the board meeting and the general meeting of Wuxi Liding held in October 2025, it was resolved that the business operation of Wuxi Liding (along with its assets, liabilities, business, benefits and obligations) shall be merged and absorbed into our Company. The aforesaid merger and obligation was completed, Wuxi Liding was deregistered on December 30, 2025. The deregistration of Wuxi Liding is an effort to streamline the Group structure and to integrate the resources within the Group for cost effectiveness. Considering (i) most contracts in our ordinary and usual course of business are entered into between our Company and our customers; and (ii) that the assets, liabilities, business, manpower, benefits and obligations of Wuxi Liding will be absorbed by our Company, we do not expect the deregistration of Wuxi Liding would have any material adverse impact on our business operation or financial performance.

Deregistration of Wuxi Zhongnuo

Wuxi Zhongnuo was established in the PRC on May 28, 2021 and was primarily engaged in software development. Pursuant to the general meeting of Wuxi Zhongnuo held in October 2025, it was resolved that Wuxi Zhongnuo shall be deregistered, which was subsequently completed on December 29, 2025. The deregistration of Wuxi Zhongnuo is an effort to streamline the Group structure and to integrate the resources within the Group for cost effectiveness. Considering (i) most contracts in our ordinary and usual course of business are entered into between our Company and our customers; and (ii) that the assets, business and manpower of Wuxi Zhongnuo are transferred to our Company, we do not expect the deregistration of Wuxi Zhongnuo would have any material adverse impact on our business operation or financial performance.

DISPOSAL OF WUXI SENHEDA INTELLIGENT EQUIPMENT CO., LTD. (無錫森和大智能裝備有限公司) (“WUXI SENHEDA”)

Wuxi Senheda was established in the PRC on December 18, 2023, which had no substantial business other than holding the land use right for a parcel of land located in the Huishan district in the PRC. For the purpose of streamlining the corporate structure of our Company, on June 24, 2025, our Company entered into an equity transfer agreement with Wuxi Huixi High-Tech Industrial Development Co., Ltd (無錫惠西高新技術產業發展有限公司) (“**Wuxi Huixi**”), an Independent Third Party, pursuant to which our Company has agreed to dispose the entire equity interests in Wuxi Senheda to Wuxi Huixi at the total consideration of RMB28.20 million, all of which had been paid as of the Latest Practicable Date. The consideration was determined after arm’s length negotiation between the parties with reference to the initial costs of acquisition of the land use right. Completion has taken place on June 27, 2025 upon the completion of changes of industrial and commercial registration with respect to the disposal, and Wuxi Senheda ceased to be a subsidiary of our Company thereafter.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

SHAREHOLDING STRUCTURE OF OUR COMPANY

As of the Latest Practicable Date, the shareholding structure of our Company was as follows:

Name of Shareholders	Number of Shares as of the Latest Practicable Date and immediately prior to the [REDACTED]	Approximate percentage of Shares in the total issued share capital of our Company as of the Latest Practicable Date and immediately prior to the [REDACTED]	Number of Unlisted Shares/ H Shares immediately after the [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised)	Approximate percentage of Unlisted Shares/H Shares in the total issued share capital of our Company immediately after the [REDACTED] (assuming the [REDACTED] is not exercised and the options granted under the [REDACTED] Share Option Scheme are not exercised)
		(%)		(%)
Noblelift Company . . .	119,515,440 Unlisted Shares	99.60	[REDACTED] Unlisted Shares	[REDACTED]
	0 H Shares	0	[REDACTED] H Shares	[REDACTED]
Wuxi Dinghong	484,560 Unlisted Shares	0.40	[REDACTED] Unlisted Shares	[REDACTED]
	0 H Shares	0	[REDACTED] H Shares	[REDACTED]

LOCK-UP AND PUBLIC FLOAT

Pursuant to the applicable PRC laws, within the 12 months following the [REDACTED], all existing Shareholders (including the Controlling Shareholders) could not dispose of any of the Shares held by them.

The Unlisted Shares held by all existing Shareholders, representing all of our total issued Shares as of the Latest Practicable Date will not be considered as part of the public float and the Shares held by the aforesaid Shareholders will not be converted into H Shares upon the [REDACTED].

Noblelift Company is a Controlling Shareholder of our Company as of the Latest Practicable Date, and will remain as a Controlling Shareholder upon [REDACTED]. As a result, the 119,515,440 Unlisted Shares, representing approximately [REDACTED]% of our total issued Shares as of the Latest Practicable Date, or approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised), or approximately [REDACTED]% of our total issued Shares upon exercise of the [REDACTED] in full (assuming the options granted under the [REDACTED] Share Option Scheme are not exercised), controlled by Noblelift Company will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED].

The [REDACTED] Unlisted Shares held by Wuxi Dinghong, representing approximately 0.40% of our total issued Shares as of the Latest Practicable Date, or approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised), or approximately [REDACTED]% of our total issued Shares upon exercise of the [REDACTED] in full (assuming the options granted under the [REDACTED] Share Option Scheme are not exercised), will not be considered as part of the public float as (i) these Shares are Unlisted Shares which will not be converted into H Shares and [REDACTED] following the completion of the [REDACTED]; and (ii) Mr. Chen Lisheng, our executive Director and a core connected person of our Company, is the general partner of Wuxi Dinghong and is deemed to have control over such Shares.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pursuant to Rule 19A.13A(1) of the Listing Rules, assuming that the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised, (i) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED], and the minimum prescribed public float percentage applicable to our Shares is 25.0%; (ii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED], and the minimum prescribed public float percentage applicable to our Shares is 25.0%; and (iii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED], and the minimum prescribed public float percentage applicable to our Shares is [REDACTED]%.

Immediately upon completion of the [REDACTED], assuming that (i) [REDACTED] H Shares are issued in the [REDACTED]; (ii) the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised; and (iii) a total of [REDACTED] Shares are issued upon completion of the [REDACTED], the total number of [REDACTED] H Shares held by the public represents [REDACTED]% of our total issued Shares upon [REDACTED]. Therefore, our Company will be able to meet the minimum public float requirement under Rule 19A.13A of the Listing Rules.

[REDACTED]

Under Rule 19A.13C of the Listing Rules, there must be sufficient shares for which listing is sought that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (1) represent at least 10% of the total number of issued shares in the class of shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (2) have an expected market value at the time of listing of not less than HK\$600,000,000.

It is expected that immediately following completion of the [REDACTED], at least 25% of the total number of issued Shares with an expected [REDACTED] value of HK\$[REDACTED] are not subject to such disposal restriction at the time of the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] range, and the [REDACTED] is not exercised). Accordingly, our Company will be able to satisfy the requirements under Rule 19A.13C(1) of the Listing Rules.

SPIN-OFF

CSRC promulgated the Spin-off Rules for Listed Companies (For Trial Implementation) (《上市公司分拆規則(試行)》), “Spin-off Rules”) on January 5, 2022, and 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》) (“Overseas Listing Trial Measures”) on February 17, 2023. Pursuant to the Spin-off Rules and the Overseas Listing Trial Measures, the offshore listing of the subsidiaries controlled by domestic listed companies shall comply with the conditions set out in the Spin-off Rules and fulfill the filing procedure with CSRC. The proposed [REDACTED] of our Company constitutes a spin-off under Spin-off Rules and is subject to fulfilling the filing procedure with CSRC according to Overseas Listing Trial Measures. The proposed [REDACTED] of our Company was approved by Noblelift Company shareholders at an extraordinary general meeting on April 17, 2025, and was approved by the Company’s shareholders at an extraordinary general meeting on April 30, 2025. The Company will fulfill the filing procedure with CSRC before the completion of the [REDACTED]. As advised by the PRC Legal Advisors, apart from the CSRC approval of the CSRC filing procedure, our Company had obtained all necessary approvals and authorization in the PRC in relation to the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

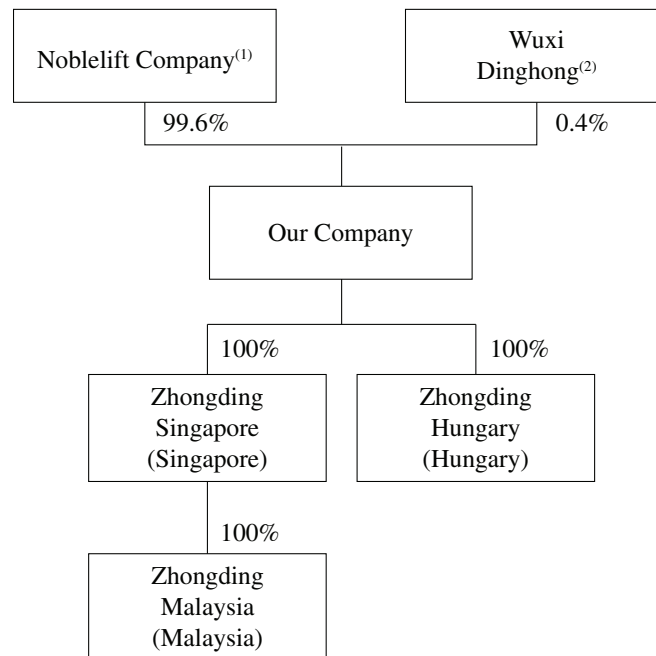
We consider that the Spin-off will enable our Group to gain direct access to capital markets for equity and/or debt financing to fund its existing operations and future expansion without reliance on Noblelift Company, thereby improving its operating and financial management efficiencies. Following the Spin-off and benefiting from the separate management structures between Noblelift Company and our Group, the Spin-off will also enable more focused development, strategic planning and better allocation of resources for our Group to develop our business.

[REDACTED] SHARE OPTION SCHEME

Our Company adopted the [REDACTED] Share Option Scheme, which became effective on April 30, 2025. For further information, please refer to “Statutory and General Information — 5. [REDACTED] Share Option Scheme” in Appendix VI to this document for further details.

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]

The following chart sets forth our Group’s corporate structure immediately prior to the completion of the [REDACTED]:



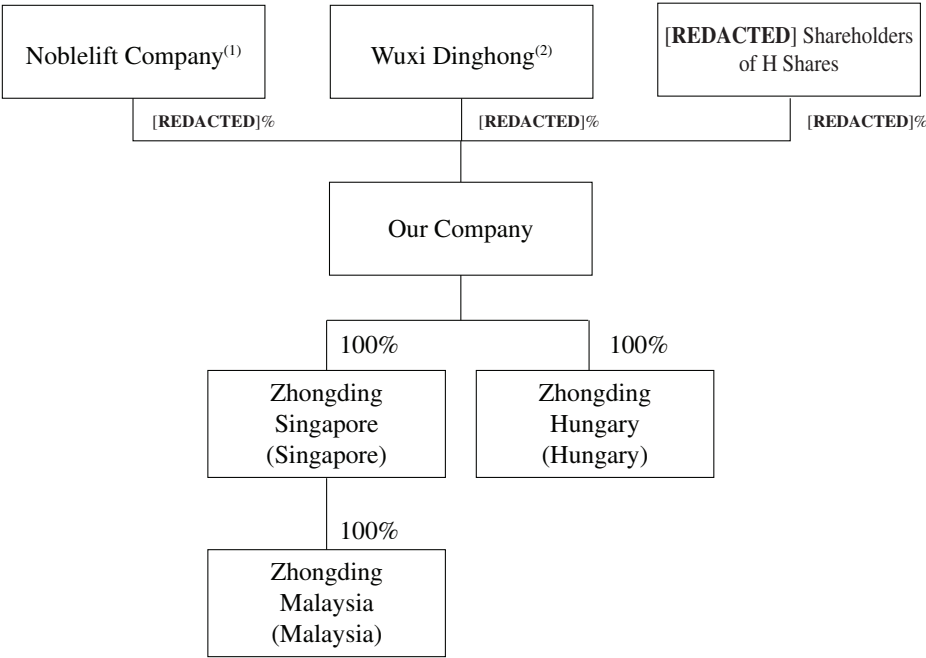
Notes:

1. Noblelift Company is a joint stock company established in the PRC on March 3, 2000, and its shares are listed on the Shanghai Stock Exchange (stock code: 603611). As of the Latest Practicable Date, Noblelift Company is held as to approximately 28.17% by Mr. Ding Yi (the father of Mr. Ding), 4.05% by Mr. Ding (our executive Director and chairman of the Board), 2.32% by Ms. Mao Ying (the spouse of Mr. Ding Yi) and 65.46% by other shareholders (none of them individually holding more than 5% of the shares of Noblelift Company).
2. Wuxi Dinghong is an incentive platform of our Company. For details, please refer to the paragraph headed “Incentive Platform — Wuxi Dinghong” in this section above.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY AFTER COMPLETION OF THE [REDACTED]

The following chart sets forth our Group’s corporate structure immediately after completion of the [REDACTED] (assuming no exercise of the [REDACTED] and options granted under the [REDACTED] Share Option Scheme):



Notes:

1 – 2. Please refer to the notes in “— Corporate structure immediately before the completion of the [REDACTED]” above.

BUSINESS

OVERVIEW

We are an established smart intralogistics and warehouse automation solution provider in China. Our core offering is our smart intralogistics solutions, which integrate smart intralogistics management software and intralogistics equipment such as stacker cranes, shuttles, conveyor lines, sorters and robots to coordinate the movement and storage of items within warehouses, factories and production lines across a diverse range of industry verticals.

In terms of revenue in 2025, we ranked:

- 4th in the smart intralogistics solutions industry in China with a 1.6% market share,
- 2nd in the smart intralogistics solutions for industrial sectors in China with a 3.2% market share, and
- 1st in the smart intralogistics solutions for new energy lithium-ion battery sector in China with a 25.6% market share.

The industrial sector accounted for nearly 50% of the total smart intralogistics solution market in China in 2025, while the new energy lithium-ion battery sector accounted for approximately 6%.

Our solutions optimize the flow of goods within production facilities and warehouses, reduce manual intervention, improve space utilization, and provide value-added features such as real-time inventory management, thereby reducing costs and enhancing operational efficiency and accuracy. We also offer after-sales services to support the long-term performance and reliability of our smart intralogistics solutions and to promote customer loyalty. Our after-sales services primarily include regular maintenance, spare parts and repairs, and technical upgrades and modifications.

In addition, we sell standalone intralogistics equipment, principally stacker cranes. They are widely used in manufacturing plants, logistics parks, warehouses, and other similar worksites.

Our smart intralogistics solutions, which are offered on a project-by-project basis, contributed over 95% of our revenue during the Track Record Period. Our smart intralogistics solutions comprise one or more of the following sub-systems:

- ***Smart intralogistics software systems.*** All of our smart intralogistics solutions are embedded with smart intralogistics software systems, which primarily include our self-developed warehouse control systems (WCS), warehouse management systems (WMS), and flexible manufacturing systems (FMS) for new energy lithium-ion batteries. While by default, all smart intralogistics software systems deployed in our solutions are developed in-house, customers may sometimes require third-party software systems to meet specific project needs;
- ***Automated storage and retrieval systems (AS/RS).*** Our AS/RSs primarily consist of equipment such as stacker cranes, shuttles, and racking systems, enabling more efficient storage, retrieval and sequencing of loads, and utilization of storage space. All stacker cranes, which are key components of our smart intralogistics solutions, are manufactured in-house (except in limited cases where customers explicitly require alternative sourcing), while other equipment such as shuttles and racking systems are procured externally;
- ***Automated conveyor and sorting systems.*** Our automated conveyor and sorting systems primarily include various types of conveyors, automated sorting equipment, and goods-to-person and goods-to-robot picking systems. We have in-house manufacturing capabilities for tote conveyors, pallet conveyors (including roller conveyors and chain

BUSINESS

conveyors), and vertical lift conveyors, with production volumes optimized based on cost and available capacity; all other automated conveyor systems, along with automated sorting systems and goods-to-person/robot picking systems, are procured externally; and

- ***Robotics systems.*** Our robotics systems integrate our proprietary navigation, control and management systems into various third-party robots, such as industrial robots and mobile robots, to facilitate tasks such as material handling, picking and palletizing, and enable real-time monitoring and improved decision-making in our intralogistics solutions. While all robotic hardware is externally sourced, we design and manufacture certain custom components (like client-specific jigs) in-house, with full integration through smart intralogistics software.

OUR STRENGTHS

Capabilities to research and develop smart intralogistics software, manufacture core intralogistics equipment, and deliver comprehensive customized solutions

Our ability to research and develop smart intralogistics software, manufacture core intralogistics equipment, and deliver integrated, customized solutions allows us to meet the diverse needs of customers across different industry verticals effectively.

Capability to Research and Develop Smart Intralogistics Software

Our software systems are capable of unified scheduling and collaborative control across brands and models, enabling intelligent management of intralogistics equipment in most categories and scenarios, and across multiple brands. Using open API interfaces and deep protocol adaptation, we have achieved integration and unified scheduling for stacker cranes, conveying and sorting equipment, shuttles, industrial robots, mobile robots and other robots and smart intralogistics equipment at the end of 2024.

Further, our software systems connect with enterprise resource planning systems (ERP), manufacturing execution systems (MES) and other enterprise level management systems to achieve optimization across multiple processes, including equipment scheduling and business collaboration. This capability significantly enhances our customers' operational efficiency and management effectiveness within their intralogistics systems.

Our smart intralogistics software product line includes warehouse management systems (WMS), flexible manufacturing systems (FMS) for new energy lithium-ion batteries, warehouse control systems (WCS) and other key software, all of which are researched and developed in-house and over which we have independent intellectual property rights. Notably, FMS systems are specialized flexible manufacturing systems for the entire process of lithium-ion battery formation and capacity grading. Formation and capacity grading is a critical process in lithium-ion battery production, with high safety requirements. We were among the first to develop an FMS system and successfully deploy it with leading lithium-ion battery customers.

In addition, we have collaborated with innovative technology companies to develop digital twin systems. When deployed in intralogistics settings, digital twin systems are capable of creating 3D models for most intralogistics equipment and enabling virtual-real mapping of complex intralogistics scenarios. As of the Latest Practicable Date, two smart intralogistics solutions featuring our digital twin technology have been accepted by customers. By integrating our digital twin systems with WCS, WMS and other systems, customers can monitor intralogistics operations in a virtual environment in real time, benefiting from technical support for services such as remote monitoring and maintenance of intralogistics equipment, fault diagnosis, and detailed 3D scene visualization.

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Capability to Manufacture Core Intralogistics Equipment

We possess capabilities to manufacture core self-developed intralogistics equipment such as stacker cranes and conveyor systems. The performance of stacker cranes, which are the core equipment of automated storage systems, directly impacts the operational efficiency and stability of the entire intralogistics systems. At our stacker crane production facilities, we are capable of manufacturing a series of high-tech stacker cranes with a height of up to 46 meters and a maximum lifting capacity of up to 12 tons, placing us at the forefront of the industry. Our products meet market demands of various types of enterprises.

In the field of conveyor systems equipment manufacturing, our in-house developed and manufactured pallet conveyors, rail guided vehicles and other equipment cover roller conveyors, chain conveyors, right angle transfer conveyors, and turntable conveyors, offering versatile solutions. Our self-developed multi-shuttle systems achieve peak throughputs exceeding 1,000 totes per hour per aisle, able to cater to material handling needs across diverse industries and production scenarios.

Our in-house developed and manufactured core equipment gives us a competitive edge over many competitors. We ensure smooth coordination from design to production, reducing delays and shortening project lead times by swiftly collaborating between our research and development and production teams, which supports stable operations of our intralogistics solutions. In particular, deployment of our proprietary electrical control systems within our intralogistics equipment ensures compatibility with our smart intralogistics software, supporting stable operations.

Further, use of self-developed equipment within our intralogistics solutions translates into demand for our after-sales services, enabling rapid after-sales support, minimized downtime, and delivery of comprehensive lifecycle support.

Capability to Deliver Comprehensive Customized Solutions

Our competitive advantage lies in providing integrated, customized solutions that offer customers one-stop services covering the entire lifecycle of smart intralogistics projects. For example, by accurately matching the varied needs of different customers, and with a strong understanding of their businesses, sales and production, among other supply chain statistics, we are able to integrate robotics systems within highly customized intralogistics solutions, facilitating the effective implementation of robotics across industries and achieving a leap from the procurement of standalone robotic equipment to the realization of their full operational benefits. As of December 31, 2025, over 110 smart intralogistics solutions that contain robotics systems have been accepted by our customers.

We conduct in-depth research on the demand characteristics of customers across various industries, developing highly customized service plans. This includes meeting customers' flexible production capacity requirements during the execution process and providing long-term tracking and after-sales service post-delivery, thereby establishing a customer service system throughout the entire lifecycle and accumulating strong brand influence.

Provision of our integrated intralogistics solutions comprises multiple phases, including pre-sales (comprising initial consultation and conceptual development), solution design, manufacturing and implementation, system launch, and after-sales services. During the pre-sales phase, a professional team composed of industry experts and technical consultants conducts an in-depth analysis of the customer's business models, production processes and other factors to accurately identify their requirements. In the solution design phase, we plan and design the intralogistics system, including both software architecture and equipment selection and layout. We utilize specialized tools and engage third parties for simulation analysis. In the manufacturing and implementation phase, our in-house equipment manufacturing and software development teams

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work closely with our customer and with equipment suppliers to ensure compatibility between equipment and software while meeting the customer’s customized needs, improving system efficiency and lowering execution risks.

For on-site implementation, installation and commissioning, we have an experienced engineering team and efficient project management capabilities, allowing us to complete tasks with high quality while reducing project delivery time and managing project risks effectively. Our after-sales service includes equipment repair, maintenance, upgrading, and regular follow-ups to enhance service quality. We also provide operational training and technical support to customer staff to ensure smooth system operation and enhance the customer’s ability to operate independently.

These three core capabilities position us as one of the few solution providers in the industry that possess the ability to develop smart intralogistics software systems and research and manufacture core equipment for smart intralogistics systems.

Established position in smart intralogistics solutions for the new energy industry

Within the field of smart intralogistics solutions, lithium-ion battery industry customers offer higher added value and have significant customization demands, placing elevated requirements on solution providers. We ranked fourth in China in the smart intralogistics solutions industry by revenue in 2025. Within the field of smart industrial intralogistics solutions, we ranked second, and within the field of smart intralogistics solutions for new energy lithium-ion batteries, we ranked first.

Lithium-ion battery companies have specific requirements for smart intralogistics solution providers, necessitating joint development of hardware and software. Providers must possess both manufacturing and development capabilities for hardware and software, as well as sufficient production capacity. They face strict delivery time requirements for processes such as production, installation, commissioning, and ramp-up. We are one of the earliest companies in China to engage in and deploy smart intralogistics solutions for the new energy industry, having established a partnership with LG CNS China as early as 2013, to whom we supplied intralogistics equipment to facilitate automotive power battery production.

Our battery production line intralogistics solution for a globally leading innovative new energy technology company headquartered in China fully met their requirements for formation and capacity grading processes, with our self-developed flexible manufacturing system (FMS) supporting concurrent production of battery cells with different process requirements on the same production line to ensure flexible, efficient operations. Through years of experience in the lithium-ion battery industry, we have made significant breakthroughs in core technologies such as rapid automated sorting of batteries, smart clamping and picking, modular high-speed stacker cranes, battery storage electrostatic discharge, temperature controlled triggering of onboard fire extinguishers, and integration of production control systems. These advancements address a series of challenges in integrating intralogistics systems with production processes such as formation, sealing, charging and discharging, high-temperature aging, cooling, capacity testing, and inspection. Our solutions enable precise control over various production processes, rapid switching between process stages, and satisfaction of precise requirements for automated intralogistics equipment.

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A wide range of quality client resources, sector experience, and multi-industry capabilities

With more than 1,000 successful cases, a wide-ranging customer base across multiple industries (including new energy, automotive parts, healthcare, cold chain and others), and a deep understanding of diverse application scenarios, we provide benchmark-level customized services.

Collaboration with leading new energy companies, such as CATL and REPT Battero, has positioned us at the forefront of smart intralogistics within the new energy industry. New energy companies have very high safety requirements for intralogistics systems. We meet customer needs for warehousing intralogistics and address their production intralogistics requirements. In the healthcare industry, our customers include Sinopharm Group, Yuwell and other large pharmaceutical companies. These customers have strict requirements for product traceability and require supplier products to be capable of supporting their compliance with GMP standards. We have also worked with leading food cold-chain companies, who have high demands for food preservation and intralogistics efficiency. By optimizing the design of cold chain intralogistics systems, we have improved food preservation and intralogistics efficiency while reducing energy consumption.

Demands for intralogistics systems vary across industries. We provide customized solutions, leveraging our multi-industry expertise. Our accumulated project experience allows us to create reusable templates, which we optimize based on new customer needs to ensure efficiency and adaptability.

Established brand recognition with relevant industry qualifications

We have received numerous qualifications, honors and awards, which further enhance our brand influence and serve as a significant advantage in market competition. Since 2016, we have been awarded the National and New Technology Enterprise status and National “Specialized, Refined, and Innovative” Little Giant Enterprise status (國家級“專精特新”小巨人企業稱號). We are recognized by the Ministry of Industry and Information Technology as a supplier of smart manufacturing system solutions (國家工信部智能製造系統解決方案供應商), an authoritative certification of our strengths in smart manufacturing. In 2024, we were awarded 2024 Outstanding Supplier of Lithium-ion battery Logistics Equipment (2024鋰電物流裝備優秀供應商), 2024 Excellence Award for Warehouse Logistics Projects (2024優秀倉儲物流項獎) and 2024 Outstanding Brand Award in the Smart Logistics Industry (2024年度智能物流產業優秀品牌獎). In 2025, we were awarded Logistics Technology Innovation Case Award (物流技術創新案例獎) and Miniload Automated Storage System Technology Innovation Award (Miniload自動化存儲系統技術創新獎).

In terms of qualification certification, we have obtained multiple internationally recognized certifications, including International Quality Management System certification, International Environmental Management System certification, CE certification, and Intellectual Property Management System certification. In particular, CE certification serves as our passport to international markets, laying the foundation for our overseas expansion. As of December 31, 2025, we have obtained 215 registered patents (including 45 invention patents), 28 registered trademarks, and 59 software copyrights, and have also obtained certification under ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, ISO 27001 Information Security Management System, and ISO 20000 IT Service Management System standards.

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Experienced management and specialized staff team

Our leadership, management and staff team form a talent-driven advantage. Key members of our leadership and management, including Mr. Ding, Mr. Yang Tianbiao and Mr. Chen Lisheng, have deep sector expertise and knowledge of market trends. As early as 2016, we have proactively prioritized expansion into the new energy industry, recruiting specialized talent and building technical capabilities in advance. This forward-looking approach secured first-mover advantages and continues to guide our steady growth in a dynamic market environment.

Mr. Ding, our Chairman, brings over 15 years of intralogistics industry and executive management experience. Mr. Yang Tianbiao, our Vice Chairman, has nearly 20 years of industry and management expertise. Formerly Senior Director of China Solutions Management with Dematic, a leading global provider of integrated intralogistics systems, he spearheaded breakthroughs in core equipment research and development, including stacker cranes. Mr. Chen Lisheng, our General Manager, possesses over 20 years of experience in the intralogistics industry accumulated across multiple countries.

Our ability to deliver high quality, integrated smart intralogistics systems across diverse industries stems from our technical expertise, diverse project experience and multidisciplinary talent pool. We maintain a specialized team spanning mechanical engineering, electrical engineering, software engineering, automation control and project management. This structure enables us to deeply understand sector specific requirements and provide customized, end-to-end technical solutions. As of December 31, 2025, our employees included 172 research and development personnel, representing 20.3% of our total workforce, covering mechanical design, software development, electrical engineering, system planning, and simulation analysis.

OUR STRATEGIES

Strengthen technological innovation and research and development investment, improve upon existing equipment and technology by integration of robotics and AI technology, and focus on developing solutions which involve application of robotics

Technological innovation drives our competitiveness. We prioritize technology and research and development investment in our strategy. By improving upon existing equipment and technology with the integration of robotics and AI technology, we aim to boost our core competitiveness and upgrade our core equipment for future growth.

We will enhance intralogistics systems by integrating robotics and artificial intelligence. Our goal is to transform these systems from simple transport devices into complex systems that combine robotic mechanisms with intralogistics capabilities. Leveraging data collected from the operations of our intralogistics equipment and software, we aim to continually innovate upon our digital twins and artificial intelligence models for automatic perception and decision-making in intralogistics operations. Additionally, we plan to develop systems with advanced functions that integrate material handling, storage, and precise sorting capabilities. Our planned developments of advanced robotic and equipment systems include high-density pallet storage robots integrated with four-way shuttles, to achieve high-density storage and flexible, multi-directional pallet handling; second-generation tote multi-shuttle systems, to enhance high-throughput storage and retrieval capabilities for mini loads; tote-climbing robots, to enable autonomous vertical movement of totes within storage racks, optimizing storage density and operational flexibility, and next-generation tote conveying and sorting systems, to improve material flow efficiency and automated order picking.

In parallel, we will invest in development of next-generation software systems. When developing software systems such as WMS and WCS, we will use AI technology to improve existing software algorithms, automating processes such as path planning for large robots and storage location assignment, and thus boosting the efficiency of intralogistics operations. Key software development plans include warehouse execution systems (WES) software, to optimize

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equipment scheduling, inventory management, and order fulfillment processes; AI-based automated process testing software, to improve the efficiency and accuracy of software testing and significantly reduce the need for manual intervention, and digital twin technologies, to enable real-time simulation and virtual optimization of intralogistics operations before implementation. Through machine learning and simulation by artificial intelligence algorithms, we will provide rich reporting and data analysis results, enabling a better understanding of warehousing operations and facilitating informed decision-making.

Expand into diversified business fields by deepening existing customer relationships and developing after-sales services

The smart intralogistics solutions industry typically involves the accumulation of valuable brand assets. When downstream customers choose suppliers of smart intralogistics solutions, they often consider factors such as past project experience, project outcomes, and previous collaboration. Our Company focuses on providing smart intralogistics solutions to customers, continuously improving our technical expertise and business capabilities, and has accumulated a group of high-quality customer resources through ongoing business development. We have gained advantages by continuously expanding our business with our core customers, further consolidating our position in the industry and providing a solid foundation for the sustainable and healthy development of our business.

Currently, we have a high concentration of customers in the new energy industry. As our new energy industry customers develop and initiate expansion plans, positive previous service experiences delivered by us will help us seize further business opportunities. Going forward, customers in the new energy industry will remain an important source of business and revenue for us.

We plan to leverage valuable experience accumulated with global leading players in the new energy industry to extend our development into the field of energy storage. Additionally, we will closely monitor the development and application of new battery technologies such as solid-state automotive batteries and actively explore opportunities to collaborate with our leading lithium-ion battery customers.

We will continue to develop and grow our after-sales services, including by offering customized after-sales services to meet the needs of different industry customers with the aim of enhancing customer service experience. We will actively expand our post-warranty operation and maintenance services, which will help customers reduce costs and increase efficiency, maintaining customer loyalty. Furthermore, we will expand our after-sales services such as modification of existing production lines and equipment, and software upgrade and optimization services.

To achieve sustainable development, we place great importance on market research. Through extensive market research and overseas market assessments, we analyze the feasibility of providing our solutions to other industry sectors. We have formed a professional market research team to closely monitor macroeconomic and industry dynamics, changes in policies and regulations, and technological development trends to identify potential market opportunities. At the same time, we are proactively recruiting talent to prepare for serving new customer industries. To target customer industries with growth potential, we will initiate research and development of relevant technologies in advance. Currently, we will continue to expand within the customer industry sectors we serve, such as food cold chain and healthcare, and actively develop business in growing industry verticals such as the shipbuilding industry, semiconductors, retail, smart manufacturing, and petrochemicals.

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Expand overseas and embrace new opportunities in overseas markets

We believe there are opportunities for PRC smart intralogistics solution providers to explore selected overseas markets as part of their long-term growth strategy. In line with China’s Belt and Road initiative and the broader trend of PRC enterprises expanding internationally, we have taken steps to establish a presence outside China. Currently, we have established subsidiaries in multiple countries outside China, including Hungary, Singapore, and Malaysia. We plan to gradually build local business teams to expand our overseas operations and provide quick-response after-sales support.

In our international expansion, we will adopt two main strategies:

- ***Supporting Chinese enterprises in their international expansion.*** With many Chinese companies investing in overseas factories, there is strong demand for smart intralogistics solutions. Leveraging our accumulated project experience, we seek to grow localized service capabilities and offer comprehensive one-stop services to our Chinese customers, from initial consultation and conceptual development to equipment manufacturing, on-site installation, and after-sales maintenance. This approach will allow us to meet our customers’ needs abroad while fostering mutual growth with Chinese enterprises.
- ***Engaging international clients.*** We intend to primarily target emerging markets in Asia, where rapid economic growth is driving increasing demand for smart intralogistics solutions. By leveraging our in-house research and development capabilities and robust product offerings, we seek to support our international efforts and gradually enhance our presence in selected overseas markets.

Growth through strategic M&A

China’s smart intralogistics solution market is vast, yet it remains highly fragmented, characterized by a competitive landscape of relatively small companies. This provides an opportunity for growth through strategic mergers and acquisitions. We plan to leverage our financial advantages to implement a phased and sector-focused acquisition strategy.

When selecting acquisition targets, we will prioritize companies that enhance our product portfolio and have core technologies or strong project pipelines. Our goal is to achieve synergies, improve technological capabilities, expand our customer base, and refine our offerings. We will actively identify and acquire companies with advanced technological capabilities, particularly those specializing in automation, intelligent systems, and complementary technologies. Further, to acquire knowledge, channels, and resources in key industry verticals, we will prioritize companies with established expertise and customer bases in sectors with specialized intralogistics automation requirements, including but not limited to e-commerce distribution, retail logistics, healthcare, and semiconductors. For details of our strategic mergers and acquisitions plans, see “Future Plans and [REDACTED] — [REDACTED]”.

Certain industries, such as semiconductors and pharmaceutical manufacturing, face high technological barriers, strict industry standards, and lengthy customer certification processes, making it challenging for new entrants to gain market share. For these sectors, we plan to acquire experienced companies to secure a foothold and facilitate diversified business expansion and market share growth.

In executing our acquisition strategy, we will prioritize post-merger integration by aligning corporate cultures, technologies, personnel, and market channels. Effective integration of the acquired entities with our existing operations will enhance our development and reinforce our position in the smart intralogistics solution market.

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Attracting and developing talent to drive business growth and achieve strategic goals

Talent is the core resource for achieving our strategic objectives and sustaining business growth. We place a high priority on attracting and developing talent, aiming to build a high-quality team with innovative spirit and practical experience.

We will continue to strengthen our talent pool through external recruitment and internal development, supporting our competitiveness in China. While China remains our primary operating market, we are also preparing to support our initial overseas efforts with relevant talent.

For talent acquisition, we will offer competitive pay, benefits, and career growth to attract top talent. We seek skilled research and development staff, marketing professionals, engineers, and after-sales staff. We value candidates with strong skills for successful projects and client needs. In our overseas expansion, we will aim to identify and engage individuals with cross-cultural understanding and local market insights to assist in enhancing service quality and customer satisfaction.

For talent development, we will continue to improve our training system, offering personalized training courses and development plans tailored to different roles and levels. New employees will undergo systematic onboarding training to help them quickly adapt to our culture, business, and workflows.

AWARDS AND RECOGNITIONS

We have earned multiple awards and honors in recognition of our offerings and customer service. The following table sets forth a summary of the major awards and recognitions we received during the Track Record Period:

Year Awarded	Award/Recognition	Issuing authority/organization
2025 . .	Miniload Automated Storage System Technology Innovation Award (Miniload 自動化存儲系統技術創新獎)	Organizing Committee of the Global Intelligent Logistics Industry Development Conference (全球智能物流產業發展大會組委會)
2025 . .	Annual Partner Brand (年度合作品牌)	Logistics Equipment Committee of the China Federation of Logistics and Purchasing (中國物流與採購聯合會物流裝備專業委員會)
2025 . .	Logistics Technology Innovation Case Award (物流技術創新案例獎)	Logistics Equipment Committee of the China Federation of Logistics and Purchasing (中國物流與採購聯合會物流裝備專業委員會)
2024 . .	2024 Outstanding Supplier of Lithium-ion Battery Logistics Equipment (2024鋰電物流裝備優秀供應商)	2024 National New Energy (Lithium-ion Battery) Supply Chain and Logistics Technology Summit (2024全國新能源(鋰電)供應鏈與物流技術峰會)

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Year Awarded	Award/Recognition	Issuing authority/organization
2024 . .	2024 Excellence Award for Warehouse Logistics Projects (2024優秀倉儲物流項獎)	Logistics Equipment Committee of the China Federation of Logistics and Purchasing (中國物流與採購聯合會 物流裝備專業委員會)
2024 . .	2024 Outstanding Brand Award in the Smart Logistics Industry (2024年度智能物流產業優秀品牌獎)	Organizing Committee of the Global Intelligent Logistics Industry Development Conference (全球智能物流產業發展大會組委會)
2023 . .	China Urban Logistics Innovation Achievement Award (中國城市物流創新成果獎)	China Communications and Transportation Association (CCTA) (中國交通運輸協會)
2023 . .	Frontier Technology Award in the Smart Logistics Industry (智能物流產業前沿科技獎)	Logistics Product Network (物流產品網)
2023 . .	Top 30 Logistics and Supply Chain (China) Solutions in 2023 (2023物流與供應鏈(中國)解決方案TOP30)	Logistics Times Weekly Magazine (《物流時代周刊》雜誌社)

OUR BUSINESS MODEL

Our offerings primarily include the following:

- ***Smart intralogistics solutions.*** Our smart intralogistics solutions are integrated solutions comprising one or more of the following intralogistics products: (i) smart intralogistics software systems, (ii) automated storage and retrieval systems (AS/RS), (iii) automated conveyor and sorting systems, and (iv) robotics systems. We offer our smart intralogistics solutions on a project-by-project basis and charge our customers in installments after achieving milestones outlined in our project contracts.
- ***Sales of intralogistics equipment and others.*** We sell intralogistics equipment, mainly stacker cranes, in standalone orders to customers. Our intralogistics equipment are designed to suit a variety of operational environments, such as high-density warehouses for lithium-ion batteries and fast-moving consumer goods, and temperature-controlled and low-temperature facilities for food and healthcare products. Our intralogistics equipment deliver reliability, scalability, and operational efficiency.
- ***After-sales services.*** Our after-sales services are designed to support the long-term performance and reliability of our smart intralogistics solutions. These services primarily include retrofit projects, where we upgrade existing systems in our solutions to improve efficiency or adapt to our customers’ evolving operational needs. We also offer the replacement of spare parts to ensure uninterrupted operations of our solutions, as well as comprehensive maintenance services to minimize downtime and extend the lifecycle of our equipment. Our dedicated after-sales team provides prompt, professional support to address customer concerns, ensuring the sustained success of their operations.

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The following table sets forth a breakdown of our revenue by business segment:

	Year ended December 31,					
	2023		2024		2025	
	(RMB in thousands except for percentages)					
Smart intralogistics solutions	1,602,744	94.6%	1,727,754	96.1%	1,786,679	95.0%
After-sales services	47,515	2.8%	49,775	2.8%	82,126	4.4%
Sales of intralogistics equipment and others . .	44,395	2.6%	20,276	1.1%	12,876	0.6%
Total	1,694,654	100.0%	1,797,805	100.0%	1,881,681	100.0%

We achieved revenue growth in 2023, 2024 and 2025 in China’s smart intralogistics solution market for the new energy sector. We attribute this to the following reasons:

- ***Proactive early market expansion and order capture.*** As customers sought to secure supply chain capacity in advance, many signed early and large-scale contracts with us. Access to such contracts was contingent on passing rigorous internal collective review processes imposed by these head customers, which evaluate suppliers across multiple dimensions including technical capability, qualifications, implementation record and service quality. We successfully passed these evaluations and entered the qualified supplier systems of leading enterprises such as CATL and others. We secured a substantial number of long-term contracts during this period. As some of these projects have relatively long implementation cycles, a significant portion of the revenue from these contracts continued to be recognized in 2024 and 2025.
- ***Stable demand from leading new energy customers.*** Our major customers include leading new energy enterprises such as CATL, REPT Battero and others. These customers generally have robust capital expenditure capabilities and a sustained need for smart intralogistics solutions. Even amid industry headwinds, they maintained a relatively stable pace of investment, contributing to our business resilience.

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB in thousands except for percentages)					
Smart intralogistics solutions	204,368	12.8%	209,927	12.2%	258,069	14.4%
After-sales services	28,501	60.0%	21,855	43.9%	23,502	28.6%
Sales of intralogistics equipment and others	4,966	11.2%	4,082	20.1%	2,606	20.2%
Total	237,835	14.0%	235,864	13.1%	284,177	15.1%

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Smart Intralogistics Solutions

Smart intralogistics solutions are our core offering. Our smart intralogistics solutions significantly differ from traditional inventory management approaches in terms of efficiency, automation, and data-driven control. Traditional warehouse and logistics operations typically rely on basic warehouse management systems, spreadsheets, and paper-based labels. Such systems depend heavily on manual input, resulting in low operational efficiency, poor space utilization, high labor costs, and limited accuracy and traceability. In contrast, our smart intralogistics solutions are built on integration of our smart intralogistics software systems and automated hardware. Such integration realizes efficient, automated movement of goods and inventory, real-time data tracking and process visibility, optimized warehouse layout and high space utilization, and reduced reliance on manual labor and improved accuracy.

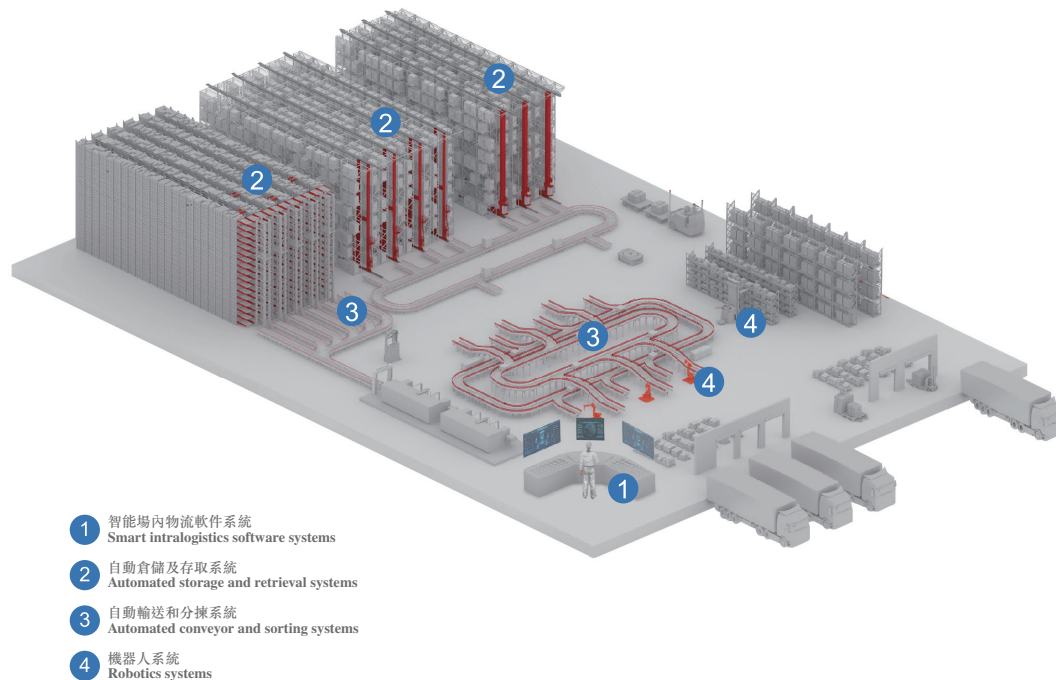
Our smart intralogistics solutions are differentiated from those of our competitors in several key areas, as follows:

- ***Proprietary software development.*** We can deploy in-house developed smart intralogistics software in our solutions, including warehouse control systems (WCS), warehouse management systems (WMS), and flexible manufacturing systems (FMS) for new energy lithium-ion batteries. This internal development capability allows us to exercise full control over system logic and rapidly customize functionalities based on customer needs. Our familiarity with our in-house system architecture and codebase enables quick and satisfactory troubleshooting and optimization.
- ***Selective in-house production capabilities.*** Stacker cranes and a portion of conveyors used in our smart intralogistics solutions are produced in-house. This partial vertical integration enables better quality control of key hardware and more flexible system configuration, which is particularly important for customers seeking highly customized solutions involving a large number of integrated components. By using in-house developed software and selectively self-manufactured hardware, we are able to ensure tighter system coordination and deliver more consistent throughput and reliability compared to solutions that rely entirely on third-party components.
- ***Industry experience and applied know-how.*** With over a decade of experience in delivering complex projects, especially in the new energy sector, we are able to anticipate operational challenges, design systems aligned with real-world production environments, and execute projects with reliability and customer alignment. Our solutions draw on lessons from past projects to address common implementation challenges such as system bottlenecks, space limitations, and equipment coordination issues.

We have experience serving customers from a wide range of industries, such as new energy, automotive parts, food, and healthcare. Our smart intralogistics solution business is project-based. Our smart intralogistics solutions comprise various intralogistics sub-systems that cover the entire spectrum of material handling and internal logistics operations, including (i) smart intralogistics software systems, (ii) automated storage and retrieval systems, (iii) automated conveyor and sorting systems, and (iv) robotics systems.

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Below sets forth an illustration of a smart intralogistics solution:



Our revenue from smart intralogistics solutions amounted to RMB1,602.7 million, RMB1,727.8 million and RMB1,786.7 million in 2023, 2024 and 2025, respectively, representing 94.6%, 96.1% and 95.0% of our total revenue for the same years, respectively.

The following table sets forth a breakdown of our revenue from smart intralogistics solutions by customer industry:

	Year ended December 31,					
	2023		2024		2025	
(RMB in thousands except for percentages)						
New energy	1,257,676	78.5%	1,306,084	75.5%	1,676,602	93.8%
Automotive parts	53,447	3.3%	169,049	9.8%	922	0.1%
Healthcare	53,799	3.4%	66,561	3.9%	12,965	0.7%
Food	78,962	4.9%	63,225	3.7%	12,720	0.7%
Others ⁽¹⁾	158,860	9.9%	122,835	7.1%	83,470	4.7%
Total	1,602,744	100.0%	1,727,754	100.0%	1,786,679	100.0%

(1) Primarily include chemicals, electronics, new materials, textiles and equipment manufacturing

In 2023, 2024 and 2025, revenue from our smart intralogistics solutions provided to the new energy industry accounted for 78.5%, 75.5%, and 93.8%, respectively, of our total revenue from smart intralogistics solutions. In 2025, this share rose to 93.8%, primarily due to (i) continued demand in the new energy industry and (ii) a material interim decrease in projects reaching customer acceptance in the automotive parts, healthcare and food sectors. Our business became concentrated in the new energy industry as a result of early strategic entry, strong customer relationships, and focused resource alignment. We were among the first intralogistics solution

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providers in China to serve the new energy industry, capitalizing on the rapid sector growth driven by China’s carbon peaking and neutrality goals. Through early engagement, we secured key projects with leading enterprises such as CATL, REPT Battero. We also established a business division and technical team specifically focused on the new energy industry. These efforts allowed us to develop tailored technologies and deepen collaboration with industry leaders, further reinforcing our strengths in the new energy industry.

We also have strong capabilities to expand into other downstream sectors. We have technical expertise and project experience in industries such as automotive parts, food, healthcare, and equipment manufacturing, demonstrating ability to adapt our solutions to diverse operational requirements. Our intralogistics software, such as our WCS and WMS systems, are modular and can be customized for varying industry-specific settings. We offer hardware built for varied environments, including a line of stacker cranes operating in temperatures ranging from -25°C to +60°C. Supporting this expansion, we maintain a sizeable sales team dedicated to these other sectors.

Smart Intralogistics Software Systems

Our smart intralogistics software systems primarily include our proprietary warehouse control systems (WCS), warehouse management systems (WMS), and flexible manufacturing systems (FMS) for new energy lithium-ion batteries. These systems work together with the hardware components of our smart intralogistics solutions to streamline logistics workflows, enhance decision-making, and maximize operational efficiency. For example, WMS ensures real-time inventory tracking and compliance through features like batch tracking and expiration monitoring, while WCS optimizes the flow of goods by managing material handling equipment. FMS integrates manufacturing and logistics workflows for the production of new energy lithium-ion batteries, enabling dynamic production scheduling.

The following table sets forth a summary of our smart intralogistics software system products:

Product	Product function
WCS	Enables users to: • Manage the flow of goods within automated warehouses by controlling material handling equipment such as conveyors, sorters, and AS/RS • Optimize throughput and minimize delays by coordinating equipment operations in real time • Realize integration with higher-level systems like WMS and ERP for enhanced operational efficiency
WMS	Enables users to: • Track and manage inventory in real time, providing accurate visibility into stock levels, locations, and movements • Streamline warehouse operations by automating processes like receiving, picking, packing, and shipping • Use features such as batch tracking, expiration monitoring, and slotting optimization to enhance inventory accuracy and compliance

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Product	Product function
FMS for new energy lithium-ion batteries . .	Enables users to: • Integrate manufacturing and logistics workflows of lithium-ion battery production, enabling dynamic production scheduling and real-time adjustments to changing demands • Coordinate material flows between lithium-ion battery production lines and storage areas, reducing lead times and improving manufacturing efficiency • Benefit from enhanced flexibility by supporting just-in-time production and lean manufacturing principles

Automated Storage and Retrieval Systems

Our automated storage and retrieval systems primarily include AS/RS equipment, such as stacker cranes, racking systems, and shuttles. Our AS/RSs enable more efficient sorting and sequencing of goods, storage and retrieval of loads, and utilization of storage space. By automating material handling processes, our AS/RSs help streamline intralogistics workflows, increasing throughput (measured by the number of units, loads, or items that can pass through the system per hour) and enhancing inventory accuracy. They are also flexible and scalable, allowing our customers to adapt to their changing operational needs or expand storage capacity without requiring significant physical space. Furthermore, our AS/RSs help our customers save intralogistics and warehouse management costs by optimizing energy consumption and reducing operational expenses, while ensuring the safety and security of stored goods through precise, automated handling.

Stacker Cranes

Stacker cranes, also called storage and retrieval machines (SRMs), are one of our flagship intralogistics products and a key component of our smart intralogistics solutions. Stacker cranes are automated machines used in AS/RSs to move, store, and retrieve goods within high-density warehouses or storage facilities. They typically operate continuously and at high speeds in narrow aisles between racks along three axes: vertical (up/down), horizontal (along the aisle), and into/out of the rack. Stacker cranes automate tasks such as lifting, transporting, and precise positioning of loads to reduce reliance on manual labor, thus optimizing warehouse efficiency and space utilization while ensuring safe handling of heavy or delicate goods.

Our product portfolio includes a variety of stacker cranes tailored to meet the unique needs of a wide range of industries such as new energy, automotive parts, healthcare, chemicals, and food. For example, for new energy customers who are lithium-ion battery manufacturers, we provide stacker cranes capable of smooth and reliable operation in temperatures as high as 60°C. This functionality is important as the production and storage environments of lithium-ion batteries can involve elevated temperatures during steps such as electrode drying, electrolyte filling, and formation processes. For customers in the food industry that require cold-chain storage solutions, we offer stacker cranes that are able to operate in freezing temperature environments as low as -25°C.

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Below sets forth the details of certain of our key stacker crane products:

Specification	Product					
	MINILoad SRM	HD600 SRM	HD1200 SRM	HS1500 SRM	HD3000 SRM	HD12000 SRM
Maximum height . . .	25m	15m	24m	46m	40m	30m
Maximum lifting capacity . .	100kg	600kg	1,500kg	2,000kg	3,000kg	12,000kg
Operation temperature.	-25°C to +40°C	-25°C to +60°C	-25°C to +40°C	-25°C to +40°C	-25°C to +40°C	-25°C to +40°C
Maximum drive speed	240m/min (optional upgrade to 360m/min)	240m/min	180m/min	240m/min	240m/min	150m/min
Use case . . .	Order picking and storage of small items in automotive parts, healthcare and retail industries	Heat resistance makes it suitable for lithium-ion battery production	Handling of pallet units in healthcare, cold-chain, automotive parts and new energy industries	Handling of pallet units in healthcare, cold-chain, automotive parts and new energy industries	Heavy industry and food solutions that include heavy-duty handling	Steel, paper, and shipbuilding industries, and heavy material storage
Sample						

Shuttles

Shuttles are another of our flagship intralogistics products and an integral part of our smart intralogistics solutions. They are automated vehicles used in storage systems to transport, store, and retrieve goods primarily along one or multiple horizontal axes, with vertical access usually handled by separate equipment. Shuttles serve a variety of functions depending on their design and application, operating both within racking systems and on the ground to optimize material flow and storage efficiency.

BUSINESS

Our shuttle products mainly comprise rail guided vehicles (RGV) and multi-shuttles.

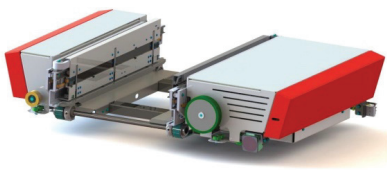
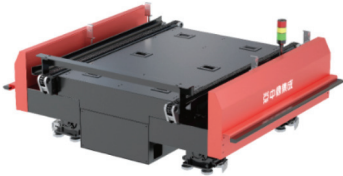
- **RGVs** are designed primarily for ground-level operations. Of our RGVs, linear shuttles operate on straight tracks, making them ideal for tasks such as horizontal transportation between zones, cross-docking, or staging in buffer areas. Circular shuttles operate on looped tracks, enabling deployment of multiple shuttles traveling in the same direction and efficient material flow across multiple points in a warehouse, such as connecting inbound (where goods arrive) and outbound (where goods are shipped out) areas or integrating with automatic conveyor and sorting systems. Both types of ground-level shuttles enhance flexibility and streamline operations in warehouse environments.
- **Multi-shuttles** are automated vehicles that use multiple shuttle units operating independently on multiple levels of a racking system, where they perform high-density storage and retrieval tasks, enabling high-speed handling and increased throughput in AS/RS.

All of our shuttles can be integrated with our WMS systems to enable precise inventory tracking, real-time data access, and optimized workflows.

Below sets forth details of certain of our key shuttle products:

Specification	Product	
	Rail Guided Vehicle	Multi-Shuttle
Load capacity .	1,500kg	50kg
Operating speed	160m/min	180m/min
Use case.	• Used for pallet transportation at the entry of warehouses • Capable of transporting items along linear and circular rails	• Used for high-speed storage and retrieval of totes in warehouses • Operates on multi-level racking systems • Used in combination with elevators and conveyor systems

Sample



BUSINESS

Automated Conveyor and Sorting Systems

Our automated conveyor and sorting systems include various types of in-house manufactured and externally procured conveyors, automated sorting equipment, and goods-to-person/goods-to-robot systems. These systems are designed to facilitate coordinated material flow and efficient order fulfillment processes within our smart intralogistics solutions. By automating the transportation, sorting, and picking of goods, our automated conveying and sorting systems enable the precise and rapid handling of items, significantly improving throughput and reducing the need for manual intervention. Our strong integration capabilities enable us to integrate our in-house and externally procured systems, ensuring compatibility and optimal performance within our solutions.

Our conveyor products include various types of conveyors, such as roller conveyors, chain conveyors, and rotary roller conveyors. Conveyors ensure smooth and continuous movement of goods between different areas of the customer's warehouse, distribution center, factory or production lines. We have also developed conveyor products tailored to the needs of specific industry verticals, such as for the new energy industry. For this industry, we have developed dedicated roller conveyors and rotary roller turntable conveyors, all of which require high precision, strong safety measures, and reliability due to the inherently dangerous nature of charging and discharging in battery formation and capacity grading processes, as well as the need for high and tightly controlled temperatures.

Our automated sorting equipment provides high-speed and accurate sorting of items based on predefined criteria, optimizing material flow and reducing manual intervention in intralogistics. Key features of our automated sorting equipment include automated pallet transport to induction points (the designated point where goods enter an automated material handling system), precise load elevation for secure handling, and robotic picking with multi-gripper end effectors capable of dynamic spacing adjustments to accommodate varying item dimensions. Laser detection systems validate load alignment and count, triggering alerts in cases of discrepancies to maintain process integrity. Once picked, items are placed onto conveyor lines or sorter chutes, with sensor-triggered motorized rollers ensuring energy efficiency and smooth throughput. End-of-line sensors and protective mechanisms, such as blockers and diverters, prevent collisions and misrouting.

By automating key material handling tasks, our automated conveying and sorting systems help customers streamline logistics workflows, enhance order accuracy, and reduce labor costs. Additionally, our conveying and sorting systems are highly scalable and configurable, allowing businesses to adapt to fluctuating order volumes, seasonal demand spikes, or changes in operational layouts. They also optimize space utilization by enabling vertical and horizontal integration of processes, reducing the need for excessive floor space.

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The following table sets forth the product details of certain of our automated conveying and sorting system products:

Specification	Product			
	Roller Conveyor	Chain Conveyor	New energy rotary roller conveyor	New energy automated sorting machine
Standard height . . .	800mm	800mm	600mm	Pull belt height: 750mm
Maximum load	1,500kg	1,500kg	400kg	150kg (robotic arm standard payload)
Operation drive speed	16m/min	16m/min	18m/min	18m/min
Function	• Transports cargo across various points in the warehouse, reducing manual handling and streamlining workflows • Integrates with other components of our smart intralogistics solutions like shuttles and sorting stations • Supports various handling units, including totes and pallets • Sorts cargo into individual orders based on predefined criteria such as size, weight, destination, or other features • Integrates with conveyors and WMS for real-time tracking of items after classification and seamless workflow			
Use case	High-bay warehouses and various types of pallet-based storage systems	High-bay warehouses and various types of pallet-based storage systems	High-bay warehouses for new energy lithium-ion batteries	High-bay warehouses for new energy lithium-ion batteries

Sample



BUSINESS

Robotics Systems

We integrate self-developed control software systems into various robots, such as industrial robots and mobile robots, as part of our robotics systems utilized in our smart intralogistics solutions. Use of our software systems within such robots, and the integration of such robots into our intralogistics solutions, enables automation, improves accuracy and safety of certain manufacturing and warehousing processes, such as picking and palletizing, and reduces the need for human intervention. All of the robots used in our robotics systems are procured from external suppliers.

- ***Industrial robots*** are integrated into our robotics systems to work alongside other intralogistics subsystems to optimize workflow, supporting operational efficiency, accuracy, and throughput.
- ***Mobile robots***, embedded with our WCS software systems, are integrated into our robotics systems to enable more flexible transportation of items, data exchange, and real-time monitoring, inventory tracking, and improved decision-making in our intralogistics solutions.

Case Studies

No. 1: Smart intralogistics solution for a globally leading innovative new energy technology company headquartered in China.

A globally leading innovative new energy technology company headquartered in China required a high-capacity smart intralogistics solution capable of handling multiple product types and supporting production lines with diverse process routes. In addition, the solution needed to meet stringent requirements for safety protection and failure prevention during cell transportation and storage, while ensuring the accuracy and traceability of battery cell data.

Our Solution

Our solution was deployed to manage intralogistics operations supporting the battery formation and capacity grading processes across three battery production lines. Core equipment included high-temperature soaking racks (operational at $45\pm5^{\circ}\text{C}$), high-temperature aging racks (operational at $45\pm5^{\circ}\text{C}$), room-temperature resting racks, depalletizing/palletizing machines, roller conveyor lines, stacker cranes, fire alarm systems, sprinkler systems, and supporting electrical control systems, dispatching systems, inspection systems, and management systems. All individual equipment and distributed subsystems within our solution interact with the customer’s manufacturing execution systems (MES) through our FMS systems, enabling integration with the customer’s upstream and downstream production equipment, and aligning with the specific production process requirements of each production line. Our self-developed FMS (formerly known as the FTS system) used in the solution performs key functions including pallet dispatching, equipment monitoring, and production data management.

Key Benefits

Key benefits offered by our solution included:

- ***High production capacity.*** Core logistics equipment used in our solution included dual-position stacker cranes and robotic arms. Our self-developed stacker cranes provided high operational efficiency while maintaining reliability and stability, achieving a throughput of 115 pallets per hour.

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- **Multi-product compatibility.** The grippers in the robotics systems of our solution are designed with automatically adjustable spacing, enabling the handling of battery cells with varying center distances. Both our self-developed gripper fingers and guide rails can be reconfigured to accommodate cells of different widths, enabling flexible adaptation to diverse product specifications.
- **Support for multiple process routes.** Different battery cell models often follow distinct process flows. Our self-developed FMS supports concurrent production of battery cells with different process requirements on the same production line.
- **Safety protection and failure mitigation in transport and storage.** Our solution prevents damage during cell transport by using insulated grippers with photoelectric sensors to avoid misalignment and crushing. In case of power or air loss, grippers keep the cells secure. Defective cells are removed automatically by robotic arms based on the FMS system. Each rack has fire detection and sprinklers for quick action if thermal issues arise.
- **Data accuracy and traceability.** Battery cell production is tracked at every stage, such as testing, palletizing, sorting, and storage. Each cell is assigned a unique pallet code, verified with visual inspections, and checked during each transport step. Multiple validation layers maintain data consistency and traceability throughout the process.

No. 2: Pharmaceutical Solution for Sinopharm Lerentang Pharmaceutical Co., Ltd.

Sinopharm Lerentang Pharmaceutical Co., Ltd., a large-scale pharmaceutical distribution enterprise specializing in drug logistics and delivery, required a pharmaceutical intralogistics solution for its facilities in Shijiazhuang, China capable of addressing two main challenges:

- **Automated Inbound and Outbound Operations.** The intralogistics solution needed to be able to handle rapid and precise transportation, storage and retrieval of pharmaceutical products, ensuring no errors such as misdelivery or omissions;
- **Robust Inventory Management.** The solution needed to provide real-time inventory tracking, down to the exact quantity and location of each drug, while also managing expiration dates to ensure product quality and safety. Automated notifications for near-expiry products were essential to avoid waste and maintain compliance with industry regulations.

Our Solution

To address these challenges, we designed and implemented a smart intralogistics solution tailored to Sinopharm Lerentang’s specific requirements in 2023. The solution included the following features:

- **Multi-Shuttle Subsystem.** This subsystem enabled efficient horizontal movement of totes across multiple vertical levels within a high-density racking system to deliver rapid and accurate inbound and outbound operations. The design met the pharmaceutical sector’s requirements for high-throughput, small-batch outbound processing and improved space utilization through multi-tier storage and retrieval.
- **Goods-to-Person Picking Subsystem.** This subsystem integrated autonomous mobile robots (AMR), multi-shuttles, goods-to-person picking, and final inspection and packaging. The use of AMRs, in particular, enabled efficient split-order picking, a critical outbound method in pharmaceutical logistics where orders often involve smaller quantities or individual units rather than full cases or pallets.

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- **Robotic Depalletizing System.** Two depalletizing robots were deployed to handle outbound picking tasks. Each robot had a handling capacity of up to 300 cases per hour, ensuring that our solution could handle spikes in demand without compromising performance.
- **WCS Integration.** A proprietary WCS with location-level inventory management was implemented to provide real-time tracking and precise control of inventory. Supported by barcode and RFID technologies for accurate data capture, the WCS ensures product traceability and safety, optimizes storage layout, enables inventory forecasting, and improves warehouse space utilization.

Key Benefits

Our solution provided Sinopharm Lerentang with the following key benefits:

- **Enhanced Operational Efficiency.** Our fully automated solution significantly improved efficiency. For instance, each goods-to-person picking subsystem deployed in this solution is capable of processing 400 picks per hour, with an error rate of 0.02%.
- **Optimized Inventory Management.** Our proprietary WCS enabled real-time monitoring of inventory, providing precise information on stock levels, locations, and expiration dates. This allowed for better inventory forecasting, replenishment planning, and compliance with pharmaceutical safety standards.
- **Improved Space Utilization.** The use of smart intralogistics equipment, such as the automated warehouse and high-density racking systems, maximized storage density and capacity, meeting the customer’s growing storage needs.
- **System Integration.** Our solution was fully integrated with the Sinopharm Lerentang’s existing IT infrastructure, enabling smooth data sharing and operational workflows across the organization.
- **Safety and Compliance.** Our solution adhered to stringent pharmaceutical industry regulations, with measures in place to ensure the safety and quality of drugs during storage and transportation.

No. 3: Automated Cold Chain Solution for a leading quick-frozen food company in China.

A leading quick-frozen food company required a smart intralogistics solution to enhance storage and logistics efficiency and reduce operational costs. The system needed to address challenges such as slow manual storage and retrieval processes and the lack of real-time inventory visibility, which resulted in inefficiencies during peak demand periods.

Our Solution

We designed and completed a solution tailored to the customer’s cold chain logistics needs. The solution features a -25°C low-temperature cold-chain storage solution with eight stacker crane aisles across two cold storage units, providing a combined storage capacity of 26,688 pallet positions to support an annual production volume of 133,000 tonnes of frozen food. The solution included dual-layer conveyor lines for inbound and outbound operations, with the lower-level handling outbound tasks such as pallet returns and nighttime inventory adjustments, while the upper level facilitates inbound operations. The solution integrates AS/RS, real-time WMS for inventory monitoring, and intelligent scheduling to optimize order prioritization and material flow.

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Key Benefits

The solution significantly improved operational efficiency, with automated equipment and intelligent scheduling increasing storage and retrieval speeds and enabling 24/7 continuous operations to meet peak demand. Labor costs were reduced due to minimized manual intervention, while error rates were reduced and inventory accuracy was improved with the help of real-time monitoring and automated processes. The solution’s modular design provides scalability for future expansion, and its integration with the customer’s ERP system enhances overall supply chain visibility. We also provided multiple solutions for other members of the customer’s corporate group.

No. 4: Car Body Solution for a leader in the global new energy vehicle and battery sectors

A leader in the global new energy vehicle and battery sectors required a highly customized logistics solution to support its plant in central China. The facility, located between the painting and final assembly workshops, needed an intralogistics solution to manage the storage and dynamic sequencing of semi-finished car bodies while ensuring integration with production schedules. The solution also had to meet stringent requirements for fully unmanned operations, high precision, and safety, while accommodating the plant’s high production cadence of 125 car bodies per hour.

Our Solution

We developed a tailored smart intralogistics solution to meet the customer’s unique requirements. The solution included AS/RS systems with seven aisles, equipped with double-column stacker cranes and a storage capacity of more than 900 car bodies. The system featured a four-layer conveyor network to handle inbound and outbound operations for different production lines, ensuring efficient material flow between workshops. We developed a custom WMS software platform, integrated with the customer’s VIN system, to enable real-time inventory synchronization, dynamic sequencing, and order-based material dispatch. Our safety features, such as automated safety doors and personnel protection sensors, were incorporated to ensure a zero-incident operating environment.

Key Benefits

The solution significantly increased operational efficiency compared to traditional manual processes, achieving a production cadence of 125 car bodies per hour and significantly increased annual output. Automated material handling reduced labor costs and minimized errors, ensuring precise sequencing and delivery of car bodies to assembly lines. The high-density storage design optimized space utilization, reducing facility costs while meeting production demands. With its modular and scalable design, the system supports future capacity expansion and adaptability to the customer’s evolving production needs.

Key Operating Metrics

The following table sets forth selected key operating metrics of our smart intralogistics solution business:

	Year ended December 31,		
	2023	2024	2025
Number of customers served ⁽¹⁾	25	21	26
Number of projects delivered and accepted	37	34	45
Gross profit margin (%)	12.8%	12.2%	14.4%
Repurchase rate ⁽²⁾ (%)	52.9%	44.0%	44.0%
Value of new contracts ⁽³⁾ (RMB in thousands).	1,156,627	718,801	1,921,435
Revenue from existing customers ⁽⁴⁾ (RMB in thousands).	1,393,458	1,478,344	1,585,098

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- (1) Defined as number of customers who accepted a smart intralogistics solution we delivered.
- (2) Repurchase rate calculated as percentage of customers who entered into contract with us during the relevant period and to whom we had previously sold smart intralogistics solutions.
- (3) Total value of new contracts equals the total contract value of new smart intralogistics solutions projects we obtained in the year indicated.
- (4) Existing customers refers to customers to whom we had previously sold smart intralogistics solutions.

In 2023, 2024 and 2025, we recorded RMB1,156.6 million, RMB718.8 million and RMB1,921.4 million of new contracts in our smart intralogistics solution business, respectively. These amounts represent the total contract value of new smart intralogistics solutions projects obtained in these years. In 2025, we recorded RMB1,921.4 million in new smart intralogistics solution contracts, representing a 167% increase from the RMB718.8 million recorded in 2024. This significant growth is primarily attributable to a rebound in capital expenditure within the new energy industry, driven by emerging customer investments in energy storage. In both 2024 and 2025, our customer repurchase rate was 44%, down from 52.9% in 2023. This decline was primarily due to increase in new customers, which diluted the repurchase rate.

The following table sets forth operating metrics of our smart intralogistics solution business related to project duration:

	Projects accepted by customers in		
	2023	2024	2025
Range of project duration ⁽¹⁾	230 – 2,025 days	236 – 2,134 days	159 – 1,211 days
Average project duration ⁽¹⁾	508 days	694 days	530 days

- (1) Project duration is defined as the number of days between (i) commencement of solution design and (ii) acceptance by the customer.

In 2023, 2024 and 2025, average project durations of our smart intralogistics solutions were 508 days, 694 days and 530 days, respectively. The elevated average in 2024 was primarily driven by the coincidental acceptance of several long-cycle projects, including (i) a 2,134-day legacy project initiated in 2018 and formally accepted in 2024, where engagements concluded through mutually agreed partial completions following customers’ revised operational requirements, and (ii) projects that reached customer acceptance in 2024 after inherently extended implementation periods due to their large scale and technical complexity.

We are adopting a series of measures to shorten project duration during our system integration workflow, as follows:

- **Solution design.** (i) Completing the solution design in instalments and commencing procurement after each instalment, rather than after completion of the entire design; (ii) and conducting advance procurement of critical raw materials and standardised components to avoid delays caused by long procurement lead times.
- **Manufacturing.** Manufacturing intralogistics equipment in batches, prioritising main structural components while advancing other parts in parallel.
- **Supplier management.** Deployment of dedicated personnel at core equipment suppliers to monitor production schedules and quality in real time, with staged quality inspections conducted at supplier factories, thus reducing risk of defects being identified only after delivery to the project site.

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- **Quality control.** Our quality department shall conduct multiple rounds of integrated internal testing under simulated production scenarios before formal customer acceptance, improving the pass rate of on-site commissioning on the first attempt and reducing repeated debugging and rectification, which we expect to reduce customer acceptance cycles by approximately 30 days on average.

Taken together, we expect these measures, if successful, to shorten overall project duration by approximately 80 days on average.

Sales of Intralogistics Equipment and Others

Our sales of intralogistics equipment primarily comprise AS/RS equipment, the majority of which consists of stacker cranes, as well as conveyors. We mainly sell these equipment to intralogistics system integrators, who integrate them into their own solutions. To a much lesser extent, we also sell scrap materials from our production activities.

The number of standalone AS/RS equipment (as opposed to as part of our smart intralogistics solutions) we sold annually was 42, 37 and 16 units in 2023, 2024 and 2025, respectively. Depending on the model and specification, the price range of our AS/RS equipment is between RMB0.2 million and RMB1.2 million per unit. In 2025, we began selling standalone conveyors, with 350 units sold at an average price of approximately RMB7.0 thousand per unit. Our pricing strategy for the sale of intralogistics equipment is cost-based, with reasonable profit margins incorporated to ensure sustainable operations. In determining pricing, we consider factors such as whether the industry of the customer aligns with our strategic development goals and the nature of the client relationship, including whether the purchase is a one-time transaction or part of a recurring procurement cycle. Taking into these factors, we adjust profit margins accordingly while ensuring competitive pricing.

The following table sets forth selected key operating metrics of our sales of intralogistics equipment and others:

	Year ended December 31,		
	2023	2024	2025
Number of customers served ⁽¹⁾	4	5	6

(1) Defined as number of customers who accepted intralogistics equipment or other items sold by us.

After-Sales Services

We provide after-sales services primarily to customers who have purchased our smart intralogistics solutions in order to support the long-term performance and reliability of our solutions. We also provide such services to a small number of customers for their intralogistics solutions purchased from other service providers. Our after-sales services primarily comprise (i) regular maintenance, for which we charge our customers on an annual basis; (ii) spare parts and repairs, such as the replacement of spare parts and subsystems in our solutions, for which we charge our customers for each maintenance or repair provided; and (iii) technical upgrades and modifications, which primarily include retrofit projects where we upgrade existing systems in our solutions to enhance efficiency, integrate newer technologies, or align with the evolving operational requirements of our customers. We charge our customers for each technical upgrade or modification provided. While payment schedules may differ by service type, the total contract amount under each contract is predetermined and fixed. Our after-sales team provides prompt, professional support such as routine maintenance and emergency repairs to address customer concerns, ensuring the sustained success of their operations, and improve customer stickiness.

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A representative case of our after-sales services is a retrofit project we completed for a leading company in the new energy industry who required a high-temperature aging retrofit to adapt their production line to meet evolving operational demands. The modifications needed to be completed within a tight timeframe and involved complex on-site conditions. To address this, we conducted a detailed assessment of their production requirements and proposed an efficient, customized solution which significantly reduced project lead time and ensured minimal disruption to their operations. Our ability to deliver high efficiency and technical expertise set us apart from competitors, enabling us to meet the customer’s unique needs while maintaining strict quality standards. As a result, the customer expressed high satisfaction with our service.

The pricing of our after-sales services is based on three primary models. First, services are priced by type, distinguishing between basic services such as equipment maintenance and troubleshooting, which have relatively fixed prices, and value-added services like system upgrades or technical modifications, where pricing depends on the complexity of the requirements and workload. Second, pricing is based on service duration, charging by the hour or day for temporary technical support or emergency repairs. Third, an annual pricing model is applied for larger-scale intralogistics solutions, with fees linked to the project value and age of the solution we previously supplied to the customer.

After-sales service pricing depends on factors such as the complexity of technical equipment (e.g., stacker cranes, conveyors, WCS/WMS software), the scope of services provided (including maintenance, upgrades, and training), market competition, and customer needs. Competitive pricing may be used to gain market share, but additional service demands or faster response times increase costs due to more resources and staffing.

The following table sets forth selected key operating metrics of our after-sales services:

	Year ended December 31,		
	2023	2024	2025
Number of customers served	120	131	146
Range of service fees (RMB in thousands per after-sale service project delivered).	0.5 – 18,495.6	0.05 – 4,309.7	0.1 – 8,000.0
Average service fees (RMB in thousands per after-sale service project delivered).	130.2	86.9	127.1
Range of project duration	27 – 1,833	29 – 1,485	11 – 1,469
Average project duration	166	210	193

In 2023, 2024 and 2025, average service fees of our after-sales services were RMB130.2 thousand, RMB86.9 thousand and RMB127.1 thousand per project, respectively. The elevated average in 2023 was primarily attributable to a major retrofitting and upgrading project (RMB18.5 million service fee) for a large electric vehicle and lithium-ion battery company, undertaken to upgrade their production facilities. Average service fees were also comparatively high in 2025, at RMB127.1 thousand, primarily due to the acceptance by customers of five retrofitting and upgrading projects, each with a service fee exceeding RMB3 million.

Our after-sales services exhibit a wide range in project duration, given that they encompass both shorter-term activities such as sales of spare parts and repairs and maintenance and longer-term activities such as retrofit projects. In 2023, 2024 and 2025, our average project durations for after-sales services were 166, 210 and 193 days. Our average project durations remained elevated in 2024 and 2025, at 210 and 193 days. This is primarily because the increase of our after-sales service projects in these two years. To reduce project timelines, we allocated additional personnel and resources in the second half of 2024, which led to a decline in the average project duration in 2025.

All of our after-sales service contracts are entered into on a fixed-price basis.

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Backlog and Project Performance

During the Track Record Period, we have maintained a backlog of ongoing and secured projects across our business segments, which serves as an indicator of our future revenue visibility and project pipeline health. The following tables set forth an overview of our project backlog as of the relevant dates by business segment:

	Rolling backlog of projects by number		
	As of December 31,		
	2023	2024	2025
Smart intralogistics solutions	72	74	71
After-sales services	262	303	412
Sales of intralogistics equipment and others	7	12	13

	Rolling backlog of projects by outstanding contract value		
	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Smart intralogistics solutions	4,309,550	3,066,352	2,891,960
After-sales services	50,620	90,669	116,715
Sales of intralogistics equipment and others	30,628	49,070	44,356
Total	4,390,798	3,206,091	3,053,031

As of December 31, 2023, 2024, and 2025, our rolling backlog of projects by outstanding contract value were RMB4,390.8 million, RMB3,206.1 million and RMB3,053.0 million, respectively. This decline reflects the progressive completion and customer acceptance of projects originally secured before 2023, which transitioned from backlog to revenue recognition. Such acceptances have outpaced the contracted value of new intralogistics projects during the Track Record Period.

Below sets forth our rolling backlog as of December 31, 2025, reflecting outstanding contract sums to be recognized as revenue:

Rolling backlog of projects as of December 31, 2025			
	Outstanding contract sums to be recognized as revenue ⁽¹⁾⁽²⁾ , of which:	Revenue to be recognized in 2026 ⁽¹⁾⁽²⁾	Revenue to be recognized after 2026 ⁽¹⁾⁽²⁾
		<i>(RMB'000)</i>	
Smart intralogistics solutions	2,564,023	1,839,481	724,542
After-sales services	103,373	88,535	14,838
Sales of intralogistics equipment and others	39,380	33,896	5,484
Total	2,706,776	1,961,912	744,864

(1) Revenue to be recognized in 2026 and in subsequent periods are based on forecasts of customer project acceptance timelines made as of the Latest Practicable Date. These forecasts are based on the progress schedules for ongoing contract projects, the on-site work arrangements, and the timeframes of customers' past acceptance procedures.

(2) Financial projections are forward-looking in nature. These projections are subject to inherent uncertainties, assumptions, and risks, many of which are beyond our control or are difficult to predict, including but not limited to changes in global economic conditions, industry trends, customer demand, input costs, tariffs and trade restrictions, regulatory developments, and other factors outlined in the “Risk Factors” that may cause actual results to differ materially from those projected.

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As of December 31, 2025, the outstanding contract sums to be recognized from rolling backlog of projects amounted to RMB2,706.8 million, of which smart intralogistics solutions represented 94.7%. Approximately RMB1,961.9 million, or 72.5%, is expected to be recognized in 2026 and RMB744.9 million, or 27.5%, thereafter, providing visibility of revenue over the near and longer term.

The following table sets forth certain information regarding lossmaking projects of our smart intralogistics solution business:

	Year ended December 31,		
	2023	2024	2025
Lossmaking smart intralogistics solution projects accepted by customers –			
By number	4	9	9
By associated losses (RMB in thousands).	6,139	22,210	74,159

During the Track Record Period, we recorded a number of lossmaking smart intralogistics solution projects, with associated losses of RMB6.1 million, RMB22.2 million, and RMB74.2 million in 2023, 2024, and 2025, respectively. The losses were attributable to various project-specific and external factors, including:

- In 2023, heightened competition in the pharmaceutical sector led us to adopt a low-margin pricing strategy to retain key customers, which constrained profit margins.
- In 2024, the number of lossmaking projects increased, driven mainly by: (i) revenue write-downs due to certain customers entering bankruptcy and liquidation proceedings; and (ii) low-margin, strategic contracts aimed at expanding into new markets such as fast-moving consumer goods and cold chain logistics. All such lossmaking projects are one-off in nature and do not indicate a structural deterioration in profitability.
- In 2025, we incurred a loss of RMB57.4 million due to three projects, which further increased the overall loss of smart intralogistics solution projects. These projects were strategic initiatives launched in prior years to explore new markets and business areas, all of which were accepted by clients and recognized in 2025. As our business is project-based and each project operates independently, these losses do not affect the performance of our other projects.

To mitigate the risks of loss-making or delayed projects, we have implemented the following control measures:

- We conduct strict project initiation and feasibility assessments before bidding, evaluating technical feasibility, implementation complexity, delivery schedule, resource allocation and customer creditworthiness through third-party information platforms.
- We maintain a multi-department contract review process to ensure clarity in contract scope, payment terms, change management and default clauses.
- We have a standardised project handover mechanism to ensure complete information transfer from pre-sales to execution teams and minimise rework risks.
- We perform monthly rolling cost forecasts and risk alerts, with exceptions promptly reported internally for timely mitigation.

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PRODUCTION AND INTEGRATION OF INTRALOGISTICS SYSTEMS

During the Track Record Period, key intralogistics equipment and hardware utilized in our smart intralogistics solutions were either produced internally or sourced from external suppliers. Typically, stacker cranes used in our solutions are manufactured in-house. Additionally, we produce tote conveyors, pallet conveyors (including roller and chain conveyors), and vertical lift conveyors internally. Other equipment and hardware employed in our smart intralogistics solutions, such as shuttles and racking systems, are acquired from external sources.

When delivering our intralogistics software, we may engage third-party services for software debugging and onsite commissioning support to manage our own capacity.

The following table sets forth external procurement costs (costs incurred for third-party components, equipment, and services) as a proportion of cost of sales for our smart intralogistics solutions which passed customer acceptance during the relevant periods:

	Year ended December 31,		
	2023	2024	2025
External procurement costs/cost of sales	68.5%	70.9%	70.8%

- (1) “External procurement costs” represents all costs associated with purchasing third-party hardware and software, and subcontracted services (e.g., software debugging), of smart intralogistics solutions accepted by customers during the period.
- (2) “Cost of sales” represents all costs of sales of smart intralogistics solutions accepted by customers during the period.

We determine whether to manufacture intralogistics hardware in-house or procure it from external suppliers based on a combination of practical and strategic considerations, including:

- **Internal production capability.** We evaluate whether we have the necessary production lines, equipment, and technical expertise to manufacture a given type of hardware. As of the Latest Practicable Date, we have in-house production capability for stacker cranes and certain types of conveyors.
- **Cost-efficiency and resource allocation.** We consider whether in-house manufacturing would be cost-effective compared to external sourcing, taking into account material, labor, and scale-related costs, as well as the opportunity cost of allocating internal resources and contract specifications.
- **Project timeline.** For projects with tight delivery schedules or during peak production periods, we may choose to procure key components externally to ensure on-time project delivery and optimal use of internal capacity.

In-House Production

During the Track Record Period, we operated two production facilities in Wuxi, Jiangsu province, China, the Dahuai Road facility and the Gangtie Road facility.

The Dahuai Road facility spans a production area of 13,056 square meters and is equipped with production lines dedicated to the assembly of stacker crane cargo platforms, crossbeams, and conveyors. It also houses large-scale CNC machining equipment, including a large gantry machining device and a large-span welding machine, which enable the production of highly precise

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and complex components in our production of intralogistics equipment. The Dahuai Road facility employs approximately 130 production staff members and features automated production lines. Its primary focus is the production of stacker cranes and conveyor systems for intelligent automated warehouses. Key production processes include painting, welding and pre-assembly of stacker crane columns, assembly of upper and lower crossbeams, cargo platform assembly, and CNC machining of large components.

Our second production facility, the Gangtie Road facility, is also located in Wuxi and covers a production area of 10,332.8 square meters. This facility is equipped with CNC machining equipment as well as advanced fabrication equipment such as laser flat cutting machines. CNC machining equipment are used in the production of key components such as stacker crane columns, crossbeams, cargo platforms, and other structural elements that require tight tolerances and consistent quality. Fabrication equipment is used to process raw materials into finished or semi-finished components. Laser cutting machines, for example, are used to cut raw metal sheets or pipes with high precision and efficiency. The Gangtie Road facility employs approximately 83 staff members and specializes in precision machining and fabrication. Its production focus includes stacker cranes, conveyor equipment, and safety fences for intelligent automated warehouses. Key production processes involve laser cutting of raw materials, sheet metal bending, welding, fitting, and CNC machining.

During the Track Record Period, the core intralogistics equipment we produced mainly comprised stacker cranes and conveyors, which vary significantly in specification, material consumption, components and production time. We commence production only after we have received orders from our customers, and the intralogistics equipment used in our solutions are highly customized, with adjustments made based on customer’s business models, production processes and other factors to accurately meet their requirements which reached customer acceptance. Given this project-by-project variability, we do not maintain standardized production capacity or utilization metrics, as they do not accurately represent our production approach.

The following table sets forth our production of stacker cranes and conveyors for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Stacker cranes produced	629	231	706
Conveyors produced	2,283	7,197	7,957
Total units produced	2,912	7,428	8,663

We experienced material fluctuations in the production volumes of stacker cranes and conveyors during the Track Record Period, primarily driven by shifts in customer demand and capacity allocation decisions:

- In 2023 and 2024, we strategically reallocated production capacity from stacker cranes to conveyors. As advance orders were fulfilled and stacker crane demand normalized, available production capacity was redirected to conveyors, where demand increased, particularly for integrated intralogistics solutions. Conveyor production rose from 2,283 units in 2023 to 7,197 units in 2024, representing a significant expansion in output, while stacker crane production declined to 231 units in 2024.
- In 2025, we recorded stacker crane production at 706 units and conveyors production at 7,957 units, primarily because of an increase in customer orders for both equipment. To meet this order demand, we have procured additional equipment and expanded our leased areas for production.

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During the Track Record Period, our in-house production of stacker cranes and conveyors increased significantly, while our revenue increased steadily from RMB1,694.7 million in 2023, RMB1,797.8 million in 2024 and RMB1,881.7 million in 2025. There is no correlation between these two sets of data. The lack of high correlation between our revenue growth and in-house production volumes is primarily attributable to our business model. While we manufacture certain key components (such as stacker cranes and conveyors) in-house, in 2023, 2024, and 2025, external procurement costs (i.e., costs incurred for third-party components, equipment, and services) accounted for 68.5%, 70.9% and 70.8%, respectively, of the costs of sales for our smart intralogistics solutions which passed customer acceptance during said periods. In consequence, our in-house production volumes do not materially affect our revenue.

Our in-house production process of intralogistics equipment begins with material preparation, including steel plate cutting, followed by machining to shape and refine components. Welding is then performed to assemble the parts securely. Next, we apply painting and surface treatment to protect and finish the products. Mechanical and electrical assembly is carried out to integrate all components. Each product is subjected to rigorous testing to ensure compliance with our quality standards. Once verified, the products are packaged to complete the in-house production process. Final stages include on-site installation, commissioning, and ramp-up, concluding with customer operation training to ensure smooth and effective use.

Procurement

Other than stacker cranes and a portion of conveyors, we externally procure most equipment and hardware used in our smart intralogistics solutions to optimize resources and leverage specialized expertise. Additionally, we procure raw materials externally, and procure certain components used in our in-house production and assembly from third-party manufacturers. This hybrid production approach allows us to improve cost control.

The following table sets out the major equipment and hardware which we procure from external suppliers:

- ***Rack systems.*** These primarily include racking for lithium-ion battery formation and raw material storage, cold storage racking, and ambient-temperature racking. They are used across industries such as new energy, food cold chain, healthcare, and traditional manufacturing. We procure racking systems from leading manufacturers in the industry known for high product quality.
- ***Robotics.*** This includes mobile robots and industrial robots used for tasks such as palletizing and depalletizing, sorting, and visual inspection. Our robotic systems are sourced from both top Chinese brands and overseas equipment suppliers.
- ***Conveyors.*** These include pallet conveyor lines, carton conveyor lines, and high-speed sorting lines, and are used in traditional manufacturing workshop intralogistics as well as rapid sorting in the e-commerce sector.
- ***Circular Shuttles.*** These are used for warehousing and transport of finished goods in front of and within storage zones. We procure circular shuttles from established, high-quality industry suppliers.
- ***Multi-Shuttles.*** This includes pallet shuttles and tote shuttles, used for automated storage and retrieval in high-density automated warehouses.
- ***Automated Guided Vehicles (AGV).*** These are used for goods transport within production workshops and for inbound and outbound storage operations. We source AGVs from leading, quality-assured manufacturers.

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The following table sets out the major raw materials and components we procure for in-house production of our intralogistics equipment:

Type	Raw material and components
Non-standard components	Stacker crane travel wheels, stacker crane shafts, sheet metal parts, sprockets, drag chains, and others.
Standardized components.	Motors, forks, conductor rails, PLCs (programmable logic controllers), frequency converters, and others.
Raw materials.	Steel sheets, aluminum sheets, and others.

The following chart sets out our procurement process workflow for (i) major equipment and hardware integrated into our smart intralogistics solutions, and (ii) raw materials and components used for our in-house production of intralogistics equipment:



- **Procurement Request.** Upon receiving a procurement request from the technical or engineering department, the procurement department assesses the completeness and accuracy of the submission. For major equipment and hardware, this includes reviewing both technical specifications and associated commercial terms such as delivery milestones, payment structure, and warranty coverage. For raw materials and components, procurement also checks warehouse inventory to determine whether procurement is necessary.
- **Supplier Identification.** The procurement department first determines whether a framework pricing agreement or master contract is already in place. If so, the process moves directly to contract execution. If not, qualified suppliers are identified. For major equipment and hardware, this may involve confirming or expanding a prequalified vendor list based on both technical capability and commercial fit. For raw materials and components, suppliers are typically selected from an approved pool, with new supplier development initiated as needed.
- **Quotation Process.** The procurement department prepares and distributes a request for quotation (RFQ) to selected suppliers. Submitted bids are opened jointly by the procurement department manager and the internal control team.
- **Supplier Finalization.** Following bid evaluation, the procurement department engages in commercial and technical negotiations. Supplier selection considers factors such as pricing, quality, delivery time, technical strength, and past performance. For major equipment and hardware, supplier capacity is also considered.
- **Contract Signing.** For major equipment and hardware, contracts typically include milestone-based delivery schedules, technical deliverables, and risk provisions. For raw materials and components, standard contract formats are used, based on agreed pricing and terms.

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- **Contract Execution.** Suppliers begin fulfillment upon receiving the executed contract or confirmation letter. For equipment, execution involves technical alignment, submission of implementation plans, and coordination with project engineering teams. This includes design, manufacturing, installation, and commissioning. For raw materials and components, delivery follows the agreed timeline, with the quality team performing inspections.
- **Payment.** For major equipment and hardware, payment may include prepayment upon contract signing, followed by milestone-based disbursements. For raw materials and components, payment is based on actual goods received and inspected, with invoicing and settlement conducted according to the contract.
- **Returns and Adjustments.** Returns or adjustments are handled according to the nature of the issue. For components, discrepancies due to quality or quantity are resolved through negotiation and, if applicable, quality assurance penalties. For equipment, scope changes or technical modifications may require formal contract amendments.
- **Supplier Performance Management.** Supplier performance is regularly reviewed. For components, quarterly assessments are conducted by the technical, quality, and procurement teams. For equipment, performance reviews occur post-project or annually, involving engineering, technical, commercial, and quality teams. Evaluation results inform future sourcing decisions and supplier qualification updates.

Systems Integration

Strong integration capabilities enable us to integrate different intralogistics subsystems, including hardware and software components, with the customer’s existing warehousing facilities, manufacturing and production facilities, and logistics systems to create a tailored solution that caters to the unique needs of the customer, ensuring compatibility, efficiency, and streamlined operations.

Our self-developed stacker crane series demonstrates the breadth and versatility of our product portfolio, ranging from the MINILoad SRM where loads are relatively lightweight to the HD12000 SRM that are suited for the needs of customers with heavy-duty lifting requirements. In addition, we offer a comprehensive product line of smart intralogistics software, such as warehouse management systems (WMS), flexible manufacturing systems (FMS) for new energy lithium-ion batteries, warehouse control systems (WCS). By combining our comprehensive product range with high-quality components sourced from trusted third-party manufacturers, we are able to efficiently integrate diverse hardware and software, introducing new features and refining functionalities in our solutions to adapt to a wide variety of customer requirements.

Our core competitive advantage lies in our capability to provide integrated, customized solutions to customers in different industry verticals. This includes from pre-sales (including initial consultation and conceptual development) to solution design, manufacturing and implementation, and finally, system launch and after-sales services. The following chart illustrates our system integration workflow:



BUSINESS

- **Pre-sales.** During the pre-sales phase, we conduct initial consultation and conceptual development. A professional team composed of industry experts and technical consultants conducts an in-depth analysis of the customer’s needs, business models and data, production processes and other factors to accurately identify their requirements. The pre-sales phase typically spans one to three months.
- **Solution design.** In the solution design phase, we plan and design the intralogistics system, including both software architecture and equipment selection and layout. We utilize professional tools and engage third-party partners to perform simulation analyses to validate system efficiency. The solution design phase typically spans one to three months.
- **Manufacturing and implementation.** In the manufacturing and implementation phase, our in-house equipment manufacturing and software development teams work closely with our customer and with equipment suppliers to ensure compatibility between equipment and software while meeting the customer’s customized needs, improving system efficiency and lowering execution risks. Individual pieces of intralogistics equipment are systematically integrated to form a complete system. For on-site implementation, installation, and commissioning, we rely on our experienced engineering team and strong project management capabilities to ensure high-quality execution, reduced delivery timelines, and effective risk control. The manufacturing and implementation phase typically spans four to six months, with manufacturing generally accounting for 70 days and on-site implementation for 90 days.
- **System launch.** Prior to final delivery to the customer, we provide operational training and technical support to ensure smooth system launch and strengthen the customer’s ability to operate the system independently. Upon completion of training and system readiness checks, the system is formally launched for customer use. After system launch, the customer typically undergoes a trial production period, during which production is ramped up for capacity validation and process optimization. Following this process, we typically receive formal customer acceptance. The combined period of operational training, technical support and trial production, leading up to eventual formal customer acceptance, typically lasts around eight to ten months. Our warranty periods begin upon formal customer acceptance, typically lasting one year.
- **After-sales service.** We offer comprehensive after-sales services through a dedicated support team that provides regular maintenance, spare parts and repairs, and technical upgrades and modifications. Follow-up visits are scheduled with the aim of continuously improving service quality.

SALES AND MARKETING

As of December 31, 2025, we have a dedicated team responsible for our sales and marketing activities, comprising 40 team members, including 31 sales personnel and 9 in marketing promotion and sales management support roles. Our solution developers comprise personnel who specialize in intralogistics planning with over 15 years of relevant experience. They are responsible for customizing solution design to better cater to customer needs. Our sales personnel are organized by enterprise, with dedicated sales representatives assigned to strategic customers, who are generally leading players in their respective industries. Our sales and marketing activities are primarily conducted through business development with our existing customers and promotional activities at industry expos. We would also obtain business opportunities through referrals from existing customers and suppliers. We actively seek to enhance our sales and marketing team by attracting senior sales management talent from the industry. We prioritize customer needs in our sales and marketing strategies and achieve market penetration through pinpointed sales efforts.

BUSINESS

Pricing Policy and Tenders

Our smart intralogistics solution projects are acquired by way of tender. When tendering for projects, we determine pricing based on project scope, customer requirements, solution complexity, projected costs and market competition. We charge fees by milestones as per the project contracts: 30% upon contract signing, 30% after onsite installation, 30% post-inspection and acceptance, and retain 10% as a warranty deposit, released at the end of the warranty period.

To secure projects of strategic importance with key customers, including during tendering processes, we sometimes adjust our pricing to enhance competitiveness, which may involve a reduction in our expected gross profit margin.

The following table sets forth certain information on our tenders during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Number of tenders submitted ⁽¹⁾	90	128	112
Number of projects awarded by tender . . .	22	35	43
Tender success rate	24.4%	27.3%	38.4%

(1) Refers to the total number of submissions comprising technical proposals and quotations formally provided to potential customers during the relevant period.

Our tender success rate increased from 24.4% in 2023 to 38.4% in 2025. In 2025, we increased our bidding activities for projects related to new energy industry. Due to our capability to deliver comprehensive customized solutions and established position in smart intralogistics solutions for the new energy industry. We have successfully secured many new contracts, thereby increasing our overall tender success rate.

We have approximately ten major competitors in the PRC smart intralogistics solutions market, and many projects now attract multiple qualified bidders. In this context, a tender success rate of 38.4% for 2025 reflect our continued competitiveness and ability to win projects.

OUR CUSTOMERS

Our Major Customers

In each year during the Track Record Period, revenue generated from our top five customers accounted for 74.9%, 71.4% and 81.2% of our total revenue in 2023, 2024 and 2025 respectively. Revenue generated from our largest customer accounted for 49.2%, 26.3% and 24.9% of our total revenue in the same years, respectively.

Accordingly, we are exposed to the risk of customer concentration. See “Risk Factors — Risks Related to Our Business and Industry — We experienced customer concentration during the Track Record Period and may continue to be exposed to the risk of such concentration in the future” for further details. According to CIC, customer concentration is common in the smart intralogistics solutions industry, including in the smart intralogistics solutions market for new energy lithium-ion battery customers. We were among the first intralogistics solution providers in China to serve the new energy industry, capitalizing on the rapid sector growth driven by China’s carbon peaking and neutrality goals. As a result of early strategic entry, we have developed strong customer relationships with major players in the new energy industry. We also place emphasis on balanced business development. By expanding our product portfolio with customized solutions tailored to different customers needs, our revenue from the largest customer declined from 49.2% of total revenue in 2023 to 24.9% in 2025.

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Below sets forth certain information about our top five customers in each year during the Track Record Period:

2025

Rank	Customer	Business Nature	Business Segment	Industry	% of total revenue	Payment/Credit Terms	Payment Method	Relationship since
1 . . .	Company A (a globally leading innovative new energy technology company headquartered in China)	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	24.9	30% deposit, 20% payment upon shipment arrival, 30% payment upon acceptance and 20% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2016
2 . . .	SVOLT Energy Technology Co., Ltd. (蜂巢能源科技股份有限公司) ¹	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	22.4	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2020
3 . . .	Company B (a leading lithium-ion battery firm established in 2001 and listed on the Shenzhen Stock Exchange in 2009)	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	15.5	30% deposit, 30% payment before shipment, 30% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2017
4 . . .	Company C (a leader in the global new energy vehicle and battery sectors)	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	15.1	0%-30% deposit, 30%-60% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2015
5 . . .	Company D (a new energy technology company headquartered in China)	Manufacturer of lithium-ion batteries	Smart intralogistics solutions	New energy	3.3	30% deposit, 30% upon preliminary acceptance, 30% payment upon completion of installation and commissioning and 10% payment after final acceptance	Bank transfer or banks' acceptance bill	2022

(1) As of the Latest Practicable Date, we have entered into agreement for the potential subscription of certain equity interests in SVOLT Energy Technology Co., Ltd. (蜂巢能源科技股份有限公司). For details, see “Waivers from Strict Compliance with Listing Rules and Exemptions from the Companies (Winding Up And Miscellaneous Provisions) Ordinance” — “Waiver In Relation To Post-Track Record Period Acquisition” — “Background Of The Subscription.”

BUSINESS

2024

Rank	Customer	Business nature	Business segment	Industry	% of our total revenue	Payment/ Credit terms	Payment method	Relationship since
1. . . .	Company B	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	26.3	30% deposit, 30% payment before shipment, 30% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2017
2. . . .	SVOLT Energy Technology Co., Ltd. (蜂巢能源科技股份有限公司)	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	17.5	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2020
3. . . .	Company A	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	16.2	30% deposit, 20% payment upon shipment arrival, 30% payment upon acceptance and 20% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2016
4. . . .	Company C	Manufacturer of electric vehicles (EVs) and EV batteries	Smart intralogistics solutions/ After-sales services	New energy	5.8	0%-30% deposit, 30%-60% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2015
5. . . .	Prinx Chengshan Tire (Thailand) Co., Ltd. (浦林成山輪胎(泰國)有限公司, a subsidiary of Prinx Chengshan (Cayman) Holdings Limited, whose shares are listed on the Stock Exchange)	Manufacturer of tire products	Smart intralogistics solutions	Tires	5.6	30% deposit, 30% payment upon shipment, 10% payment upon shipment arrival, 20% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer	2021

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2023

Rank	Customer	Business nature	Business segment	Industry	% of our total revenue	Payment/ Credit terms	Payment method	Relationship since
1. . . .	Company A	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	49.2	30% deposit, 20% payment upon shipment arrival, 30% payment upon acceptance and 20% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2016
2. . . .	REPT Battero Energy Co., Ltd. (瑞浦蘭鈞能源股份有限公司)	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	12.5	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2021
3. . . .	SVOLT Energy Technology Co., Ltd. (蜂巢能源科技股份有限公司)	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	5.8	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2020
4. . . .	Company C	Manufacturer of electric vehicles (EVs) and EV batteries	Smart intralogistics solutions/ After-sales services	New energy	4.3	0%-30% deposit, 30%-60% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2015
5. . . .	Company B	Manufacturer of lithium-ion batteries	Smart intralogistics solutions/ After-sales services	New energy	3.1	30% deposit, 30% payment before shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	Bank transfer or banks' acceptance bill	2017

To the best knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates or any Shareholders holding more than 5% of our issued share capital had any interests in any of our five largest customers in each year during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, saved as disclosed in the section headed “— Legal Proceedings and Compliance,” we did not have any material disputes with our customers.

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General Terms of Contracts with Customers

A summary of the standard terms of our smart intralogistics solution contract is as follows:

- **Contract period.** The contract period typically corresponds to the project delivery timeline, from the date of signing until final project acceptance.
- **Solution specifications.** The solution specifications set out the number and types of intralogistics equipment and software required by the customer, such as the number and type of stacker cranes, safety doors, conveyors, robots, RGVs, work stations and others to be included in the solution.
- **Construction terms and logistics arrangements.** The construction terms include the site where the solution is to be constructed and general protocols regarding the delivery of the intralogistics equipment and raw materials to the site of the construction, as well as laws and regulations to abide by during the construction. Upon completion of equipment manufacturing, we provide advance notice (typically 10 days) before delivery and are responsible for transporting the equipment to the customer's site. We generally bear responsibility for insuring the goods against loss or damage during manufacturing, transport, and delivery, with the final insurance arrangement subject to mutual agreement.
- **Deployment period.** After the completion of the solution, we are required to send our professional technicians to station on site for a specified period (generally one year) to assist the customer with any technical issues that arise.
- **Training.** We are to provide training to our customer following the completion of the solution to familiarize them with the operation of the solution.
- **Warranty.** The warranty terms set out the time after the completion of the solution during which we shall be responsible for providing repairs and compensation for any quality-related issues and losses. The standard warranty period is one year from the date of acceptance, unless otherwise specified in the contract.
- **Penalties in case of breach.** Customer delays in payment and delays by us in delivery are generally subject to daily penalties based on a negotiated percentage of the total contract amount, typically capped at 30%. We may also bear additional costs if we fail to complete commissioning or supply materials as agreed. For delivery delays caused by us, a penalty of 0.4% of the total contract value per calendar day may apply, capped at 20%. If such delays exceed 50 calendar days, the customer may terminate the contract, request a full refund of payments made, and reserve the right to seek further compensation.
- **Payment and credit terms.** Payment shall be made by project milestone. Generally, the milestones are as follows: (i) 30% prepayment before commencement of construction; (ii) 30% payment after delivery; (iii) 30% after customer inspects and accepts the delivery of our solution; and (iv) 10% after the end of the warranty period. We do not typically grant credit terms to our customers.
- **Termination clauses.** Generally, customers may terminate the contract in the event of material breaches by us (including material delays in product delivery), provided that we fail to perform our obligations within a reasonable period after receiving written notice from the customer requesting rectification. We may also terminate the contract if the customer materially breaches the agreement, including failure to make payments as agreed.
- **Return policy.** If the delivered goods do not meet the agreed quantity or quality standards, or if quality defects are discovered during the warranty period, the customer may request repair, replacement, or return of the equipment, or other appropriate remedies.

All contracts for the sale of our smart intralogistics solutions are agreed with customers on a fixed-price basis.

BUSINESS

OUR SUPPLIERS

Our Major Suppliers

Our suppliers primarily include equipment and components manufacturers, the vast majority of which are located in China. We select our suppliers based on (i) their product and service quality; (ii) our relationship with the supplier; (iii) their technological expertise, qualifications and industry reputation; and (iv) pricing. During the Track Record Period, we collaborated with over 700 third-party suppliers. In each year during the Track Record Period, our top five suppliers collectively accounted for 27.5%, 36.1% and 27.4% of our total purchase in 2023, 2024 and 2025, respectively. For the same years, our single largest supplier accounted for 7.8%, 13.0% and 8.8% of our total purchase, respectively.

Below sets forth certain information about our top five suppliers in each year during the Track Record Period:

2025

Rank	Supplier	Business nature	Products/services purchased	% of our total purchase	Payment/ Credit terms	Relationship since
1. . . .	Jiangsu Huayi Zhongheng Metal Technology Development Co., Ltd. (江蘇華益中亨金屬科技發展有限公司)	Manufacturer of automated warehousing and intralogistics systems and equipment	Racking systems, drip trays, etc.	8.8	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2017
2. . . .	Guangdong Handsome Intelligent Equipment Co., Ltd. (廣東恒鑫智能裝備股份有限公司)	Manufacturer of intelligent integrated equipment	Conveyor system	6.9	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2022
3. . . .	Company E and its related party	Manufacturer of automated warehousing and intralogistics systems and equipment	Conveyor system	4.8	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2016
4. . . .	Wuxi Changjiang Electrical Material Co., Ltd. (無錫市長江電器材料有限公司)	Manufacturer of electrical materials and equipment	Fireproof panels (for new energy solutions)	3.6	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2018
5. . . .	Guangdong Deyouxin Logistics System Equipment Co., Ltd. (廣東得友鑫物流系統設備有限公司)	Manufacturer of automated warehousing and intralogistics systems and equipment	Racking systems	3.3	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2021

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2024

Rank	Supplier	Business nature	Products/services purchased	% of our total purchase	Payment/Credit terms	Relationship since
1. . . .	Jiangsu Huayi Zhongheng Metal Technology Development Co., Ltd. (江蘇華益中亨金屬科技發展有限公司)	Manufacturer of automated warehousing and intralogistics systems and equipment	Racking systems	13.0	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2017
2. . . .	Dongguan Zhongtian Automation Technology Co., Ltd. (東莞市中天自動化科技有限公司)	Manufacturer of automated assembly lines for lithium-ion batteries and 3C consumer electronics	Six-axis robots	7.5	30%-40% deposit, 20%-30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2018
3. . . .	Guangdong Deyouxin Logistics System Equipment Co., Ltd. (廣東得友鑫物流系統設備有限公司)	Manufacturer of automated warehousing and intralogistics systems and equipment	Racking systems	5.7	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2021
4. . . .	Rongzhi Industrial Intelligent Technology (Kunshan) Co., Ltd. (榮智工企智能技術(昆山)有限公司)	Technology company focusing on the development of robotic process automation and the application of AI technology within enterprises	Conveyor systems	5.4	20%-30% deposit, 30% payment upon shipment arrival, 30%-40% payment upon acceptance and 10% warranty fulfillment payment	2021
5. . . .	Wuxi Changjiang Electrical Material Co., Ltd. (無錫市長江電器材料有限公司)	Manufacturer of electrical materials and equipment	Fireproof panels (for new energy solutions)	4.5	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2018

2023

Rank	Supplier	Business nature	Products/services purchased	% of our total purchase	Payment/Credit terms	Relationship since
1. . . .	Company F	Manufacturer of industrial automation equipment	Conveyor lines	7.8	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2017
2. . . .	Jiangsu Huayi Zhongheng Metal Technology Development Co., Ltd. (江蘇華益中亨金屬科技發展有限公司)	Manufacturer of automated warehousing and intralogistics systems and equipment	Racking systems	5.6	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2017

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Rank	Supplier	Business nature	Products/services purchased	% of our total purchase	Payment/Credit terms	Relationship since
3. . . .	Company G and its related party	Manufacturer of smart intralogistics equipment	Conveyor systems	5.2	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2022
4. . . .	Zhejiang Ruige Logistics Technology Co., Ltd. (浙江銳格物流科技股份有限公司)	Manufacturer of smart intralogistics equipment	Conveyor systems	4.6	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2017
5. . . .	Zhejiang Yunchang Intelligent Equipment Co., Ltd. (浙江運暢智能裝備股份有限公司)	Manufacturer of smart intralogistics equipment	Conveyor systems	4.3	30% deposit, 30% payment upon shipment arrival, 30% payment upon acceptance and 10% warranty fulfillment payment	2022

To the best knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates or any Shareholders holding more than 5% of our issued share capital had any interests in any of our five largest suppliers in each year during the Track Record Period. Our Directors confirm that, saved as disclosed in the section headed “— Legal Proceedings and Compliance,” our Group did not experience any material disruption, disputes or delay in relation to supply by our suppliers during the Track Record Period and up to the Latest Practicable Date.

General Terms of Contracts with Suppliers

A summary of the standard terms of our procurement contract is as follows:

- **Scope.** The contract specifies the design, procurement, manufacturing, packaging, transportation, and on-site implementation (including but not limited to installation, commissioning, training, and on-site support) of the goods procured.
- **Logistics arrangement.** Suppliers are responsible for shipping goods to our designated delivery site. They must provide advance notice and logistics documentation, and may be required to insure goods in transit and during installation. Damage or shortfalls discovered at the time of unpacking are the supplier’s responsibility.
- **Warranty.** The standard warranty period is one year from acceptance. Within this period, the supplier is fully responsible for correcting any defects arising from design, materials, or workmanship at its own cost.
- **Payment and credit terms.** Payments shall be made by contract milestones, such as delivery of goods and acceptance of goods after inspection. We typically adopt standard milestone-based terms with credit periods, where we agree to pay suppliers based on milestones, subject to a fixed credit term (generally ranging from 0 to 180 days). In some cases, to mitigate performance risk under such terms, we may require the supplier to provide a performance bond issued by a financial institution.

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- **Back-to-Back Payment Terms.** For large project-based procurements, we typically negotiate Back-to-Back Payment Terms with suppliers, which specify that we shall pay our supplier proportionally upon receiving payment from our own customer for the solution in which we integrated the goods procured. If our customer delays payment to us, we will postpone payment to our supplier correspondingly. The Back-to-Back Payment Terms align our payment obligations to suppliers with our receipts from customers. According to CIC, Back-to-Back Payment Terms are common and in line with industry practice. During the Track Record Period, certain of our procurement contracts incorporating Back-to-Back Payment Terms have been the subject of litigation proceedings, and in some cases the courts have ruled that our payment obligations were due notwithstanding such terms. See “— Legal Proceedings and Compliance — Claims by Conveyor System Supplier” for further details.
- **Penalties in case of breach.** Late delivery penalties are typically set at 0.5% of the total contract value per day. If delays exceed 30 days, we may terminate the contract, claim a full refund with interest, and claim damages for losses. Failure to pass acceptance or repeated quality issues may trigger refund, return and termination clauses.
- **Termination clauses.** Contracts may be terminated for supplier breach, performance failure, safety violations, or insolvency. Upon termination, suppliers must refund all payments received and may be liable for damages and penalties. We also reserve the right to terminate unilaterally if the supplied equipment fails to meet performance criteria after an agreed test period.
- **Return Policy.** If any items fail to meet contractual specifications or quality standards, we may require the supplier to repair, replace, or accept the return of such goods at their own cost. If, after three separate notices to rectify or replace the goods, the supplier still fails to meet the contractual standards, we may return the goods and claim a full refund plus interest, and require the supplier to remove the equipment and restore the site.

PRODUCT SAFETY AND LIABILITY

We allow customers to return our products in accordance with applicable PRC laws and regulations. See “Regulatory Overview — Laws and Regulations on Product Liability” and “Regulatory Overview — Laws and Regulations on Consumer Protection.”

Order cancellations and product returns are governed by the terms of our customer contracts, which generally include the following:

- **Product returns.** If the goods we deliver fail to meet agreed quantity or quality standards, the customer has the right to request remediation, including supplementation, replacement, return of the goods, or other remedial measures. If, upon inspection, the delivered equipment or any equipment modifications do not meet the required acceptance standards, or if quality defects are discovered during the warranty period that were not apparent at the time of acceptance, such equipment will be deemed non-compliant. In such cases, the customer has the right to request replacement, return, or repair of the equipment or components.
- **Termination.** Generally, customers may terminate the contract in the event of material breaches by us (including material delays in product delivery), provided that we fail to perform our obligations within a reasonable period after receiving written notice from the customer requesting rectification.

During the Track Record Period and up to the Latest Practicable Date, we did not record any order cancellations or product returns.

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The table below sets forth our project delays for the years indicated:

Year	Year ended December 31,		
	2023	2024	2025
No. of delayed projects ⁽¹⁾	7	14	13
Aggregate contract value (RMB'000)	102,015	576,458	563,656
Associated losses (RMB'000)	—	430	36,485

(1) Defined as smart intralogistics solution projects which passed customer acceptance during the relevant year, such acceptance occurring at least three months later than originally estimated at project commencement.

We recorded 7, 14 and 13 delayed projects in 2023, 2024 and 2025, respectively. Project delays may result in us incurring further project delivery costs or contractual penalty costs, causing associated losses. The lack of apparent correlation between number of delayed projects and associated losses is because, in the vast majority of cases, such costs were not incurred. See “Our Business Model — Backlog and Project Performance” for further details regarding our management of loss-making and delayed projects.

In 2024, a customer initiated litigation regarding an intralogistics solution where equipment performance was impacted by unexpected ground subsidence at their facility. The matter was resolved in February 2025 through a settlement agreement under which: (i) we will complete warranty modifications with an estimated total cost of RMB1.0 million, and (ii) the customer will contribute RMB500,000 toward these remodeling costs. Save for this isolated case, we have not been subject to any material product recalls, customer complaints and/or disputes and product liability claims due to quality and safety issues during the Track Record Period.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, there were no material accidents or injuries caused by or related to the production or implementation of our solutions and equipment.

RESEARCH AND DEVELOPMENT

We attach great importance to research and development of new products to enhance our offerings. Our research and development efforts primarily focus on the upgrades of our existing products and development of new products that meet a wider range of smart intralogistics needs.

In 2023, 2024, and 2025, our research and development expenses amounted to RMB71.3 million, RMB65.8 million and RMB75.0 million, respectively. As of December 31, 2025, our research and development employees amounted to 172, representing 20.3% of our total number of employees as of the same date. As a reflection of our sustained investment in technologies, we possessed numerous intellectual property rights as of the Latest Practicable Date. For more information, see “— Intellectual Property.”

DATA PRIVACY AND SECURITY

In our business operations, we engage in certain data-related activities to support the functionality, efficiency, and security of our products. Specifically, we may collect the business contact information of our customers, suppliers, or other third parties, or process other business information that does not contain personal information. For instance, we may access data relating to the development, production, delivery, and functionality of our solutions and intralogistics equipment, including the solutions/products’ conditions, technical specifications, and product-related information for operational and fault analysis purposes.

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We do not collect or access sensitive personal information from customers. During the customer acquisition stages, we collect basic customer contact information through our website, customer service calls, or market events. In the service and after-sales phase, we communicate with customers to understand their service needs and provide support. Similarly, we collect contact information from suppliers, which includes basic contact details.

Data Collection, Usage, and Storage Practices

We collect data from three primary sources: internal business systems, operational activities, and external providers. Internally, enterprise systems including Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), and Office Automation (OA) platforms generate employee records, client information, and operational process data. Business operations such as sales transactions, customer service interactions, and after-sales initiatives yield order details, service records, and survey responses. Externally sourced data includes licensed industry reports, third-party datasets, and publicly available information from government and industry associations.

Collected data falls into three categories: structured data (database-stored employee and client records, financial figures), semi-structured data (XML/JSON formatted logs and configuration files), and unstructured data (text documents, images, and multimedia files including customer correspondence and marketing materials). This data encompasses all operational domains including human resources, financial management, production, and customer relationship management.

Data collection occurs through multiple channels. Digital and physical forms capture employee and customer information during onboarding and service registration. Automated systems record transactional data across business platforms, while API integrations facilitate secure data exchanges with partner systems. Storage solutions are tailored to data type, with relational databases (SQL, Oracle) housing structured information, NoSQL systems managing semi-structured data, and secured file servers archiving unstructured content.

Consent Framework

We obtain explicit consent for all personal data collection. Employee information is collected through signed agreements during recruitment, with clear disclosure of usage purposes. Customer data acquisition occurs through opt-in mechanisms embedded in service agreements and privacy policies, where such opt-ins or continued service use constitute consent in accordance with the foregoing agreements and policies. Accordingly, we have obtained consent from the owners of the data we collect, use and share. Partner data sharing is governed by contractual clauses specifying usage parameters. For third-party datasets, we verify proper licensing and regulatory compliance prior to acquisition.

Internal Control and Compliance

We have established a robust data privacy and security framework to ensure compliance with both local and international standards, protecting the integrity of our systems and the privacy of our customers' data. We employ rigorous data protection protocols that govern the collection, storage, and transmission of data. Looking forward, we remain dedicated to strengthening our data security framework, prioritizing innovation and adaptability in our practices to meet the growing expectations of data protection, particularly in China and in support of our overseas expansion.

We have established internal policies and technical controls to safeguard data usage, storage, and (where applicable) cross-border transmission. These measures are implemented through both administrative rules and IT system controls, and are regularly reviewed to ensure compliance with internal confidentiality requirements and applicable data security standards.

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We have established the Information System Operation and Maintenance Management Policy, the Information System Internal Control Guidelines and the Information Department Management Policy, which set out the following internal control measures:

- **Data usage.** User accounts are uniquely assigned on a per-position basis and sharing of accounts is prohibited. Information and data access rights are defined according to prescribed classifications, and users may only read or use data in line with the permissions of their accounts. We periodically review all system accounts to prevent inappropriate authorisations or unauthorised accounts. When handling customer information, employees must apply security measures including encrypted storage, encrypted transmission and screen protection. Prior to using customer information, employees are required to complete a Customer Information Usage Application Form stating the purpose, scope and duration of use, which must be reviewed by the department head and approved by the head of the Information Department. We maintain detailed records of all customer information usage, including usage time, personnel, purpose, content, and the source and destination of the information, and our Information Department periodically inspects these records.
- **Data storage.** Our core databases are automatically backed up daily, with backup media (including disks and portable hard drives) stored offsite in multiple formats. Backup media are dated, labelled, and kept by designated personnel in specialised facilities with fireproofing, moisture-proofing and anti-theft protection. We regularly conduct disaster recovery tests to ensure data can be restored promptly. All data handovers are logged to ensure traceability. The IT department also backs up system logs daily and periodically verifies the integrity of backups. We have established confidentiality protocols for computer management, which include: storing documents of different security levels on separate computers, password- or passphrase-protecting access to files, and encrypting files and data. For confidentiality purposes, passwords and other protection measures are changed regularly or from time to time.
- **Data transmission.** Information output and external distribution are subject to graded control. We set permissions such as viewing, exporting and printing rights to restrict dissemination. Any external transmission of files must be approved by senior management and encrypted using professional encryption software, with decryption rights strictly limited. Confidential or critical data must be encrypted before transmission over networks. It is strictly prohibited to transmit such data through unsecured channels such as external email or instant messaging tools, or to process sensitive customer information on devices connected to external networks.

Compliance with Regulations

As advised by our PRC Legal Advisors, we had complied with the relevant data privacy, cybersecurity and cross-border data regulations in the PRC in all material aspects during the Track Record Period and up to the Latest Practicable Date, on the following basis:

- **Data privacy.** Under the PRC Civil Code and the PRC Personal Information Protection Law, the collection and processing of personal information must be lawful, necessary, and limited to the minimum scope, with stricter requirements for sensitive personal information. As confirmed by the Group, its operations involve the processing of personal information: (1) collecting employees’ ID numbers and bank account information for payroll and social insurance purposes; (2) storing customers’ names, addresses, and phone numbers to provide after-sales services; (3) processing customers’ purchase behavior data to analyze preferences and support targeted marketing; (4) transferring employees’ performance data to the human resource management system for statistical analysis. The Group has obtained prior consent from the data subjects for the collection and processing of relevant personal information, which primarily includes: (1)

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for employee personal information, the Group informs employees of the purpose, scope, and method of collection through employment application forms and employee handbooks during the recruitment process, and obtains their signed confirmation; (2) for customer information, the Group explains data collection and usage through privacy policies and service agreements when customers register accounts or purchase products/services, with customer consent typically obtained via checkbox confirmation or continued use of services; (3) for partner contact information, consent is obtained through clauses in cooperation agreements that specify the scope and manner of data usage. Additionally, the Group has established a strict user authentication and authorization system, ensuring that only authorized personnel can access and operate relevant data. Based on employees’ job responsibilities and business needs, minimal access permissions are assigned to ensure that data can only be accessed and processed by legitimate users within authorized scope.

- **Cybersecurity.** Under the Cybersecurity Review Measures, a cybersecurity review is required for (i) critical information infrastructure operators procuring network products/services, (ii) online platforms whose data processing may affect national security, and (iii) online platforms holding data of over 1 million users that seek overseas listings. The Group has not been notified by the competent authorities that it is a critical information infrastructure operator or an online platform of national security concern, does not hold personal information of over 1 million users, and the [REDACTED] does not constitute a “listing outside PRC.” Accordingly, the Group is not required to submit a cybersecurity review.
- **Cross-border data transfer.** Under the Measures on Security Assessment of Cross-Border Data Transfer, data processors shall declare a security assessment for cross-border data transfer under any of the following circumstances: (1) where a data processor provides important data overseas (i.e., data that, if tampered with, destroyed, leaked, or illegally obtained or used, may endanger national security, economic operations, social stability, public health, and safety); (2) where critical information infrastructure operators or data processors processing personal information of over 1 million individuals provide personal information overseas; (3) where data processors that have provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals overseas cumulatively since January 1 of the previous year provide personal information overseas; (4) other circumstances specified by the national cyberspace administration requiring declaration of a security assessment for cross-border data transfer. The Group is involved in minimal cross-border data transfer or personal information transmission. However, the data involved in the such cross-border transfer of data or personal information does not constitute important data. The Group is not a critical information infrastructure operator or a data processor processing personal information of over 1 million individuals, nor is it a data processor that has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals overseas cumulatively since January 1 of the previous year. The Group has also not received any notice from the national cyberspace administration requiring the declaration of a security assessment for cross-border data transfer. Therefore, the Group is not required to declare a security assessment for cross-border data transfer.
- **Credit reports.** According to credit reports issued by the Wuxi Public Credit Information Center dated September 18, 2025 and January 16, 2026, the Company had no record of administrative penalties in the fields of data management or cybersecurity from January 1, 2022 to January 16, 2026.

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Overseas

By default, we do not collect, store, or use data from overseas customers, except in limited circumstances where we have obtained consent in accordance with the framework set forth above.

We have adopted internal data privacy and security measures, including measures in respect of data privacy, cybersecurity and cross-border data transfer, designed to ensure compliance in all jurisdictions in which we operate. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any litigation, arbitration or material administrative penalties in relation to data privacy, cybersecurity or cross-border data protection in any of the jurisdictions in which we operated. For related risks, see “Risk Factors — Risks Related to our Legal and Regulatory Requirements — Our business is subject to a variety of laws, rules, policies and other obligations regarding data protection domestically and abroad. Any losses or unauthorized access to or unauthorized releases of confidential information and personal data could subject us to significant reputational, financial, legal and operational consequences.”

INTELLECTUAL PROPERTY

We consider our patents, trademarks, copyrights, and other intellectual property rights to be critical to our success. We seek to protect our intellectual property and proprietary rights primarily through intellectual property laws, relying on a combination of patent, trademark, copyright, and other intellectual property laws in China. As of December 31, 2025, we had obtained 215 registered patents (including 45 invention patents, 167 utility model patents, and three exterior design patents), 28 registered trademarks, 59 software copyrights, one copyright, and 2 domain names in China.

We proactively manage our intellectual property portfolio to safeguard our innovations and maintain a competitive edge in the market. To protect our intellectual property rights, we have implemented several key measures, including: (i) registering, filing, and applying for ownership of our intellectual properties; (ii) actively tracking registration and authorization statuses and promptly addressing potential conflicts; and (iii) signing agreements with confidentiality clauses with our suppliers and employees.

One of our primary measures is applying for patent protection for our core technologies, which enables us to secure exclusive rights and prevent unauthorized use. By employing these strategies, we effectively manage our intellectual property and foster an environment of innovation within our organization.

During the Track Record Period and as of the Latest Practicable Date, we had not been involved in any material intellectual property infringement claims, nor had we experienced significant infringement of our intellectual property rights by third parties. During the Track Record Period and as of the Latest Practicable Date, we have not been involved in any major intellectual property disputes with third parties.

COMPETITION

We operate in China’s sizable and highly competitive smart intralogistics solution market, where leading players with strong hardware-software integration capabilities have established a significant scale advantage. The market size of China’s smart intralogistics solution industry reached approximately RMB111.0 billion in 2025, with the top five players collectively accounting for nearly 9% of the total market share. Based on our revenue in China in 2025, we ranked as the fourth largest provider of smart intralogistics solutions in China. Meanwhile, we ranked as the second-largest provider of industrial smart intralogistics solutions and the largest smart intralogistics solution provider in the new energy lithium-ion battery segment in China. The industrial sector accounted for nearly 50% of the total smart intralogistics solution market in China in 2025, while the new energy lithium-ion battery sector accounted for approximately 6%. We face

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potential competition from established market players and agile new entrants as they expand their technological capabilities and product offerings. The fast-paced innovation in the smart intralogistics solution industry offers significant opportunities but requires us to stay aligned with industry trends and customer needs. We believe that our ability to remain competitive depends upon many factors, including, but not limited to, our strong production capabilities, experience and expertise in the provision of solutions for various industries, in particular new energy, customization capabilities, strong partnerships with major customers, experienced management team and sustainable talent incentive system. For a more detailed discussion of the markets in which we operate and the competition we face, see “Industry Overview.”

EMPLOYEES

As of December 31, 2025, we had 849 full-time employees, primarily located in Wuxi, Jiangsu. The following table sets forth a breakdown of our employees by business function as of December 31, 2025:

	Number of employees	% of total employees
Research and development.	172	20.3%
Technician	358	42.1%
Production staff	213	25.1%
Sales and marketing	40	4.7%
Administration	66	7.8%
Total	849	100.0%

Our workforce comprises highly trained workers and professionals from various fields and academic backgrounds, many of whom have extensive knowledge and experience in the intralogistics industry. As of December 31, 2025, 37.9% of our employees held a bachelor’s degree or above. We enter into standard employment contracts with our employees.

As required under PRC laws and regulations, we participate in various employee social security plans organized by the applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury, and unemployment benefit plans. We are required under PRC laws to make contributions to employee benefit plans at specified percentages of salaries, bonuses, and certain allowance of our employees, up to a maximum amount specified by the local government.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes or major disputes with our employees.

See “Risk Factors — Risks Related to Our Legal and Regulatory Requirements — Failure to comply with the Labor Contract Law or other PRC labor related regulations and rules may have an adverse impact on our financial conditions and results of operations.”

INSURANCE

We maintain standard property insurance, employer liability insurance, accident insurance, litigation insurance, and car insurance, though such insurance plans may not cover all potential damage that we may suffer during our business operations. Consistent with customary industry practice in China, we do not maintain business interruption insurance, nor do we maintain key-man life insurance. We believe our insurance policies are consistent with general market practices and comply with applicable regulations in China. See “Risk Factors — Risks Related to Our Business and Industry — Our insurance may not sufficiently cover all losses or potential claims that could affect our business, results of operations, and financial condition.”

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The Group does not maintain insurance coverage for product liabilities. Our risk management of product liabilities relies on contractual risk allocation, and our product liabilities are regulated by the Product Quality Law. According to CIC, our approach is not inconsistent with observable practices among industry peers in the PRC market for smart intralogistics solutions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Overview

We place significant emphasis on the impact and role of Environmental, Social, and Governance (ESG) factors in business operations and have begun integrating ESG considerations into our management processes, with the aim of achieving sustainable development and creating long-term value. To further assess and enhance our ESG performance, we have implemented a series of initiatives, including improving energy efficiency, optimizing resource use, and controlling pollutant emissions.

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisors, we have not faced any significant claims, penalties, or incidents related to health, production safety, or environmental protection, and we have complied with all relevant PRC laws and regulations in all material respects.

Corporate Governance

ESG Governance

We have established a comprehensive ESG governance framework and developed an ESG management system that integrates ESG principles into our business strategies and daily operations through (i) board oversight, (ii) management advocacy, and (iii) establishment of an ESG working group. Our Board is responsible for identifying and assessing the sustainability-related impacts, risks, and opportunities we face. It reviews and decides on ESG strategic goals, plans, and major issues, regularly checks the progress of ESG-related objectives, and fully supervises ESG matters, ensuring their effectiveness. Our Board has established a Strategy and Sustainability Committee to guide and manage ESG efforts, including determining significant ESG matters for operational consideration, formulating ESG strategies, evaluating performance indicators, and promoting actions that align with operational goals to ensure consistency with our strategy. Our ESG working group, composed of personnel from relevant departments, handles the daily execution of ESG tasks, including creating specific ESG action plans and regularly reviewing and reporting ESG targets, ensuring comprehensive, systematic, and effective ESG governance.

The members of the Board, the Strategy and Sustainability Committee, and the ESG working group possess extensive professional knowledge and practical experience, enabling them to effectively drive the implementation of ESG initiatives and address various ESG risks. We actively adopt quantitative metrics to measure the effectiveness of our ESG management strategies and are gradually incorporating relevant ESG quantitative metrics into our performance evaluation framework. Additionally, we plan to implement ESG training programs to enhance the understanding of ESG among the Board of Directors and employees; we intend to launch ESG management improvement initiatives to continuously enhance the Company’s ESG governance standards and sustainable development capabilities.

ESG Risk and Opportunity Management

Our Board acts as the decision-making body for risk management, responsible for approving the overall risk level, sanctioning major risk response plans, monitoring and evaluating the effectiveness of risk management, and fully understanding significant risks to keep them at an acceptable level. Our Audit Committee is tasked with reviewing the effectiveness of comprehensive risk (including ESG-related risk) identification, assessment, management, and monitoring

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procedures. We emphasize building a robust risk management system, continuously refining the materiality assessment process, and regularly identifying, analyzing, and evaluating risks (including ESG-related risks) in our business activities. We promptly adjust risk management policies and responses, integrating significant ESG risks and opportunities into business processes to enhance our resilience and sustainable development capabilities.

Our major ESG risks and opportunities include addressing climate change (both physical and transition risks), research and innovation, product quality and safety, supply chain management, business ethics and anti-corruption, and information security and privacy protection. We conduct regular internal audits and inspections and organize employee risk management training to ensure effective ESG risk control while seeking growth and transformation opportunities.

Board Diversity

We recognize that having a diverse board improves the quality and effectiveness of board decisions. It is also important for achieving our strategic goals and sustainable development. When nominating Board members, we follow a thorough selection process, considering diversity among candidates. We evaluate candidates based on their cultural and educational backgrounds, professional experience, skills, gender, age, and business perspectives. Our goal is to ensure the Board has a good mix of talents, skills, experiences, and backgrounds to enhance corporate governance and decision-making. Currently, our Board has nine members, including three independent Directors and three female Directors.

Business Ethics and Anti-Corruption

We have a compliance management system with anti-corruption measures and an employee handbook. To detect misconduct, we offer multiple feedback channels: hotline, email, letters, or face-to-face. Reports are strictly investigated, results documented, and management informed. We ensure whistleblower protection by keeping their details confidential and not disclosing their identity without consent.

Environmental Protection

Environmental Compliance and Certification

We have adopted strict environmental standards, standardized operations, and established long-term protection mechanisms. Regular emergency drills assess department coordination and improve employee knowledge. We refine our response plans to enhance business quality and performance. Our Company is ISO 14001 certified.

Addressing Climate Change

We actively address the risks and opportunities posed by climate change. Our Board reviews assessments of ESG-related risks and opportunities, including climate change, and evaluates climate-related plans, targets, and responses while supervising their implementation. They also review the effectiveness of climate risk management and internal control systems. The safety and environmental department is responsible for implementing climate-related actions, continually improving our ability to identify, assess, manage, and disclose climate risks and opportunities.

We are integrating climate risk management into our overall risk management system, gradually establishing comprehensive climate risk management processes. This involves systematically identifying and assessing climate risks and opportunities, developing strategies to address climate change, and continuously enhancing our climate resilience.

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Further, we have set the following quantitative environmental target:

- **Greenhouse gas emission intensity (Scope 1 and Scope 2):** reduce by 10% by 2030 compared with 2024 levels.

This target is based on our assessment of current production processes, anticipated efficiency gains from planned technology upgrades, and alignment with ISO 50001:2018 energy management standards. The target is considered achievable through the following pathways:

1. **Process and equipment improvement.** We will conduct comprehensive energy efficiency diagnostics, optimise process parameters, and upgrade production equipment to reduce energy consumption.
2. **Strengthening energy management.** We will continue to implement energy management systems under ISO 50001:2018, including our *Energy Management Manual*, *Energy Objectives, Indicators and Implementation Control Procedures*, and *Energy Review Control Procedures*. We will also explore on-site solar photovoltaic generation to diversify and green our energy mix.
3. **Promoting green office culture.** We will cultivate a company-wide low-carbon culture by embedding reduction goals into daily employee practices and promoting resource efficiency across office operations.

By combining these operational improvements, management systems and cultural initiatives, we believe the 10% reduction target is reasonable and achievable within the timeframe.

Energy Management

We comply with the Energy Conservation Law of China and related policies, implementing an ISO 50001:2018-based energy management system. Our internal processes include the Energy Management Manual, Energy Objectives, and Control Procedures. By using new technologies and materials, we enhance energy efficiency and resource utilization. We are committed to increasing the proportion of clean energy usage, with a target of 25% by 2030. To achieve this, we plan to install a distributed photovoltaic power system with an estimated total installed capacity of approximately 0.63 MWp by utilizing rooftop areas and idle spaces of our production facilities. The project will adopt a ‘self-generation for self-consumption with surplus power fed into the grid’ model, where generated electricity will prioritize production needs, and any excess will be integrated into the public power grid.

Below sets forth our energy management indicators:

Indicator	Unit	2023	2024	2025
Electricity Consumption	10,000 kWh	50.42	74.75	103.48
Total Energy Consumption . .	Tons of standard coal	61.97	91.87	127.17
Energy Consumption	Tons of standard coal per	0.04	0.05	0.07
Intensity	million RMB of revenue			
Direct Greenhouse Gas Emissions (Scope 1)	Tons of CO ₂ equivalent	–	–	–
Indirect Greenhouse Gas Emissions (Scope 2)	Tons of CO ₂ equivalent	301.41	446.86	618.5 9
Indirect greenhouse gasemissions (Scope 3) . . .	Tons of CO ₂ equivalent	–	346.97	312.72

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Indicator	Unit	2023	2024	2025
Total Greenhouse Gas Emissions Scope 1 & Scope 2	Tons of CO ₂ equivalent	301.41	446.86	618.59
Greenhouse Gas Emission Intensity Scope 1 & Scope 2	Tons of CO ₂ per million RMB of revenue	0.18	0.25	0.33

- (1) Greenhouse Gas Emissions are calculated using electricity carbon emission factors, which are based on the “Announcement on the 2022 Electricity CO₂ Emission Factors” (Announcement No. 33 of 2024) jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics, using the Jiangsu Province factor of 0.5978 kg CO₂/kWh.

The increase of Electricity Consumption in 2024 stems primarily from newly installed production equipment — including machining centers, CNC systems, laser cutters, and gantry welders — enabling in-house manufacturing of previously outsourced components (laser-cut parts, safety fencing, reels, and shaft assemblies). In 2025, our production facilities and processes remained substantially unchanged. The increase in electricity consumption was primarily driven by a rise in order volume, the revenue from which has not yet been fully recognized in 2025. Consequently, this resulted in a temporary impact on our energy consumption intensity.

Our Scope 3 greenhouse gas emissions originate primarily from Business travel, which have been systematically recorded following the establishment of a digital management platform in 2024. Regarding other indirect emission categories that require collaboration across the value chain, we are strengthening data integration with upstream and downstream partners and will progressively expand our disclosure scope as data maturity improves.

Water Resource Management

We place great importance on the management and efficient use of water resources, strictly adhering to the Water Law of China and related regulations. We establish clear water usage plans and strive to conserve water resources in both production and daily life, thereby reducing consumption. The water resources used in our production and operations are primarily sourced from municipal supplies, having no significant environmental impact in terms of water sourcing. We have set a water intensity target to achieve a 5% reduction by 2030 compared to the 2024 level. To this end, we will identify abnormal fluctuations in water usage through periodic data collection to eliminate potential water wastage. Meanwhile, the Company is reducing the procurement of bottled and barreled water by utilizing water purification equipment, and continues to conduct water conservation advocacy to enhance the awareness of all employees. Below sets forth our water resource management indicators:

Indicator	Unit	2023	2024	2025
Total Water Usage	Tons	15,598	12,381	13,268
Water Usage Intensity	Tons per million RMB of revenue	9.15	6.89	7.02

The elevated 2022 water consumption resulted primarily from pipeline leakage, which was rectified to restore normal operational usage levels. Furthermore, the closure of employee dormitories in July 2023 contributed to sustained reductions in both the current and subsequent years’ water consumption.

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Emission and Waste Management

We comply with and implement the Water Pollution Prevention and Control Law of China, the Air Pollution Prevention and Control Law of China, the Solid Waste Pollution Prevention and Control Law of China, the National Catalogue of Hazardous Wastes, and other laws and regulations. We employ multiple measures to minimize the environmental impact of production and operations.

Wastewater Management

We have established and strictly enforced the wastewater discharge management system to ensure that the discharge of wastewater pollutants complies with national and local sewage discharge standards, to prevent and reduce water and environmental pollution. All company wastewater is discharged into the municipal domestic sewage system, and no industrial wastewater is generated.

Emissions Management

We have established and strictly enforced an air emissions management system.

We conduct regular cleaning and maintenance of equipment, and third-party agencies monitor key environmental factors like xylene, particulate matter, and canteen oil fumes. We take multiple measures to ensure compliance with emission standards and continuously improve our practices.

Solid Waste Management

We have established and strictly enforced the hazardous waste management system and the solid waste management system. We implement life-cycle management for hazardous waste and have established a comprehensive emergency response system. For general solid waste, we adhere to the principles of reduction, recycling, and harmlessness for classified collection and disposal. We also conduct regular environmental protection training to enhance employee awareness of waste classification and resource conservation.

We have set a non-hazardous waste recycling rate target of 25% by 2030. To achieve this, we actively promote digital office procedures by optimizing document management systems and approval workflows, and installing digital displays and electronic work instructions at production facilities to reduce paper usage and printing. Additionally, the Company has established a packaging recycling mechanism for the classified recovery and reuse of materials such as cardboard boxes, paperboards, and wooden crates.

Below sets forth our total emissions and waste in the years indicated:

Indicator	Unit	2023	2024	2025
Emissions Particulate Matter (PM)	Tons	0.176	0.064	0.176
Xylene	Tons	0	0	0
Total Emissions	Tons	0.176	0.064	0.176
Waste –	Tons	42.55	27.28	33.52

(1) In 2024, we introduced a new paint spray waste gas treatment facility, resulting in a moderate decrease in particulate matter emissions, and the painting workshops were suspended for 3 months, resulting in lower particulate matter emissions throughout the year compared to 2023. In 2025, the particulate matter emissions increased primarily due to the year-round operation of our painting workshop and a rise in order volume. The Company continues to implement compliance monitoring programs and conducts regular maintenance of our dust removal systems to ensure that our environmental performance remains in full compliance with applicable standards.

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- (2) Since 2023, the overall waste generation has shown a downward trend, primarily due to our initiative of reusing suppliers’ packaging boxes for inbound storage, coupled with the reduction in non-hazardous waste following the closure of employee dormitories. The slight increase in the total volume of waste generated in 2025 was mainly due to the fact that the Company replaced the activated carbon in two sets of level 2 activated carbon adsorption waste gas treatment facilities, and has truthfully reported the volume of waste generated to the environmental protection regulatory department, strictly implemented the hazardous waste management plan filing, and followed the hazardous waste reporting and registration system as well as the transfer manifest system, ensuring compliance with the requirements for hazardous waste storage and treatment.

Comparison with Peers

The table below presents a comparative analysis of key ESG indicators for the Group and three select major listed industry peers in China, based on publicly disclosed 2024 ESG reports.

ESG indicators	The Group	Select major industry peers (range)
Electricity consumption (10,000 kWh)	74.75	Up to 189.26
Direct Greenhouse Gas Emissions (Scope 1) (tons CO ₂ equivalent)	–	36.71 – 94.72
Scope 1 Greenhouse Gas Emission Intensity (tons CO ₂ equivalent/million RMB of revenue)	–	0.0233 – 0.0400
Indirect Greenhouse Gas Emissions (Scope 2) (tons CO ₂ equivalent)	446.86	506.97 – 1,015.55
Scope 2 Greenhouse Gas Emission Intensity (tons CO ₂ equivalent/million RMB of revenue)	0.2486	0.2459 – 0.7049
Indirect Greenhouse Gas Emissions (Scope 3) (tons CO ₂ equivalent)	346.97	–
Scope 3 Greenhouse Gas Emission Intensity (tons CO ₂ equivalent/million RMB of revenue)	0.1930	–
Total Water Usage (tons)	12,381	9,149 – 60,759
Water Usage Intensity (tons/million RMB of revenue)	6.89	4.44 – 43.60
PM (tons)	0.064	0.01 – 0.24
PM emission intensity (kg/million RMB of revenue)	0.0356	0.01 – 0.05

Key observations:

- **GHG Emissions:** The Group’s emission intensity falls within the range exhibited by its peers.
- **Water Usage:** All four companies demonstrate similar water use intensities. The Group’s intensity falls within the mid-range of these values, representing typical industry performance.
- **Particulate Emissions:** The Group’s emission intensity falls within the range exhibited by its peers.

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Social Responsibility

Product Liability

We have established a comprehensive quality management system based on the GB/T 19001-2016/ISO 9001:2015 standards. We place great emphasis on building quality system processes, ensuring standardized management at every stage — from raw material intake and processing to shipping and on-site installation. Both our Company and Wuxi Zhongnuo have successfully passed the ISO 9001 quality management system certification.

Supply Chain Management

We follow the Civil Code of China and related laws, conducting procurement activities in adherence to the principles of openness, fairness, and impartiality.

We have formulated the Procurement Management Regulations and the Procurement Risk Management Regulations to regulate the development, evaluation, selection, and exit of suppliers, assessing suppliers’ products and services, business ethics and compliance, environment and occupational health and safety. At the same time, we have set up social responsibility clauses in the Procurement Contract and conduct inspections, training and supervision during the execution of contracts. Furthermore, we maintain a zero-tolerance policy towards supply chain corruption, strictly penalizing acts such as fraud, bribery, and bidrigging, and taking measures such as blacklisting, permanent debarment, or legal action depending on the severity of the case.

Employee Welfare and Career Development

We are dedicated to fostering a respectful and inclusive workplace. We ensure fair rights and development opportunities for all, following China’s Labor Law and Labor Contract Law. Our internal management system includes the employee handbook and recruitment management system, outlining recruitment, compensation, working hours, rest, leave, and labor protection policies. We do not employ child labor and thoroughly verify candidates’ identities to meet legal age requirements.

Regarding employee benefits, we have developed a multi-layered protection system. See “—Employees”.

For career development, clear growth paths for employees have been established through the employee development path management plan. Meanwhile, we have established a training system covering all personnel to foster mutual growth between employees and our Company.

Workplace Safety

We comply with safety production and labor protection regulations, implementing a safety and environmental management system with annual safety plans.

We have established a comprehensive safety management structure and have obtained ISO 45001 certification.

During the Track Record Period, we did not experience any material non-compliance incidents in relation to occupational health and safety, or any fatalities.

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OUR PROPERTIES

Owned Properties and Land

As of the Latest Practicable Date, we owned four properties located in Wuxi, Jiangsu Province for use as our offices and production facilities, with an aggregate gross floor area of approximately 18,138.2 sq.m. As of the same date, we also have four parcels of land located in Wuxi, Jiangsu with an aggregate site area of approximately 19,408.0 sq.m. Our PRC Legal Advisors confirm that we have valid legal title to occupy and use our owned properties and land.

As of the Latest Practicable Date, none of the properties in which we have an interest 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.

Matters relating to Wuxi Senheda

On June 5, 2024, the Wuxi Municipal Bureau of Natural Resources and Planning (無錫市自然資源和規劃局) (the “**Wuxi NRPB**”) and Wuxi Senheda entered into the “Contract for the transfer of state-owned land use rights” (國有建設用地使用權出讓合同) (the “**Land Use Contract**”), whereby Wuxi NRPB granted Wuxi Senheda the land use right for a parcel of land located in the Huishan district for a total consideration of RMB28.3 million. Pursuant to the terms of the Land Use Contract, it was agreed that construction of the project must commence before December 17, 2024, and construction must be completed by December 17, 2026. If construction cannot be commenced according to schedule, Wuxi Senheda should submit a deferral application to Wuxi NRPB for approval. If Wuxi Senheda fails to commence construction by the date specified in the Land Use Contract or any subsequently agreed deferral date, it shall pay Wuxi NRPB a penalty equivalent to 0.5‰ of the total consideration for each day of delay.

On June 24, 2025, the Company, as transferor, and Wuxi Huixi High-Tech Industrial Development Co., Ltd (無錫惠西高新技術產業發展有限公司) (“**Wuxi Huixi**”), as transferee, entered into an equity transfer agreement (“**the Agreement**”) concerning Wuxi Senheda. Closing of the transaction occurred on June 27, 2025. As of June 27, 2025, Wuxi Senheda had audited net assets of approximately RMB30.3 million, and the total consideration under the Agreement is RMB28.2 million. As a result, we recorded a loss of approximately RMB2.1 million on the disposal of Wuxi Senheda. The Agreement was executed with an indemnification provision whereby if Wuxi Senheda incurs liability due to incomplete performance of contractual obligations or undisclosed debts before the closing date, the transferee may demand the transferor to cover all costs and losses arising from such liability to Wuxi Senheda. As of June 27, 2025, being the closing date of the Agreement, Wuxi Senheda had not commenced construction of the project nor submitted a deferral application to Wuxi NRPB in accordance with the terms of the Land Use Contract. From December 17, 2024, being the date when Wuxi Senheda became obliged to either commence construction or submit a deferral application (with one month notice), to June 24, 2025, the date of the Agreement, the Company was evaluating strategic options for the land parcel, including a possible disposal of Wuxi Senheda, and therefore did not submit an application to Wuxi NRPB. During this period, Wuxi Senheda did not receive notification from Wuxi NRPB to submit a deferral application, nor did Wuxi Senheda receive notification of any penalties or other enforcement actions in connection with the delay in construction. As advised by our PRC Legal Advisors, based on the PRC Company Law and the Agreement, the disposal of Wuxi Senheda did not require approval from Wuxi NRPB. Further, our PRC Legal Advisors have advised that the likelihood of the competent authorities recovering the land from Wuxi Senheda or imposing penalties on Wuxi Senheda, and consequently the likelihood of Wuxi Huixi demanding that we compensate Wuxi Senheda for the aforementioned

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breach of contract liabilities, is relatively remote. This is because (1) as of the Latest Practicable Date, we have not received any notice from Wuxi Huixi or Wuxi Senheda indicating that Wuxi Senheda has suffered any claims or demands from NRPB in connection with the construction delay; (2) furthermore, we have not received any notice from Wuxi Huixi or Wuxi Senheda demanding that we bear compensation liability in accordance with the Agreement, nor are we involved in any existing disputes or conflicts in respect of the Agreement; and (3) according to a written confirmation issued on June 23, 2025 by the Wuxi Luoshe Management Office of Wuxi NRPB (“**Wuxi Luoshe Management Office**”), a dispatched agency (派出機構) of the Wuxi NRPB responsible for implementing the policies on land use control and post-approval supervision of land development and utilization, in principle, the Wuxi Luoshe Management Office will not impose penalties on Wuxi Senheda for the construction delay. According to and as of the date of the written confirmation, Wuxi Luoshe Management Office has not recovered the land or imposed any penalties on Wuxi Senheda due to the delay of construction.

Leased Properties

As of December 31, 2025, we leased and occupied 38 properties in Wuxi, Shanghai, and Suzhou, including three leased properties used as offices and production facilities and the remaining 35 leased properties as workers’ dormitories, with an aggregate gross floor area of approximately 14,815.0 sq.m.

We did not experience material difficulties in entering to leases or negotiating renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date.

Title Defects

11 of the 38 properties we leased and occupied as of December 31, 2025, each used as our workers’ dormitories, have title defects (including compliance issues) as of the Latest Practicable Date. Such defects are due to various reasons, including:

- (a) four leased properties, with an aggregate floor area of approximately 357.4 sq.m., the landlords of which had not completed the procedures required to obtain their property ownership certificates.
- (b) five leased properties, with an aggregate floor area of approximately 439.59 sq.m. are built upon government-allocated land (劃撥土地).
- (c) two leased properties used as our workers’ dormitories, with an aggregate floor area of approximately 90.0 sq.m. are non-compliant with designated land use purpose.

Based on the fact that (i) the foregoing 11 leased properties for our dormitories can be easily replaced, (ii) the undertakings of our landlords to indemnify us against any losses due to our inability to use and occupy the properties and (iii) the undertaking of Noblelift Company to indemnify us against all claims, losses, costs and expenses, liabilities and penalties arising from title defects, our PRC Legal Advisors are of the opinion that the title defects of the foregoing eleven leased properties will not have any material adverse effects on our business operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been penalized by any government authority over safety conditions in respect of our leased properties with defective titles. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, there have been no material incidents to our knowledge that would raise questions as to the safety conditions of the leased properties we occupied with defective titles. Based on the above, our Directors are of the view that such properties are safe for occupation.

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Lease Registration and Filing

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. Of the 38 properties we leased and occupied as of December 31, 2025, we had not obtained lease registration for 21 properties used as workers’ dormitories as of the Latest Practicable Date.

As advised by our PRC Legal Advisors, the lack of the abovementioned registration of the lease agreements will not affect the validity of such lease agreements, according to applicable PRC laws and regulations as of the Latest Practicable Date. According to the relevant PRC laws and regulations, in addition to our lessors, we may also 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. As of the Latest Practicable Date, we had not received any such fine from the relevant government authorities. We undertake to cooperate fully to facilitate the registration of lease agreements once we receive any requirements from relevant government authorities.

LICENSES, PERMITS AND CERTIFICATES

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we have obtained all the licenses, approvals, permits, and certificates that are material and necessary for our business and operations in the jurisdictions where we operate, and such licenses, approvals, permits, and certificates are valid and subsisting as of the Latest Practicable Date.

The table below sets forth a summary of the material licenses, approvals, permits, and certificates that we have obtained for our business operations as of the Latest Practicable Date:

Holder	License, approval, permit, or certificate	Date of grant	Date of expiry
Issuer	Safety Production Permit (Permitted Scope: Construction Works)	2025.9.4	2028.11.6
Issuer	Construction Enterprise Qualification Certificate (Level 2 for Mechanical and Electrical Engineering)	2025.5.21	2030.5.20
Issuer	Information Technology Service Standards Compliance Certificate	2025.5.13	2028.4.17
Issuer	Information System Construction and Service Capability Certificate	2023.10.2	2027.10.1
Issuer	CMMI Development Maturity Level 3	Until 2028.11.14	
Issuer	Environmental Management System Certification Certificate	2025.5.22	2028.6.4
Issuer	Quality Management System Certification Certificate	2025.5.22	2028.6.4
Issuer	Occupational Health and Safety Management System Certification Certificate	2025.5.22	2028.6.4
Issuer	Information Technology Service Management System Certification Certificate	2023.11.16	2026.12.5
Issuer	Information Security Management System Certification Certificate	2023.11.16	2026.12.5

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Holder	License, approval, permit, or certificate	Date of grant	Date of expiry
Issuer	Integration of Informatization and Industrialization Management System Evaluation Certificate	2023.9.1	2026.8.31
Issuer	High-Tech Enterprise Certificate	2025.12.19	2028.12.18
Issuer	Customs Registration Certificate for Import and Export Cargo Consignee	Until 2099.12.31	
Issuer	Fixed Pollution Source Emission Registration Receipt	2026.4.22	2031.4.21
Issuer	Fixed Pollution Source Emission Registration Receipt	2026.4.22	2031.4.21
Issuer	China Manufacturing Maturity Model Certificate	2025.12.31	2028.12.30
Issuer	Intellectual Property Management System Certification Certificate	2026.4.14	2029.3.12

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. We have established risk management systems with relevant policies and procedures that we believe are appropriate for our business operations. Our policies and procedures relate to managing our procurement and production, as well as monitoring our sales performance and product quality. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted, or will continue to adopt, various measures and policies across multiple areas of our business, such as financial reporting and disclosure of interests, regulatory compliance, competition with Controlling Shareholder, sales and supplier management, among other things.

In preparation for the [REDACTED], we have engaged an internal control consultant to review the effectiveness of our internal controls associated with our major business processes, identify deficiencies and areas for improvement, provide recommendations and review the implementation status of these remedial actions. To ensure the above compliance culture is embedded into everyday workflow and sets the expectations for individual behavior across the organization, we will regularly review our risk management policies and internal management procedures, adopt strict accountability internally and conduct compliance training. Our Directors are of the view that our enhanced internal controls are adequate and effective for our current operations and in meeting our obligations under the Listing Rules as well as other applicable standards.

LEGAL PROCEEDINGS AND COMPLIANCE

We are subject to various regulatory requirements and guidelines issued by the regulatory authorities in China. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material incidents of non-compliance. As advised by our PRC Legal Advisors, we have complied, in all material respects, with all relevant laws and regulations in China during the Track Record Period and up to the Latest Practicable Date.

From time to time, we may become involved in legal proceedings in the ordinary course of our business, including contract disputes with our suppliers and customers.

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Pending Litigations

As of the Latest Practicable Date, we were involved in three pending litigations with claims exceeding RMB1.0 million each:

We filed one claim against a customer for outstanding payments totaling approximately RMB11.5 million for goods delivered, along with overdue payment losses. This customer counterclaimed against us for a refund of contract payments of approximately RMB0.1 million, overdue interest, and a penalty for breach of contract amounting to approximately RMB1.1 million. The court of first instance has issued an order to freeze RMB11.5 million of our bank deposits. In February 2026, the court of first instance ruled that the customer shall pay us RMB7.1 million, plus interest on the overdue amount. The customer appealed. As of the Latest Practicable Date, the case remains pending.

While we intend to pursue a comprehensive defense of the claim, and believe that we have valid defenses, there can be no assurance that a favorable outcome will be obtained. Our PRC Legal Advisors, after reviewing the advice of our special litigation counsel engaged for our defense, are of the view that it is highly unlikely for the court of second instance to rule against the first-instance judgement, and concludes that the proceeding with our customer will not have a material adverse impact on our business, financial condition, or results of operations. On this basis, our Directors are of the view that no provisions are required in relation to the claim.

We filed a second claim against a customer seeking outstanding payments totaling approximately RMB14.6 million for goods delivered, along with overdue payment losses of approximately RMB1.2 million calculated up to June 30, 2025 which shall continue to accrue thereafter at a rate equal to the LPR plus 50% until the outstanding amounts are fully settled. We sought to hold (i) this customer’s current sole shareholder and (ii) one of its former shareholders liable on a supplementary basis for any unsatisfied debts. No judgment has been rendered in this dispute as of the Latest Practicable Date.

We were involved in a third pending litigation with a supplier. The supplier filed a claim against us for a sales contract dispute. As of the Latest Practicable Date, the case has been filed but no trial has been held and no judgment has been rendered. The court has issued an order to freeze approximately RMB1.1 million of our bank deposits. As of the date of this document, we have entered into a settlement agreement with the supplier. Pursuant to the settlement agreement, upon our payment of the agreed settlement amount, the supplier will apply to the court to withdraw the lawsuit and lift the freeze on our bank deposits within the time period agreed therein.

As advised by our PRC Legal Advisors, we do not expect the three pending litigations to materially adversely affect our business, financial condition, or results of operations.

Concluded Litigations

Claims related to one certain supplier

We have nine concluded litigations exceeding RMB1.0 million with one certain supplier. As of December 31, 2025, three of the supplier’s claims have been concluded with final judgments, and all required payments under those judgments have been fully settled by us. We also entered into a settlement agreement (the “Settlement Agreement”) with the supplier to resolve the remaining outstanding litigations. Pursuant to the Settlement Agreement, we are required to make staged payments upon receipt of invoices: RMB8.9 million by 30 January, 2026, RMB6.8 million by 30 May, 2026, and RMB8.6 million by 30 August, 2026. As of the Latest Practicable Date, we have paid the first instalment of RMB8.9 million of the aforementioned settlement amount. The following is a summary of these litigations:

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- The first is brought by the supplier for payment of unpaid goods totaling approximately RMB3.8 million and overdue payment losses of RMB0.1 million. In April 2025, the court entered a judgment ordering us to pay approximately RMB3.8 million and dismissed other claims from the plaintiff, while rejecting the plaintiff’s claim for overdue payment losses. We appealed judgment. The court of second instance rendered a final judgment in September 2025, dismissing the appeal and affirming the first-instance judgment. Pursuant to the final judgment, our Company was ordered to pay the plaintiff RMB3.8 million as payment for goods. Payment has been fully settled.
- The second claim is brought by the supplier for payment of unpaid goods totalling approximately RMB14.0 million and overdue payment losses of RMB0.2 million. In April 2025, the court ordered us to pay for the goods totaling approximately RMB14.0 million and dismissed other claims from the plaintiff, while rejecting the plaintiff’s claim for overdue payment losses. We appealed judgment. The court of second instance rendered a final judgment in September 2025, dismissing the appeal and affirming the first-instance judgment. Pursuant to the final judgment, our Company was ordered to pay the plaintiff the amount of RMB14.0 million as payment for goods. Payment has been fully settled.
- The third claim is brought by the supplier for a contract amount of approximately RMB14.4 million. In April 2025, the court ordered us to pay the contract amount of approximately RMB14.4 million, which we appealed. The court of second instance rendered a final judgment in September 2025, dismissing the appeal and affirming the first-instance judgment. Pursuant to the final judgment, our Company was ordered to pay the plaintiff the amount of RMB 14.4 million as payment for goods. Payment has been fully settled.
- The fourth claim is brought by the supplier for a contract amount of approximately RMB2.9 million and overdue payment losses of RMB0.01 million. In September 2025, the court rendered judgment ordering us to pay RMB2.8 million for the goods, which we have appealed. In December 2025, we entered into the Settlement Agreement with the supplier and filed motion to withdraw, which the court granted.
- The fifth claim is a contractual dispute brought by the supplier mainly for payment of unpaid goods against us, which claims (i) payment of unpaid goods totaling approximately RMB5.8 million and overdue payment losses of RMB0.2 million (calculated as of December 11, 2024); and (ii) payment of loss of warehouse rental costs totaling approximately 0.16 million (as of December 11, 2024). In September 2025, the court issued a judgment ordering the supplier to deliver the goods stipulated under the relevant contract with us, and ordering us to pay RMB1.2 million for the goods within 30 days of receiving full delivery. In December 2025, we entered into the Settlement Agreement with the supplier to resolve the dispute.
- The sixth claim is brought by us for (i) specific performance of the supplier’s obligations under a supply agreement, including completing equipment debugging, rectifications, and passing acceptance inspections and (ii) payment of overdue penalty fees totaling approximately RMB15.8 million.
- The seventh claim is brought by us for (i) specific performance of contractual obligations (debugging, rectification, and passing acceptance inspections) under another supply agreement and (ii) payment of RMB6.9 million in late penalties.
- The eighth claim is brought by us for (i) specific performance of contractual obligations (debugging, rectification, and passing acceptance inspections) under a third supply agreement and (ii) payment of RMB9.0 million in late penalties.

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With respect to the sixth through eighth claims mentioned above, the court consolidated these three cases for joint trial. In December 2025, we entered into the Settlement Agreement with the supplier and filed motion to dismiss, which the court granted.

- The ninth claim is brought by us for (i) specific performance of contractual obligations under a fourth supply agreement and (ii) payment of RMB5.9 million in late penalties. In response, the supplier filed a claim against us seeking specific performance of the same contract and payment of RMB2.9 million in contract amounts. The court consolidated the two cases for joint hearing. In December 2025, we entered into the Settlement Agreement with the supplier and filed motions to withdraw our respective claims, which the court granted.

In the judgments rendered in respect of the first, second, and third claims, the courts ordered our Company to pay the supplier notwithstanding the Back-to-Back Payment Terms agreed in our supply agreements. The plaintiff supplier argued that our Company should be classified as a “large enterprise” (大型企業) and that, under the “Reply of the Supreme People’s Court on the Validity of Clauses in Large Enterprises and Small and Medium-sized Enterprises Regarding Payment Based on Payment by a Third Party” (《最高人民法院關於大型企業與中小企業約定以協力廠商支付款項為付款前提條款效力問題的批覆》), the Back-to-Back Payment Terms should be deemed invalid. The court of first instance rejected this argument, finding that our Company does not qualify as a “large enterprise” (大型企業) under “Measures for the Division of Large, Medium, Small and Micro Enterprises in Statistics (2017)” (《統計上大中小微型企業劃分辦法(2017)》), and the court of second instance concurred. The court of second instance identified two key issues in dispute: (i) whether the equipment supplied had been put into use and accepted by us, and whether any quality issues affected our payment obligations, and (ii) whether the Back-to-Back Payment Terms were valid and whether the payment conditions had been satisfied. In respect of the first issue, the court found that the supplier had substantially delivered and the equipment had been accepted and used, and that any remaining inspection or quality matters were not sufficient to withhold payment. In respect of the second issue, the court held that the disputed Back-to-Back Payment Terms did not provide a clear, definite time for performance of our payment obligations, nor demonstrate a true agreement that our payment obligation to the supplier would be extinguished if we did not receive funds from the end customer. Accordingly, the payment conditions were deemed to have been met, and we were ordered to settle the outstanding amounts.

As advised by our PRC Legal Advisors, courts in China have previously ruled Back-to-Back Payment Terms to be valid and enforceable. Courts assess the validity of Back-to-Back Payment Terms based on multiple factors, including whether the clause reflects the true intention of the contracting parties, whether it contravenes mandatory provisions of law or regulations, whether the clause is clearly and specifically drafted, and whether the defendant has proactively sought payment from the end-customer. Pursuant to the PRC Civil Code, civil legal acts shall be deemed invalid if (i) conducted through false declarations of intent between the parties; (ii) they violate mandatory provisions of laws or administrative regulations (unless the relevant mandatory provisions do not result in invalidity); (iii) they violate public order and good morals, or (iv) they are conducted through collusion between the parties to damage the legitimate rights and interests of others. As advised by our PRC Legal Advisors, the Back-to-Back Payment Terms adopted in our supplier contracts do not fall under any of the aforementioned scenarios that would render them invalid. Notwithstanding, the courts ruled in the abovementioned claims with our conveyor system supplier that such terms could not be relied upon to indefinitely postpone or extinguish our payment obligations once the supplier had fulfilled their contractual milestones.

Prior to occurrence of the aforementioned litigations, Back-to-Back Payment Terms in our other procurement contracts had adopted substantially the same wording, including on timing and conditions to performance of our payment obligations. As of the Latest Practicable Date, we have enhanced the drafting of the Back-to-Back Payment Terms by adding more detailed provisions on payment timing and conditions. The enhanced provisions have been used in recent purchases.

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As of December 31, 2025, trade payables corresponding to above claims were fully recorded on our consolidated financial statements. On this basis, our Directors are of the view that sufficient accounting treatment has been made in relation to these claims.

Claims related to customers

We have two concluded litigations exceeding RMB1.0 million with separate customers.

- We filed a claim against one customer seeking outstanding payments totaling approximately RMB12.5 million for goods delivered, along with overdue payment losses. In addition, this customer sought to hold the customer’s shareholder liable (on a supplementary basis) for any outstanding debts to the extent this customer failed to fully satisfy its payment obligations. In response, this customer filed a counterclaim against us for a refund of advance payments of approximately RMB29.3 million and a penalty for breach of contract of approximately RMB8.4 million. In November 2025, the court rendered a judgment dismissing the counterclaim and ordering the customer to pay approximately RMB12.5 million for goods delivered, along with overdue payment losses. In December 2025, we filed a petition for bankruptcy liquidation against the customer, which the court has accepted for filing.
- We filed a claim against a third customer seeking outstanding payments of approximately RMB6.6 million for formal acceptance. In response, this customer filed a counterclaim against us, requesting our Company to complete final acceptance and delivery of the project, and to pay liquidated damages from the day following the due date for final acceptance (calculated as RMB21.4 million up to February 28, 2025). In March 2025, the court issued an order to freeze RMB7.0 million worth of the customer’s bank account funds or equivalent assets. In January 2026, following court-mediated negotiations, we reached a settlement agreement with the customer, and the court subsequently issued a Civil Mediation Statement. According to the Civil Mediation Statement, the goods we had already delivered became the customer’s property, and the customer was required to pay us RMB2.3 million after deducting the expenses we agreed to cover. In February 2026, the customer paid RMB2.1 million, with the remaining RMB0.2 million outstanding.

Tax Matters

Tax Matter Notice

In October 2024, we received a notice (the “**Tax Matter Notice**”) from the First Tax Sub-branch of the Wuxi Municipal Tax Bureau of the State Taxation Administration (國家稅務總局無錫市稅務局第一稅務分局) (“**Wuxi Tax Bureau**”) during tax inspection requesting us to provide corporate financial audit reports, corporate income tax audit reports, financial electronic data, and other materials from 2021 to 2023 in accordance with the relevant tax regulations in China.

Upon receipt of the notice, we conducted a self-review of the Company’s tax payments from 2019 to 2024. We found that we had underpaid value added tax (VAT) and surtaxes, corporate income tax, stamp duty and withheld individual income tax, in the aggregate amount of RMB38.5 million. This was primarily due to inadvertent misinterpretation of the relevant PRC tax laws and regulations, as follows:

- **VAT.** Total VAT underpaid amounted to RMB33.7 million. Advance payments were collected from customers before final project acceptance and revenue recognition. The Wuxi Tax Bureau determined that under applicable VAT regulations, certain sales should be treated as subject to VAT upon receipt of advance payments, particularly for long cycle contracts. Due to inadvertent misinterpretation of the applicable VAT liability timing rules which were subsequently clarified, certain amounts of VAT were not timely

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declared. The revised PRC VAT Law (adopted in December 2024 and effective from 1 January 2026) aims to standardize the VAT liability timing rules. Further, VAT was not declared on interest income deriving from structured deposits for the period from 2021 to 2023.

- **Corporate income taxes.** Total corporate income tax underpaid amounted to RMB0.6 million. Certain research and development expenses in 2023, while eligible under accounting standards, did not meet the criteria for deduction for corporate income tax, thus requiring adjustment of taxable income for 2023.
- **Stamp duty.** It was found that stamp duty was not paid on goods transportation contracts in the amount of RMB3.0 thousand.
- **Withheld income taxes.** There was a shortfall in individual income tax withheld and remitted, in the amount of RMB0.2 million.
- **Surtaxes linked to VAT.** Additional payment of surtaxes linked to VAT (including urban construction tax, education surcharge, and local education surcharge) in the amount of RMB4.0 million was required to account for the adjusted VAT amounts.

In November 2024, we settled all such underpaid taxes in the aggregate amount of RMB38.5 million (collectively, the “**Supplementary Tax Payments**”). We also settled a fee for late payment of RMB9.8 million (the “**Late Payment Fee**”).

In accordance with a statement of circumstances (“**Statement of Circumstances**”) dated May 8, 2025 issued by Wuxi Municipal Huishan District Tax Bureau of the State Taxation Administration (國家稅務總局無錫市惠山區稅務局) (“**Huishan Tax Bureau**”), which is the competent tax authority of the Company, it was confirmed that (i) as of the date of the Statement of Circumstances, our Company has fully settled all outstanding taxes and late payment surcharges; and (ii) neither our Company nor its subsidiaries have any unpaid taxes. The Statement of Circumstances states that pursuant to the Tax Collection and Administration Law and the Administrative Penalty Law of the People’s Republic of China (中華人民共和國行政處罰法) (the “**Administrative Penalty Law**”), the payment of the Late Payment Fee does not constitute an administrative penalty, and the Huishan Tax Bureau had not imposed any administrative penalties to the Company in relation to the aforementioned matters, nor will do so in the future.

The shortfalls were not identified by the Directors prior to receipt of the Tax Matter Notice because the relevant issues arose primarily from inadvertent misinterpretation of PRC VAT regulations. More than 97% of the Supplementary Tax Payments related to VAT and VAT-linked surtaxes. Further, the lack of timely legal advice and inadvertent oversight of the responsible staff at the material time contributed to the shortfalls not being identified earlier. Save for (i) the Directors being promptly informed of the Tax Matter Notice and (ii) Ms. Du Jing (杜晶), our executive Director and chief financial officer, overseeing the review and settlement process, including self-review calculations and communication with the Wuxi Tax Bureau, the Directors were not otherwise involved in the Tax Incident.

Software Development VAT Refunds

Following payment of the Supplementary Tax Payments and the Late Penalty Fee, we engaged the Tax Consultant to conduct a comprehensive review of our Group’s tax filings and payment obligations. The Tax Consultant found that our subsidiary, Wuxi Zhongnuo, had claimed certain VAT refunds during the Track Record Period (the “**Software Development VAT Refunds**”) that did not completely meet VAT refund regulations due to an administrative oversight in assessing eligibility. Certain software products for which Wuxi Zhongnuo had claimed such refunds were developed by Wuxi Zhongnuo upon software originally created by a subsidiary of our Group that

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had subsequently been deregistered, and therefore did not fully meet the definition of “self-developed software products” as required under the relevant regulations. Accordingly, Wuxi Zhongnuo voluntarily repaid the VAT amount of RMB5.1 million and the related late payment surcharges to the tax authority in November 2025, and obtained a tax payment certificate issued by the competent tax bureau. No administrative penalty was imposed in respect of this matter.

On November 3, 2025, the Huishan Tax Bureau issued a written statement (together with the Statement of Circumstances, the “**Statements of Circumstances**”) confirming that, as of the date of the statement, Wuxi Zhongnuo had fully returned the relevant tax incentive amounts and paid the corresponding late payment surcharges, with no outstanding tax liabilities. The Huishan Tax Bureau confirmed that it had not imposed any administrative penalties on Wuxi Zhongnuo in connection with the Software Development VAT Refunds and would not do so in the future. It further stated that Wuxi Zhongnuo has no other tax-related issues and has not been subject to any administrative penalties for violations of PRC tax laws and regulations.

The Software Development VAT Refunds were not identified by the Directors prior to review by the Tax Consultant because the relevant issues arose primarily from inadvertent misinterpretation of PRC VAT regulations and oversight of the responsible staff. Save for (i) the Directors being promptly informed of the matter and (ii) Ms. Du Jing (杜晶), our executive Director and chief financial officer, overseeing the review and settlement process, including self-review calculations and communication with the Huishan Tax Bureau, the Directors were not otherwise involved in the matter.

View of the PRC Legal Advisors

As advised by our PRC Legal Advisors, the issuance of the Tax Matter Notice by Wuxi Tax Bureau, together with the Company’s voluntary Supplementary Tax Payments and Late Payment Fee do not qualify as an administrative penalty under the Tax Collection and Administration Law and Administrative Penalty Law. Further, given that the Supplementary Tax Payments and the Late Payment Fee have been settled, our PRC Legal Advisors are of the view that the Tax Matter Notice does not result in a material adverse impact to the Company’s operations. Tax compliance certificates issued by the competent tax authorities in our principal operating locations, including Wuxi, Suzhou, Shanghai and Hangzhou, between January 2025 and January 2026 confirm that our Company (including branch offices) and subsidiaries had no outstanding tax payment obligations, no records of material tax-related violations or administrative penalties, and no material instances of tax arrears in the relevant jurisdictions.

As advised by our PRC Legal Advisors, settlement of VAT and late payment surcharges to the tax authority in respect of the Software Development VAT Refunds does not qualify as an administrative penalty and, given such full settlement, our PRC Legal Advisors are of the view that the Software Development VAT Refunds do not result in a material adverse impact to the Group’s operations.

In consequence, based on the above, and having reviewed the Tax Consultant’s advice, our PRC Legal Advisors are of the view that as of the Latest Practicable Date, the Group’s tax obligations during the Track Record Period and up to the Latest Practicable Date had been properly recorded and fulfilled in a timely manner in all material respects. Save as disclosed above, the Group has been in compliance with relevant PRC tax laws and regulations in respect of the Group’s tax filing and payment obligations during the Track Record Period and up to the Latest Practicable Date in all material respects.

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View of the Tax Consultant

As advised by the Tax Consultant:

- (i) the Company’s failure to make timely tax payments in respect of the Tax Matter Notice arose from a misinterpretation of tax regulations, and the Supplementary Tax Payments related mainly to value-added tax on advance receipts, which represented a timing difference rather than intentional tax evasion or avoidance. All overdue taxes and related surcharges were subsequently settled and duly recorded in the Company’s accounts;
- (ii) the Software Development VAT Refunds primarily arose from differences in Wuxi Zhongnuo’s understanding of the “self-developed software products” requirement under the applicable VAT refund regulations. There was administrative oversight in the internal assessment process for determining eligibility under the policy. Given that all related VAT refunds have been fully repaid and rectified, the Tax Consultant is of the view that neither the Group nor its Directors engaged in any act of intentional tax evasion, underpayment, or fraudulent claim of tax benefits;
- (iii) having reviewed the Company’s tax returns, tax payment certificates and tax calculation ledgers, the Tax Consultant noted that the Company has duly recorded its tax liabilities in full and has fully settled the relevant taxes in connection with the Tax Matter Notice and the Software Development VAT Refunds. The Tax Consultant is therefore of the view that (a) as of the Latest Practicable Date, the Group had fully recorded its value-added tax, VAT-related surcharges, corporate income tax, individual income tax and stamp duty during the Track Record Period up to the Latest Practicable Date; and (b) following its self-inspection and repayment in respect of the VAT refunds, the Group has, in all material respects, complied with applicable PRC tax laws and regulations in fulfilling its tax reporting and payment obligations; and
- (iii) having considered that (a) the Group has established internal control procedures covering areas such as accounts receivable, structured deposits, R&D expense collection, withholding and payment of individual income tax, and contract stamp duty, with clear mechanisms for information transmission and ledger management between business units and the finance and tax departments; (b) interviews and verification results indicated that tax officers have complied strictly with established procedures in the tax filing process, and that the relevant tax filing records and tax payment certificates confirmed consistency between amounts due and amounts paid; and (c) the Group has further enhanced its internal controls following the Tax Matter Notice and the Software Development VAT Refunds to address potential risk points and to ensure the timeliness and completeness of tax filings, the Tax Consultant is of the view that the Group has implemented effective internal control measures which are operating effectively and are sufficient to prevent the recurrence of similar incidents.

View of the Directors and the Sole Sponsor

The Directors are of the view, and the Sole Sponsor concurs, that the aforesaid tax incidents were isolated incidents which would not negatively impugn on the competence and integrity of the Directors under Rules 3.08 and 3.09 of the Listing Rules for the reasons below:

- (i) The tax incidents do not involve willful intent of the Directors or the Company to evade tax, but were primarily attributable to inadvertent misinterpretation of the relevant PRC tax laws and regulations, the lack of timely legal advice, and inadvertent oversight of the responsible staff at the material time;

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- (ii) In accordance with the Statements of Circumstances, the Supplementary Tax Payments and Late Payment Fee in respect of the Tax Matter Notice and the repayments in respect of the Software Development VAT Refunds have been settled voluntarily;
- (iii) Our PRC Legal Advisors have confirmed that the issuance of the Tax Matter Notice by Wuxi Tax Bureau, together with the Company's (a) voluntary Supplementary Tax Payments and Late Payment Fee and (b) settlement of VAT and late payment surcharges to the tax authority in respect of the Software Development VAT Refunds do not qualify as an administrative penalty under the Tax Collection and Administration Law and Administrative Penalty Law. The foregoing circumstances do not result in a material adverse impact to the Company's operations; and
- (iv) As confirmed by our PRC Legal Advisors, in connection with the Tax Matter Notice and the Software Development VAT Refunds, none of our Directors had been penalized or ruled unsuitable to serve as a director of our Company by any regulatory authorities in the PRC as of the Latest Practicable Date.

Measures Adopted

In response to the tax incidents as aforementioned, we have adopted the following enhanced measures which our Directors believe and the Sole Sponsor concurs are adequate and effective to prevent the recurrence of similar incidents of non-compliant tax practices going forward:

- (i) We have engaged an internal control consultant to review the effectiveness of our internal controls associated with our major business processes, which included our tax management system. The internal control consultant noticed that (a) the Group did not establish a comprehensive tax related management policy to govern the Group's tax declaration, payment, management and other related matters; and (b) the relevant tax payable amount, which was calculated by the finance and accounting staff, was not further reviewed and checked before the final payment. The aforesaid deficiencies had contributed to the failure of application of the appropriate tax related laws by the relevant finance staff or detection of the overlooked tax payment, aside from the lack of timely legal advice at the material time and the failure of the relevant staff responsible for tax filing to keep up-to-date understanding to the relevant tax related laws. In response to the tax incidents and at the recommendation of the internal control consultant, we had formulated and implemented a comprehensive tax management policy, which had set out the relevant requirements on tax registration management, tax declaration, tax payment and tax planning, management and safekeeping of tax files and invoice management, and tax dispute resolution procedures. In particular, pursuant to the tax management policy, we have assigned a staff in our financial department with adequate knowledge and experience in tax related field as our designated tax officer (the "**Tax Officer**"). The Tax Officer is responsible for computing and checking various types of tax payable by us in accordance with the applicable laws and regulations, settling payment in relation to individual income tax in a timely manner, and informing managers and head of the finance department with respect to any changes in the tax-related laws and regulations and policies. In addition, the calculation of the amount of tax payable will also be further reviewed and checked by the relevant tax accounting staff and general ledger accounting staff before proceeding to the final payment.
- (ii) We have established a governance structure consisting of decision-making level, supervision level and management and execution level, each with clearly defined roles and responsibilities to oversee the Group's tax matters.

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The decision-making level is led by the Board, which assumes the sole responsibility to approving the overall corporate tax strategic plans and mitigation and response plans to address material taxation risks. The Board is also responsible for, among others, directing and supervising the execution of the tax-related internal control measures by the management, approving relevant tax arrangements for major corporate actions and regularly attend progress meeting to keep informed of the latest status of the tax management works.

The supervision level is directed by our deputy general manager and Board secretary, Mr. Dai Wenbin, and includes our internal control director and internal control staff. The supervision level ultimately reports to the Board, and is primarily responsible for, among others, formulating corporate tax audit policies and annual tax audit plans, organizing tax audits, assessing the level of tax-related risks of the Group and devising strengthening measures, inspecting the execution status of the tax management measures and tax filings of the Group to ensure accuracy and compliance with the relevant laws and regulations, preparing tax report for submission to the Board and reporting to the Board the relevant findings and rectification measures adopted in relation to tax matters.

The management and execution level is directed by our chief financial officer, Ms. Du Jing, and includes the tax director and tax staff. The management execution level is primarily responsible for, among others, handling the daily tax filings, calculation and settlement of tax payables, liaising with the relevant tax authorities, safekeeping the relevant tax filing documents and invoices, and assisting the supervision level in conducting the tax audits. The management and execution level is further assisted by the heads of the relevant departments in the Group, including the legal department, sales department, procurement department and research and development department, who would provide all necessary assistance to the management execution level in resolving tax-related matters in their respective aspect of business operation and ensuring the compliance with the relevant tax related laws and regulations.

- (iii) We have established a communication framework to ensure the Board is regularly informed of the latest status of tax-related matters of the Group. For instance, our chief financial officer will organize quarterly meetings and annual meetings to report to the Board the implementation status of the tax related internal control policies, tax issues encountered, and/or any tax-related deficiencies identified and improvement measures proposed. Special meetings with the Board will also be called in the event the relevant PRC tax authorities have proposed any material tax arrangement or material adjustment to tax policies or there are any matters that may potentially affect the Group’s compliance with the relevant tax-related laws and regulations.
- (iv) In addition to the above arrangements, we have engaged the Tax Consultant for the period up to the date when we publish our annual results for the year ending 31 December 2026 on the website of the Stock Exchange or 31 May 2027 (whichever is the earlier) to primarily, among others, review our business operation and assess our tax payment obligation under each major category of tax, provide advices and formulate action plans with respect to tax matters, assist us to strengthen our tax management system, and provide advice to our tax filings during our daily operations, with the aim to mitigating the risk of recurrence of similar tax related incidents.
- (v) We will engage qualified accounting firms to conduct audit on our financial statements going forward after our [REDACTED]. We will also consider engaging legal advisers or other professional advisers to advise the Board on tax-related matters as and when necessary.

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Shortfalls in Social Insurance and Housing Provident Funds

During the Track Record Period and up to the Latest Practicable Date, we did not make full contributions to social insurance and housing provident funds for our employees in accordance with relevant PRC laws and regulations. This is primarily because certain employees were not willing to bear their share of social insurance and housing provident funds strictly in proportion to their salary. In 2023, 2024 and 2025, we estimate the shortfalls in the aggregate amounts of contributions made by the Group to its employees' social insurance and unpaid housing provident funds were approximately RMB0.4 million, RMB0.6 million and RMB0.4 million, respectively. Pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of social insurance contributions as required within the stipulated period, we may be subject to fines and late charges. See “Regulatory Overview — Laws and Regulations Related to Social Insurance and Housing Provident Fund” and “Risk Factors — Risks Related to Our Legal and Regulatory Requirements — Failure to comply with the Labor Contract Law or other PRC labor related regulations and rules may have an adverse impact on our financial conditions and results of operations” for further details. According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), for the shortfall of social insurance, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period and to pay a daily overdue charge of 0.05% of the delayed payment amount, and (ii) to pay a fine of one to three times of the overdue amount if such payment is not made within the stipulated period. Under the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), for the shortfall of housing provident funds, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period, and (ii) an application may be made to the courts for compulsory enforcement if the payment is not made within such time limit.

We have not made provisions in our consolidated financial statements for the historical shortfalls in social insurance and housing provident fund contributions. As advised by our PRC Legal Advisors, the risk of the competent authorities for social insurance and housing provident funds proactively ordering us to make up the required contributions to social insurance and housing provident funds, or to pay administrative fines or penalties, is relatively low, based on the following considerations: (i) consultations with competent government authorities indicating that they would not voluntarily initiate regulatory actions to require supplementary contributions or impose penalties in the absence of employee complaints, policy adjustments, or changes to our Group's current circumstances; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties related to social insurance or housing provident fund contributions; (iii) as of the Latest Practicable Date, we had not received any notifications from the relevant government authorities requiring payment of shortfalls or overdue charges for social insurance or housing provident funds; and (iv) the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Guidelines of the Executive Meeting of the State Council to Practically and Effectively Stabilize the Collection of Social Insurance Payments (《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》) promulgated on September 21, 2018, by the Ministry of Human Resources and Social Security stipulates that, administrative authorities are prohibited from organizing centralized collection efforts for historical social insurance arrears unilaterally.

To address historical non-compliance with the full contribution of social insurance and housing provident fund amounts for certain employees, we have formulated a phased rectification plan. Employees will be grouped by rank and employment entity with contributions rectified in phases in order to (i) minimise disruption to employees by allowing time to adapt to reduced take-home pay, given that PRC regulations require contributions to be borne by both the employer and employees; and (ii) coordinate implementation across multiple jurisdictions with differing local requirements. We undertake to complete rectification as soon as practicable if we receive notification from competent government authorities requiring payment of shortfalls or overdue charges for social insurance or housing provident funds, such that we will not receive administrative punishment from the relevant government authorities due to the failure to make contributions on time.

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On July 31, 2025, the Supreme People’s Court of the PRC issued the Interpretation II by the Supreme People’s Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)) (the “**Interpretation II**”), which took effect from September 1, 2025. Pursuant to the Interpretation II, it is a statutory obligation on both the employers and employees to participate in social insurance. Any arrangement not to participate in social insurance, either by unilateral undertaking or mutual agreement, is invalid. Further, the Interpretation II specifies that if the employee terminates their labor contract on the grounds that the employer has failed to make social insurance contributions as required by law, and claims economic compensation from the employer, the People’s Court of the PRC shall uphold the claim. As advised by our PRC Legal Advisors, the Interpretation II will not have a material adverse impact on our business operation and financial position considering that (i) during the Track Record Period and up to the Latest Practicable Date, our Company and our subsidiaries in the PRC have not made any arrangement with their employees not to participate in statutory social insurance, either by unilateral undertakings or mutual agreements; (ii) during the Track Record Period and up to the Latest Practicable Date, there were no incidents with regard to the termination of the labour contracts between our Company and our respective employees, which was initiated by our employees, on the grounds that we had failed to make social insurance contributions; and (iii) the Interpretation II does not expand penalty exposure or repeal existing laws.

CONNECTED TRANSACTIONS

OVERVIEW

We set out below (i) our Group’s one-off transaction with certain connected persons on agreed terms before the [REDACTED]; and (ii) certain transactions with connected persons that will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon [REDACTED].

SUMMARY OF OUR CONNECTED PERSONS

The table below sets forth certain parties who will become our connected person upon [REDACTED] and the nature of their respective relationships with our Group:

Connected Persons	Connected Relationship (as of the Latest Practicable Date)
Noblelift Company.	Our Controlling Shareholder
Savoie	A subsidiary of Noblelift Company

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

License Agreement

On December 26, 2023, Savoie entered into the Licensed Agreement with our Company, pursuant to which Savoie granted our Company a non-exclusive and non-transferable right and license to manufacture, utilize, assemble, install, market, distribute and/or sell the X-PTS Licensed Products in the PRC (including Taiwan Region, Hong Kong and Macao Special Administrative Region of the PRC) (the “**Authorized Territory**”), and to utilize and exploit the technology relating to the X-PTS Licensed Product for a period of three years from the effective date of the License Agreement. Pursuant to the License Agreement, our Company shall have the right, subject to compliance with terms and conditions of the License Agreement, to manufacture, sell and distribute the X-PTS Licensed Products to any third party within the PRC (including Taiwan Region, Hong Kong and Macao Special Administrative Region of the PRC).

In consideration of the aforesaid licence granted by Savoie, our Company shall pay Savoie (i) a lump sum license fee of €850,000; and (ii) royalties amounting to 0.5% of the aggregate net sales price for each X-PTS Licensed Product sold by our Company in accordance with the License Agreement. The lump sum license fee had been fully settled in February 2024. During the Track Record Period, the X-PTS Licensed Products have yet to commercialize in the PRC and no revenue was derived from the X-PTS Licensed Product. Based on the information currently available and the best estimation by our Directors, it is expected that the research and development on the upgrades and the product testings with respect to the relevant X-PTS Licensed Products will be completed by or around August 2026, afterwards the launch of the relevant X-PTS Licensed Products and market promotion are contemplated to commence by or around October 2026.

In alignment with our strategic vision to expand into light load, high-speed logistics solution and tote/bin AS/RSs in Asia, we intend to enter into a supplemental agreement to the License Agreement with Savoie, pursuant to which the original authorized territory with respect to the X-PTS Licensed Products under the License Agreement shall be expanded from covering only the PRC (including Taiwan Region, Hong Kong and Macao Special Administrative Region of the PRC) to the relevant countries in Asia, and the non-exclusive license currently granted under the current License Agreement shall become an exclusive license. In this regards going forward, all sales of Licensed Products in the relevant countries in Asia must be conducted through our Company, and the relevant customers shall enter into supply agreement with our Company accordingly. For further details, please refer to the paragraph headed “Relationship with our Controlling Shareholders — Delineation of businesses” in this document.

CONNECTED TRANSACTIONS

Reasons and benefits of the transaction

The X-PTS series tote/bin AS/RSs are specialised for use in light load lifting with a maximum loading capacity of 32kg and a maximum size of 620mm*420mm. As a result, the License Agreement would enable us to fulfill our vision to expand our product line of light load and high speed logistics solutions and tote/bin AS/RSs in the PRC, thus further enhancing our competitiveness in the industry. In light of the above, our Directors (including the independent non-executive Directors) are of the view that the License Agreement was entered into on normal commercial terms after arm’s length negotiations among the parties, which are fair and reasonable and are in the interests of the Group and the Shareholders taken as a whole.

Implications under the Listing Rules

Based on the current arrangement and information available to our Company, it is envisaged that the highest applicable percentage ratios for the royalties payable under the License Agreement for the purpose of Chapter 14A of the Listing Rules will be less than 5% and the total consideration will be less than HK\$3 million on an annual basis, such transactions under the License Agreement will constitute de minimis continuing connected transaction of our Company that will be fully exempt from reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS THAT ARE SUBJECT TO REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS

1. Connected Transactions relating to the smart intralogistics solutions provided to the Retained Noblelift Group

One-off connected transaction of provision of smart intralogistics solutions — Smart Intralogistics Solutions Agreement

Background and principal terms

On April 2, 2025, our Company entered into an equipment sales and installation agreement (the “**Smart Intralogistics Solutions Agreement**”) with Noblelift Company, pursuant to which our Group shall provide smart intralogistics solutions, with scope of works covering the delivery of equipment, installation, and testing for a smart warehouse project of Noblelift Company (the “**2025 Smart Intralogistics Project**”), at a contract price of approximately RMB8.4 million. Based on current estimation, the project will have a construction period of 180 days. The equipment supplied under the agreement is subject to a quality guarantee period of one year, during which our Company will provide maintenance service free of charge.

Pursuant to the terms of the Smart Intralogistics Solutions Agreement, the contract price shall be paid in the following manner: (1) 30% of the contract price shall be paid as prepayment after the execution of the agreement; (2) 30% of the contract price shall be paid upon the inspection and acceptance of the racks after their delivery; (3) up to 90% of the contract price (inclusive of the aforesaid payments) upon the inspection and acceptance after the completion of the project; and (4) 10% of the contract price shall be paid after the expiry of the quality guarantee period. The contract price was negotiated after arm’s length negotiation between our Company and Noblelift Company on normal commercial terms, having taken into account the long term relationship between our Group and Noblelift Company, the costs of the relevant equipment and labor required, and the target gross profit margin.

CONNECTED TRANSACTIONS

Reasons and benefits of the transaction

Pursuant to the Smart Intralogistics Solutions Agreement, Noblelift Company engaged us to provide smart intralogistics solutions to the warehouse under the 2025 Smart Intralogistics Project. To the best knowledge and information of our Directors, Noblelift Company engaged us due to our close relationship with Noblelift Company and our expertise and established position in the industry as a smart intralogistics and warehouse automation solution provider in China. Our Directors believe the above transaction would benefit our Group by (i) continuing to strengthen our relationship with Noblelift Company; and (ii) generating additional income for our Group.

Continuing connected transaction of provision of after-sale services to the Retained Noblelift Group – Sales Framework Agreement

Background and principal terms

As set out in the paragraph headed “Business — Our business model — After-sales services” in this document, we provide after-sales services to customers who have purchased our smart intralogistics solutions in order to support the long-term performance and reliability of our solutions. Since 2019, our Company has been providing after-sales services to Noblelift Company with respect to a warehouse equipped with smart logistics solutions provided by us (the “**2018 Smart Intralogistics Project**”). Over the years, Noblelift Company has entered into annual maintenance service agreements with us for the procurement of our maintenance services, and placed purchase orders of spare parts with us from time to time for replacement of spare parts when necessary.

As the aforesaid after-sales services for the 2018 Smart Intralogistics Project provided to Noblelift Company is expected to continue after the [REDACTED], and it is envisaged that Noblelift Company would engage us to provide after-sales services with respect to the 2025 Smart Intralogistics Project, therefore on [●] 2026, our Company and Noblelift Company entered into a sales framework Agreement (the “**Sales Framework Agreement**”), pursuant to which Noblelift Company has agreed to procure after-sales services (including maintenance services and procurement of spare parts for the relevant smart intralogistics solutions related products) from us. Pursuant to the Sales Framework Agreement, Noblelift Company may further enter into definitive agreements with us setting out the specific details of the transactions contemplated, including the settlement method and timing of payment, which shall be in conformity with the principles as set out in the Sales Framework Agreement. The term of the Sales Framework Agreement is for the period commencing from the [REDACTED] and up to December 31, 2027.

Reasons and benefits of the transaction

The transactions contemplated under the Sales Framework Agreement are the on-going after-sales support we expect to provide to Noblelift Company for the relevant products in relation to the smart intralogistics solutions provided by us, primarily for the warehouses of Noblelift Company equipped with the smart intralogistics solutions provided by us, i.e. the 2018 Smart Intralogistics Project and the 2025 Smart Intralogistics Project. To the best knowledge and information of our Directors, Noblelift Company elects to retain us to provide the relevant after-sales services as we possess the necessary expertise and skills to support the long-term performance and reliability of the smart intralogistics solutions provided by us, given these smart intralogistics solutions have been tailored-made by us to best suit the particular needs of Noblelift Company.

Pricing policy

The terms of the Sales Framework Agreement were determined on normal commercial terms after arm’s length negotiations between Noblelift Company and us. The price of the after-sales services under the Sales Framework Agreement shall be fair and reasonable and reflect normal

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commercial terms, with reference to our costs, including (i) our cost of procurement for supplying the spare parts based on the number, type and specifications required by Noblelift Company, and (ii) our costs of raw materials and labor costs for the maintenance services procured by Noblelift Company based on the expected number of our staff involved and the time spent by them on the relevant maintenance services required.

Historical transaction amounts and annual caps and basis

For purposes of Rules 14A.81 and 14A.82 of the Listing Rules, the transactions under the Smart Intralogistics Solutions Agreement and the Sales Framework Agreement shall be aggregated on the bases that (i) the Smart Intralogistics Solutions Agreement and the Sales Framework Agreement were both entered into between us and Noblelift Company and (ii) the transactions contemplated under the Sales Framework Agreement are related to the warehouses of Noblelift Company equipped with the smart intralogistics solutions provided by us (including the 2025 Smart Intralogistics Project under the Smart Intralogistics Solutions Agreement).

For purposes of Rules 14A.81 and 14A.82 of the Listing Rules, the total transaction amounts in respect of the transaction with respect to the provision of smart intralogistics solutions to Noblelift Company and the transactions with respect to the provision of after-sales services to Noblelift Company for the years ended December 31, 2023 and 2024 and 2025 are set out as follows:

	For the year ended December 31,		
	2023	2024	2025
	(RMB'000)	(RMB'000)	(RMB'000)
Provision of smart intralogistics solutions to Noblelift Company (<i>Note</i>)	–	–	–
Provision of after-sales services to Noblelift Company	483	327	131
Total	483	327	131

Note: We did not provide any smart intralogistics solutions to Noblelift Group during the Track Record Period, and hence no transaction amount was recorded.

For purposes of Rules 14A.81 and 14A.82 of the Listing Rules, the proposed annual caps in respect of the transaction under the Smart Intralogistics Solutions Agreement and the transactions contemplated under the Sales Framework Agreement for the years ending December 31, 2026 and 2027 are as follows:

	For the year ending December 31,	
	2026	2027
	(RMB'000)	(RMB'000)
Provision of smart intralogistics solutions under the Smart Intralogistics Solutions Agreement	8,450	–
Provision of after-sales services to the Retained Noblelift Group under the Sales Framework Agreement	443	515
Total	8,893	515

The above proposed annual caps are determined with reference to (i) the historical transaction amounts in respect of the after-sales services provided to Noblelift Company for the 2018 Smart Intralogistics Project. Based on our experience, considering that the 2018 Smart Intralogistics Project would be approaching its 8th to 10th years of its life during the two years ending December

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31, 2027, it is expected that more frequent and substantial maintenance and replacement of the relevant equipment would be required as the equipment in the 2018 Smart Intralogistics Project continues to age, and hence the transaction amount for the after-sales services for the 2018 Smart Intralogistics Project is expected to increase during the two years ending December 31, 2027; (ii) the revenue to be recognized from the delivery of the 2025 Smart Intra-logistics Project. As at the Latest Practicable Date, the Group has already commenced carrying out the 2025 Smart Intra-logistics Project. Based on the current estimation and barring any unforeseen circumstances, the 2025 Smart Intralogistics Project is expected to be completed and delivered in 2026. Based on our accounting policies, revenue from our provision of smart intralogistics solutions is generally recognized upon completion of the relevant project acceptance. As a result, the entire revenue from the provision of the 2025 Smart Intralogistics Solution is expected to be recognised in 2026 upon delivery of the project; and (ii) the expected transaction amount for the after-sales services to be rendered to the 2025 Smart Intralogistics Project with reference to the nature and complexity of the 2025 Smart Intralogistics Project.

Implications under the Listing Rules

For purposes of Rules 14A.81 and 14A.82 of the Listing Rules, the transactions under the Smart Intralogistics Solutions Agreement and the Sales Framework Agreement shall be aggregated (For details, please refer to the paragraph headed “Historical transaction amounts and annual caps and basis” above). As the highest of all applicable percentage ratios in respect of the transaction under the Smart Intralogistics Solutions Agreement and the transactions contemplated under the Sales Framework Agreement on an aggregated basis will be more than 0.1% but less than 5%, such transactions will be subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

2. Continuing Connected Transactions relating to procurement of equipment and after-sales services

Procurement Framework Agreement

Background and principal terms

On [●] 2026, our Company entered into the procurement framework agreement (“**Procurement Framework Agreement**”) with Noblilift Company, pursuant to which our Group shall have the right to procure from the Retained Noblilift Group (i) the relevant smart intralogistics solution related equipment (including but not limited to lift carts (提升小車), forklifts (叉車) and automatic guided vehicles (AGV) (the “**Relevant Equipment**”); and (ii) the after-sales services for the Relevant Equipment for a term commencing from the [REDACTED] to December 31, 2026.

Pursuant to the Procurement Framework Agreement, the parties shall enter into definitive agreements to set out the specific details of the transactions contemplated (including but not limited to settlement method and timing of payment), which shall be in conformity with the principles set out in the Connected Procure Framework Agreement. The terms and conditions of the Procurement Framework Agreement shall be consistent with the terms and conditions of comparable procurement agreements entered into between our Group and other independent third parties.

Reasons and benefits of the transaction

During the Track Record Period and from time to time, we would procure the Relevant Equipment manufactured by the Retained Noblilift Group either for self-use or for use in our smart intralogistics solutions provided to our customers. Taking into account (i) our close and long term relationship with the Retained Noblilift Group; (ii) the Relevant Equipment supplied by the Retained Noblilift Group and the subsequent after-sales services have been able to satisfy the project needs of our Group and we have not experienced any material issues or found any material

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defects over the years; (iii) the Relevant Equipment are manufactured by the Retained Noblelift Group, and the Retained Noblelift Group possesses the necessary knowledge and knowhow, and is best suited to conduct the after-sales services on the Relevant Equipment, our Directors are of the view that (a) it is in our commercial interest to continue the procurement of the Relevant Equipment from the Retained Noblelift Group; (b) the Procurement Framework Agreement is entered into on an arm’s length basis, on normal commercial terms and in the usual and ordinary course of business of our Group; and (c) the transactions contemplated under the Procurement Framework Agreement (including the annual cap) are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

Pricing Policy

The purchase prices of the Relevant Equipment and its required after-sales services shall be determined after arm’s length negotiation between our Company and the Retained Noblelift Group and reflect normal commercial terms, with reference to the type of the Relevant Equipment and the specifications required, and where relevant, the types and quantities of spare parts required, the type and complexity of maintenance works to be performed and the labor costs expected to be incurred. As the price of Relevant Equipment could vary with the different specifications requested, to ensure the offer price of Relevant Equipment provided by the Retained Noblelift Group commensurates with the market price, we would obtain quotations from independent third party suppliers for equipment with similar specifications as reference.

Historical transaction amounts and annual caps and basis

The total transaction amounts in respect of the transactions under the Procurement Framework Agreement for the years ended December 31, 2023 and 2024 and 2025 are set out as follows:

	For the year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Procurement of Relevant Equipment and after-sales services	11,327	2,280	9,493

The proposed annual cap in respect of the transactions contemplated under the Procurement Framework Agreement for the year ending December 31, 2026 are as follows:

	For the year ending December 31, 2026
	RMB’000
Procurement of Relevant Equipment and after-sales services	16,000

In determining the above annual cap for the transactions contemplated under the Procurement Framework Agreement, our Directors have taken into account the following factors:

- (i) our expected future demands for equipments from the Retained Noblelift Group, which is estimated with reference to (a) the average proportion of transaction amount of procurement of lift carts and forklifts from Noblelift Group to the total revenue of our Group generated from the provision of smart intralogistics solutions in the new energy industry during the three years ended December 31, 2025; (b) the estimated business growth of our Group during the year ending December 31, 2026; and (c) the procurement amount of the purchase orders on hand and those carried over from 2025 and expected to be completed in 2026;

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- (ii) our expected future demands for AGVs from the Retained Noblelift Group, which is estimated with reference to (a) the average proportion of transaction amount of procurement of AGVs from the Retained Noblelift Group to the total revenue of our Group generated from our provision of smart intralogistics solutions during the three years ended December 31, 2025; (b) the estimated business growth of our Group during the year ending December 31, 2026 and; (c) the procurement amount of the purchase orders on hand and those carried over from 2025 and expected to be completed in 2026; and
- (iii) the decrease in the transaction amount in 2024 was primarily attributable to the decrease in procurement of the Relevant Equipment during the year, which was the result of the management’s decision to adopt a more prudent practice to control our inventory level in light of (i) the slowdown of the smart intralogistics solution market for the new energy industry in the PRC in 2024; and (ii) the Relevant Equipment procured previously was able to satisfy part of the demands of the on-going projects during the year. In fact, our overall inventories has also correspondingly decreased from approximately RMB2.5 million as of December 31, 2023 to approximately RMB1.6 million as of December 31, 2024. Nevertheless, according to the CIC Report, the smart intralogistics solution market for the new energy industry in the PRC is expected to expand going forward, and is projected to reach RMB14.7 billion by 2030, with a CAGR of 13.8% from 2025 to 2030. In fact, the transaction amount of procurement of Relevant Equipment recorded in 2025 already amounted to RMB9.5 million.

Implications under the Listing Rules

As the highest of all applicable percentage ratios in respect of the transactions under the Procurement Framework Agreement will be more than 0.1% but less than 5%, such transactions will be subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

WAIVER APPLICATION FOR PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the continuing connected transactions under the paragraph headed “Partially Exempt Continuing Connected Transactions that are subject to reporting, annual review and announcement requirements” are expected to continue in the ordinary and usual course of our business on a continuing basis over a period of time and have been fully disclosed in this section, our Directors consider that additional administrative costs would be required if these transactions are subject to strict compliance with the announcement requirements under Chapter 14A of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted] a waiver from strict compliance with the requirement of announcement under Rule 14A.35 in respect of the partially exempt continuing connected transactions pursuant to Rule 14A.105 of the Listing Rules, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps stated above.

We will comply with the applicable requirements under the Listing Rules and will immediately inform the Stock Exchange if there is any changes to these partially exempt continuing connected transactions. If the Group enter into any new agreement with any of its connected persons, the Group must fully comply with the relevant requirements under Chapter 14A of the Listing Rules unless it apply for and obtain a separate waiver from the Stock Exchange.

CONNECTED TRANSACTIONS

INTERNAL CONTROL MEASURES

We have adopted the following internal control procedures to ensure that the continuing connected transactions are fair and reasonable and on normal commercial terms or better, and comply with applicable laws and regulations (including the Listing Rules):

- we have adopted and implemented a management system on connected transactions. Under such system, our Board and relevant departments of our Group will be responsible for the control and daily management in respect of the continuing connected transactions;
- our Board and relevant departments of our Group (including but not limited to the finance department and legal department) will be jointly responsible for evaluating the terms under the relevant continuing connected transaction agreements, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;
- when considering pricing for connected transactions, to the extent practicable, our Group will research prevailing market conditions and practices and make reference to the pricing and terms between our Group and independent third parties for similar transactions, to ensure that the pricing and terms offered by or to our connected persons are fair, reasonable and no less favorable than those to be offered by or to independent third parties;
- our independent non-executive Directors will conduct annual reviews of the continuing connected transactions to ensure that such transactions have been entered into on normal commercial terms, are fair and reasonable, and conducted according to the terms of the relevant agreements;
- the auditor of our Company shall issue a letter to our Board to express opinions on the continuing connected transactions on an annual basis. We shall allow our auditor to review and check the relevant accounts to facilitate them to express opinions; and
- when considering any renewal or revisions to the framework agreements after the [REDACTED], the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings and shareholders' meetings (as the case may be).

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including the independent non-executive Directors) are of the view that the above continuing connected transactions have been and will be entered into (i) in the ordinary and usual course of the business of our Group; (ii) on normal commercial terms or better; and (iii) the terms are fair and reasonable and in the interests of our Company and our Shareholders as a whole. The proposed annual caps in respect of the partially-exempt continuing connected transactions are also fair and reasonable and in the interest of our Company and our Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

Based on (i) the relevant documents and information provided by our Group, (ii) participation in the discussions with our management; and (iii) the relevant representations and confirmations from our Company and our Directors, the Sole Sponsor concurs with the views of the Directors that the partially-exempt continuing connected transactions described above, and for which waivers have been sought, have been and will be entered into in the ordinary and usual course of business of the Group, are on normal commercial terms or better and are fair and reasonable and in the interests of the Company and our Shareholders as a whole, and the proposed annual caps for these partially-exempt continuing transactions are also fair and reasonable and in the interest of our Company and our Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board of Directors consists of nine Directors, comprising six executive Directors, and three independent non-executive Directors. Pursuant to the Articles of Association, our Directors (other than the employee representative Director) are elected and appointed by our Shareholders at a Shareholders’ meeting, whereas employee representative Director is elected by the employee representative meeting of our Company. The Directors are appointed for a term of three years, which is renewable upon re-election and re-appointment.

The following table sets forth certain information regarding our Directors:

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Responsibilities
Executive Directors					
Mr. Ding Sheng (丁晟)	43	Chairman of the Board and executive Director	February 21, 2017	February 21, 2017	Responsible for providing leadership and governance of the Board and the overall strategic planning of our Group
Mr. Yang Tianbiao (楊天彪)	63	Vice chairman of the Board and executive Director	January 10, 2024	December 1, 2022	Responsible for the technological research and development of our Group
Mr. Chen Lisheng (陳黎升)	43	Executive Director and general manager	July 9, 2021	January 18, 2021	Responsible for the overall operations of our Group and overseeing the software business, supply chain management and engineering management of our Group
Mr. Li Xiaobing (李小兵)	53	Executive Director and deputy general manager	July 9, 2021	January 18, 2021	Responsible for the after-sales business, finance, human resources management, internal control and legal compliance, and information technology of our Group
Ms. Du Jing (杜晶)	41	Executive Director and chief financial officer	April 30, 2025	March 12, 2022	Responsible for the overall finance and accounting management
Mr. Su Tong (蘇彤)	47	Executive Director, employee representative Director and assistant to general manager	March 6, 2025	July 8, 2024	Served as the head of the presales business for our Group
Independent non-executive Directors					
Ms. Zhu Ying (朱應)	43	Independent non-executive Director	April 30, 2025	April 30, 2025	Responsible for overseeing and providing independent judgment to the Board
Ms. Lam Fei Sui (林菲萃)	47	Independent non-executive Director	April 30, 2025	April 30, 2025	Responsible for overseeing and providing independent judgment to the Board
Mr. Cong Runmin (叢潤民)	36	Independent non-executive Director	April 30, 2025	April 30, 2025	Responsible for overseeing and providing independent judgment to the Board

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Ding Sheng (丁晟) (with former name as Ding Yunlu (丁韞潞)), aged 43, is the chairman of our Board and an executive Director of our Company. Mr. Ding has been a Director and the chairman of the Board since February 21, 2017, and he was re-designated as an executive Director on April 30, 2025. Mr. Ding is primarily responsible for providing leadership and governance of the Board and the overall strategic planning of our Group.

Outside our Group, Mr. Ding has been serving as a director of Noblelift Company (a company whose shares are listed on the Shanghai Stock Exchange (stock code: 603611)) since December 2010 and the vice chairman of Noblelift Company since March 2020, where Mr. Ding is primarily responsible for providing strategic advice and participating in decision-making in respect of major matters such as corporate and business strategies. With more than 15 years of industry experience and a sharp business acumen, Mr. Ding recognized the growth potential and prospect of our Group, and was instrumental to Noblelift Company’s acquisition of our Company in 2016 and steering the development direction of our Group to offering smart intralogistics solutions and intralogistics equipment that are tailored for different industry verticals, which had led to the rapid growth and development of our Group. Under his leadership, our Company achieved significant growth, with new sales orders exceeding RMB720 million in 2016 and surpassing RMB3 billion in 2021. By 2023, the Company had completed upgrades to its core products and secured 19 new patents, further strengthening its technological capabilities and market position.

Mr. Ding obtained a Bachelor of Science degree from Aston University in UK majoring in Business and Management with Integrated Industrial/Professional Training in July 2009.

Mr. Ding was a director of the following companies established in the PRC prior to their dissolution.

Name of the company	Principal business	Method of dissolution	Date of Dissolution	Position
Changxing Noblelift Industrial Equipment Manufacturing Co Ltd (長興諾力工業裝備製造有限公司).	General equipment manufacturing	Dissolved by deregistration	December 23, 2021	Vice chairman and manager
Changxing Datian Material Trading Co Ltd (長興大田物資貿易有限公司).	Wholesale business	Dissolved by deregistration	2013	Executive director and general manager

To the best knowledge, information and belief of Mr. Ding, he confirmed that (i) the above companies were solvent immediately prior to their dissolution or deregistration; (ii) there was no wrongful act on his part leading to the dissolution or deregistration of the above companies and was not aware of any actual or potential claim that had been or would be made against him as a result of such dissolution or deregistration; and (iii) no misconduct or misfeasance had been involved in the dissolution or deregistration of the above companies.

Share pledge incident

On November 2, 2018, Mr. Ding, in his capacity as the party acting in concert with the controlling shareholder of Noblelift Company, was publicly criticised by the Shanghai Stock Exchange by way of a “Notice of Criticism (通報批評)” (the “**Notice**”) for his failure to timely inform Noblelift Company regarding his several pledging of shares of Noblelift Company over the period between October 2017 and July 2018 (the “**Relevant Pledging of Shares**”), resulting in a delay of publication of the above information by Noblelift Company to the public, which constituted a breach of certain rule requirements under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) at the material time (the “**SSE Listing Rules**”).

DIRECTORS AND SENIOR MANAGEMENT

According to the Notice, over the period between October 2017 and July 2018, Mr. Ding had pledged a total of 11,380,000 shares of Noblelift Company (representing approximately 4.25% of the share capital of Noblelift Company at the material time). As confirmed by Mr. Ding, the delegated staff of Noblelift Company at the material time had overlooked the Relevant Pledging of Shares and hence had failed to timely make relevant disclosure by way of announcement. Upon discovering the non-compliance with the SSE Listing Rules, Noblelift Company had forthwith made an announcement to disclose the Relevant Pledging of Shares in July 2018. Since the incident, Noblelift Company had implemented enhanced reporting procedure to ensure timely communication and disclosure, to prevent recurrence of similar incident. On November 2, 2018, the Shanghai Stock Exchange has ruled that Mr. Ding was in breach of the then effective SSE Listing Rules and the then effective “Detailed Implementation Rules of Shanghai Stock Exchange for Reduction in Shareholdings by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies” (《上海證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》) (the “Breaches”).

Despite the public criticism against Mr. Ding, our Directors (other than Mr. Ding) are of the view, and the Sole Sponsor concurs, that Mr. Ding has the experience, knowledge and skills required for a director of a listed company and is therefore suitable to act as a Director pursuant to Rules 3.08 and 3.09 of Listing Rules having considered the following reasons: (i) as advised by our PRC Legal Advisors, the Notice against Mr. Ding issued by the Shanghai Stock Exchange in 2018 did not constitute a circumstance prohibiting him from serving as a director of the Company under the Company Law of the PRC. Such Notice did not constitute administrative penalties, but rather disciplinary actions imposed by the Shanghai Stock Exchange. The Notice also did not constitute disciplinary actions with serious circumstances, and would not render Mr. Ding unsuitable to serve as a Director. Apart from the aforesaid Notice, no other disciplinary actions, supervisory measures or administrative penalties have been imposed on Mr. Ding by the Shanghai Stock Exchange or other securities regulatory authorities in respect of these matters; (ii) the Breaches did not involve dishonesty or raise concern on Mr. Ding’s integrity; (iii) no monetary fine or other penalty was imposed on Mr. Ding and Mr. Ding remained to be qualified to serve as a director of Noblelift Company; (iv) there has not been any occurrence of similar events in Noblelift Company after the Breaches; and (v) Mr. Ding received directors’ training from the Hong Kong legal advisors of our Company and he has confirmed that he fully understands his obligations as a director of a company listed on the Stock Exchange under the Listing Rules and the disclosure of interest obligations under the SFO.

Short term trading incident arising from an erroneous trade

On 7 June, 2021, Mr. Ding erroneously executed a buy order instead of a sell order during a share reduction period, resulting in the purchase of 4,500 shares of Noblelift Company at a price of RMB14.83 per share for a total consideration of RMB66,735 (the “Short-term Trade”). Purchasing shares during a share reduction period constitutes short-term trading and is prohibited under Article 44 of the Securities Law of the PRC (《中華人民共和國證券法》) (the “PRC Securities Law”) (the “Incident”). Upon discovering the error, Mr. Ding immediately sold all the shares and as a result, Mr. Ding accidentally made a profit of RMB855.

An announcement in respect of the Incident was subsequently published by Noblelift Company on 8 June 2021. As disclosed in the announcement, the profit arising from the Short-term Trade was also paid to Noblelift Company as required under the PRC Securities Law.

Our Directors (other than Mr. Ding) are of the view, and the Sole Sponsor concurs, that the Incident would not negatively impugn Mr. Ding’s suitability to act as a Director under Rules 3.08 and 3.09 of the Listing Rules, and Mr. Ding possesses the character, competence and integrity to continue to serve as a Director for the following reasons: (i) The Incident resulted from an unintentional error on the part of Mr. Ding and was not linked to any allegations of dishonesty or personal misconduct. Mr. Ding promptly took corrective actions after the Incident (i.e. selling the shares and paying the profit from the Short-term Trade to Noblelift Company), being fully

DIRECTORS AND SENIOR MANAGEMENT

compliant with the PRC Securities Law; (ii) The Incident took place prior to the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, Mr. Ding has not been subject to any penalties, disciplinary actions, or other negative repercussions. Furthermore, there has been no determination or indication that he is unsuitable or unqualified to serve as a director of a company listed in the PRC; (iii) Pursuant to the enquiry of Personnel Integrity Information Report (人員誠信信息報告) issued by the CSRC on 25 April 2025, it was confirmed and revealed that there was no negative integrity information of Mr. Ding; (iv) Article 59 of the Shanghai Stock Exchange’s No. 10 Self-Regulatory Guideline for Listed Companies (Implementation Standards for Disciplinary Sanctions, amended March 2025) (上海證券交易所上市公司自律監管指引第10號——紀律處分實施標準(2025年3月修訂)) stipulates that the Shanghai Stock Exchange may impose a lighter, mitigated or exempted disciplinary action for certain acts, including, among others, short term trading arising from an erroneous trade. As (i) the incident resulted from an erroneous act on the part of Mr. Ding with no intent to violate regulations; (ii) Mr. Ding had surrendered the full amount of a profit of RMB855 arising from the Short-term Trade to Noblelift Company as required under PRC Securities Law; and (iii) the Shanghai Stock Exchange and other securities regulators have not imposed any sanctions or penalties on Mr. Ding regarding the Incident, our PRC Legal Advisors is of the view that the Incident would not render Mr. Ding unsuitable and unqualified to act as our Director.

Mr. Yang Tianbiao (楊天彪), aged 63, is the vice chairman of the Board and an executive Director of our Company. He served as a general manager of our Company between November 2022 and April 2025. Mr. Yang was appointed as a Director in January 10, 2024, and was appointed as the vice chairman of the Board and re-designated as an executive Director on April 30, 2025. Mr. Yang is primarily responsible for the technological research and development of our Group.

Mr. Yang has over 20 years of corporate management experience. Prior to joining our Group, Mr. Yang worked in Eaton Electrical (China) Co., Ltd. (伊頓電氣(中國)有限公司), a company primarily engaging in smart power management (electrical equipment & energy solutions), from 1996 to 2002, where he served as an operation manager, and was responsible for managing the business operation. Subsequently, from 2002 to 2004, Mr. Yang served as the operations manager at Andrew Telecommunications Equipment (Suzhou) Co., Ltd. (安德魯通訊器材(蘇州)有限公司), a company primarily engaged in communication equipment, where he was responsible for the operations of the CNC Machining PBU and the Microwave Antenna PBU, as well as overseeing their financial performance. From 2004 to 2006, Mr. Yang worked in Eaton Electrical (China) Co., Ltd. (伊頓電氣(中國)有限公司), where he served as a vice general manager of joint venture and a member of North Asia leadership team (北亞領導團隊成員), and was responsible for managing the business operation. Between 2006 and 2008, Mr. Yang served as a general manager of ITW Test and Measurement (Shanghai) Co., Ltd. (依工測試測量(上海)有限公司), a company primarily engaging in test and measurement equipment, where Mr. Yang was primarily responsible for the business operation and financial performance of the company. Between 2008 and 2015, Mr. Yang held various positions including manufacturing manager, general manager of operations, and chief operating officer at Dematic Logistics System Ltd, Suzhou (德馬泰克物流系統(蘇州)有限公司) and Dematic International Trading Ltd., Shanghai (德馬泰克國際貿易(上海)有限公司), a company primarily engaging in smart logistics system integration and core equipment for production line automation, where Mr. Yang was primarily responsible for the business operation, financial performance and research and development. Between 2017 and 2022, Mr. Yang served as the senior director of Global Solution Management (全球產品及方案管理) of Dematic Logistics System Ltd, Suzhou (德馬泰克物流系統(蘇州)有限公司), a company primarily engaging as a provider of logistics automation solutions, where Mr. Yang was responsible for the strategy of products and solutions in China and emerging market regions.

Mr. Yang graduated from Suzhou Machinery Bureau Staff University (蘇州市機械工業局職工大學) in the PRC with a diploma in Mechanical Manufacturing Equipment and Technology (機械製造工業與設備專業) in August 1986. Afterwards, Mr. Yang completed the Professional Course in Mechanical Manufacturing Industry and Equipment (機械製造工業與設備專業課程) at Shanghai

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Mechanical Institute (上海機械學院) in December 1990, obtained a Master of Business Administration from Southern California University for Professional Studies in March 2001 and completed the KION Global Executive Program in INSEAD in France in August 2019.

Mr. Yang obtained mechanical engineer qualification (機械工程師) issued by the Machinery Department of Jiangsu Province (江蘇省機械廳) in March 1993. Mr. Yang was awarded the Craftsman Award (工匠獎) issued by the 2024 GSLG Global Smart Logistics Industry Development Conference (GSLG全球智能物流產業發展大會組委會2024) in 2024. Mr. Yang has been a member of the Expert Steering Committee of China Storage and Transportation Magazine (中國儲運雜誌專家指導委員會委員) since 2023.

Mr. Yang was the chairman of Wuxi Tianma Intelligent Technology Co Ltd. (無錫天碼智能科技有限公司), a company established in PRC principally serving as an equity holding platform, which was deregistered on September 13, 2017. To the best knowledge and information of Mr. Yang, he confirmed that (i) the above company was solvent immediately prior to its dissolution or deregistration; (ii) there was no wrongful act on his part leading to the dissolution or deregistration of the above company and was not aware of any actual or potential claim that had been or would be made against him as a result of such dissolution or deregistration; and (iii) no misconduct or misfeasance had been involved in the dissolution or deregistration of the above company.

Mr. Chen Lisheng (陳黎升), aged 43, is an executive Director and general manager of our Company. He has been a Director of our Company since July 2021 and has been a deputy general manager of our Company since January 2021, and was re-designated as an executive Director and general manager of our Company on April 30, 2025. Mr. Chen is primarily responsible for the overall operations of the Group and overseeing the software business, supply chain management and engineering management of our Group.

Mr. Chen has approximately 20 years of industry experience. Mr. Chen joined Noblelift Company in May 2005, and had previously served as technician, workshop director, production manager, director of production center and assistant to general manager. Mr. Chen subsequently served as a director of Noblelift Company between March 2020 and April 2025, and served as a deputy general manager of Noblelift Company between March 2020 and February 2025, where Mr. Chen was responsible for overseeing the production management.

Mr. Chen obtained a Bachelor’s Degree in Automation from Zhejiang University (浙江大學) in June 2005.

Mr. Chen was the legal representative, executive director and general manager of Suyue Intelligent Equipment (Wuxi) Co Ltd. (速躍智能裝備(無錫)有限公司), a former subsidiary of our Company which was deregistered on February 1, 2024. For further details, see “History, Development and Corporate Structure — Deregistration of subsidiaries during the Track Record Period” in this document. Mr. Chen was the executive partner of Wuxi Dingshan Enterprise Management Partnership (Limited Partnership) (無錫鼎善企業管理合夥企業(有限合夥)), a limited partnership established in the PRC principally serving as an equity holding platform, which was deregistered on November 3, 2024. To the best knowledge and information of Mr. Chen, he confirmed that (i) the above entities were solvent immediately prior to their dissolution or deregistration; (ii) there was no wrongful act on his part leading to the dissolution or deregistration of the above entities and was not aware of any actual or potential claim that had been or would be made against him as a result of such dissolution or deregistration; and (iii) no misconduct or misfeasance had been involved in the dissolution or deregistration of the above entities.

Mr. Li Xiaobing (李小兵), aged 53, is an executive Director and deputy general manager of our Company. He has been serving as the deputy general manager of our Company since January 2021 and as a Director since July 2021. Mr. Li was re-designated as an executive Director on April 30, 2025. Mr. Li is primarily responsible for the after-sales business, finance, human resources management, internal control and legal compliance, and information technology of the Group.

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Prior to joining our Group, Mr. Li served at Anhui Zhenbo Group (安徽省振玻集團) between July 1994 and December 1999, a company which principally engaged in the manufacturing and sales of fiberglass and related products, where Mr. Li held multiple positions including Statistician, Chief Accountant, and Assistant to General Manager, and his key responsibilities included finance and accounting. Subsequently between March 2000 and June 2003, Mr. Li served as a cost director of Yale (Hangzhou) Machinery Co., Ltd. (耶魯(杭州)機械有限公司), a company which primarily engaging in machinery manufacturing, such as forklifts, where Mr. Li was responsible for corporate cost management. Between August 2003 and August 2004, Mr. Li served as a financial manager of Tianneng Battery Co., Ltd. (天能電池有限公司), a company whose principal business was batteries, and where Mr. Li was responsible for corporate financial management. Between August 2004 and May 2007, Mr. Li served as the finance director of Zhejiang Noblelift Machinery Co., Ltd. (浙江諾力機械有限公司), a company primarily engaging in the manufacturing of warehouse logistics equipment, such as forklifts and smart logistics systems. Between June 2007 and March 2010, Mr. Li served as a general manager of Ningxia Huaxia Power Supply Co., Ltd. (寧夏華夏電源有限公司), a company which principally engaged in battery and power equipment manufacturing, where Mr. Li oversaw the overall corporate operations and management. Between October 2011 and April 2013, Mr. Li served as an executive director, manager and supervisor of Changxing Xinyuan Machinery Equipment Technology Co., Ltd. (長興新源機械設備科技有限公司) (currently known as Changxing Juwo Electromechanical Technology Co., Ltd (長興巨沃機電科技有限公司)), a company primarily engaging in the manufacturing and sales of relevant industrial machineries and equipment, where Mr. Li oversaw all aspects of corporate management. Between March 2013 and February 2017, Mr. Li served as an executive deputy general manager of Shandong Noblelift New Energy Technology Co., Ltd. (山東諾力新能源科技有限公司), a company primarily engaging in the manufacturing and sales of new energy related products, such as lead acid batteries, where Mr. Li assisted in overseeing daily operations. Between February 2017 and December 2020, Mr. Li served as an executive deputy general manager of Changxing Noblelift Power Supply Co., Ltd. (長興諾力電源有限公司), a company primarily engaging in battery manufacturing, where Mr. Li assisted in overseeing daily operations.

Mr. Li obtained a diploma in Industrial Accounting (工業會計) from Hefei Union University (合肥聯合大學, currently known as Hefei University (合肥大學)), in PRC in July 1994. Mr. Li has been serving as the chairman of Huzhou Intelligent Manufacturing Association (湖州市智能製造協會理事長) since May 2024.

Ms. Du Jing (杜晶), aged 41, is an executive Director and chief financial officer of our Company. Ms. Du joined our Group in March 12, 2022 and has served as the chief financial officer of our Company since then. Ms. Du is primarily responsible for the overall finance and accounting management of our Group.

Prior to joining our Group, Ms. Du worked as an accountant at Zhejiang Changxing Novatek Glass Co., Ltd. (浙江長興諾萬特克玻璃有限公司) between June 2009 and September 2015, a company which primarily engaged in manufacturing glass products, where she was mainly responsible for cashier and accounting duties. Between September 2015 and September 2016, Ms. Du worked as an accountant at Zhejiang Anan New Energy Technology Co., Ltd (浙江安安新能源科技有限公司) a company which primarily engaged in the research and development and production of new energy equipment, where she was mainly responsible for accounting duties. Afterwards, between September 2016 and June 2019, Ms. Du worked at Zhejiang Plant Electric Vehicle Co., Ltd (浙江普朗特電動汽車有限公司) as a finance manager, a company which primarily engaged in manufacturing electric vehicles and related components, where she was mainly responsible for formulating financial system, managing the financial team, and establishing and improving information systems. Between September 2019 and March 2022, Ms. Du Jing served as the financial manager of Zhejiang Noblelift Garage Equipment Manufacturing Co., Ltd. (浙江諾力車庫設備製造有限公司), a subsidiary of Noblelift Company, where Ms. Du was responsible for financial management.

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Ms. Du obtained a Bachelor’s Degree majoring in chemical engineering and technology from Yangtze University (長江大學) in the PRC in July 2006, and a bachelor’s degree in accounting through distance learning at Zhejiang University (浙江大學) in the PRC in February 2013. Ms. Du obtained the Certified Public Accountant Qualification (註冊會計師) issued by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in April 2020, and the Senior Accountant Qualification (高級會計師資格) issued by the Jiangsu Provincial Department of Finance (江蘇省財政廳) in August 2024.

Mr. Su Tong (蘇彤), aged 47, is an executive Director, employee representative Director and assistant to general manager of our Company. Mr. Su has been an assistant to general manager of our Company since July 2024. Mr. Su was subsequently elected as an employee representative Director in March 2025, and re-designated as an executive Director on April 30, 2025. Mr. Su serves as the head of the presales business of the Group.

Mr. Su has approximately 14 years of industry experience. Prior to joining our Group, he served as a project manager at Finder Electromechanical Co., Ltd. (芬德機電有限公司) from June 2010 to May 2011, a company primarily engaging in electromechanical equipment manufacturing, where Mr. Su was responsible for project management. From June 2011 to September 2014, Mr. Su worked as a consultant at Beijing Diou Technology Co., Ltd. (北京帝歐物流科技有限公司), a company primarily engaging in logistics system planning consulting, where Mr. Su was responsible for logistics system consulting. From February 2015 to October 2022, Mr. Su served as the senior systems consultant at Dematic (Shanghai) International Trading Co., Ltd. (德馬泰克(上海)國際貿易有限公司), a company primarily engaging in import and export, where Mr. Su was responsible for consulting logistics automation systems. From October 2022 to June 2024, Mr. Su served as the director of solutions (Greater China, Japan & Korea) at Shenzhen Hai Robotics Co., Ltd. (深圳海柔創新科技有限公司), a company primarily engaging in robotics projects and automation solutions, where Mr. Su’s key responsibilities included daily management and the management of the project team.

Mr. Su completed the course of Automation at Shanghai Institute of Technology (上海應用技術大學) in the PRC in July 2000, and subsequently completed a Bachelor’s Degree in Applied Physics from RheinMain University of Applied Sciences in Germany in July 2009. He further obtained his Master of Business Administration (MBA) from Webster University in the United States in May 2023.

Independent Non-executive Directors

Ms. Zhu Ying (朱應), aged 43, is an independent non-executive Director. She was appointed as an independent non-executive Director on April 30, 2025 and is primarily responsible for overseeing and providing independent judgment to the Board.

Ms. Zhu served as an editor of Apiculture of China (《中國蜂業》雜誌社) between February 2011 to April 2015. Between May 2015 and May 2018, Ms. Zhu served as the director of industry development department of the Modern Logistics Newspaper Agency (現代物流報社). Ms. Zhu is currently serving at the Logistics Equipment Professional Committee of the China Federation of Logistics & Purchasing (中國物流與採購聯合會物流裝備專業委員會), holding the position as the secretary-general and concurrently serving at China Logistics Technology Association (中國物流技術協會), currently holding the position as the deputy secretary general.

Ms. Zhu obtained the Bachelor’s Degree majoring in human resources management from Minzu University of China (中央民族大學) in the PRC in July 2009. She was granted the “Outstanding Worker” title by the China Federation of Logistics and Purchasing (中國物流與採購聯合會) in both 2018 and 2021.

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Ms. Lam Fei Sui (林菲萃), aged 47, is an independent non-executive Director. She was appointed as an independent non-executive Director on April 30, 2025, and is primarily responsible for overseeing and providing independent judgment to the Board.

Ms. Lam has more than 20 years of experience in accounting and finance. Ms. Lam joined PricewaterhouseCoopers Hong Kong from December 2003 to October 2007, where Ms. Lam served consecutively as audit manager and senior auditor, and was responsible for leading audit teams. From July 2008 to July 2015, Ms. Lam served as the assistant financial controller at China Mining Resources Group Limited (中國礦業資源集團有限公司) (currently known as Tongguan Gold Group Limited (潼關黃金集團有限公司), a company whose shares are listed on the Stock Exchange (stock code: 0340)), where she was responsible for merger and acquisition projects and financial reporting. Subsequently, she held consecutive roles as financial controller and deputy chief financial officer at Jiazhao Investment Limited (佳昭投資有限公司) from July 2015 to January 2018, where Ms. Lam participated in merger and acquisition projects and was responsible for monitoring compliance with the Listing Rules. Since June 2024, she has served as an independent non-executive director at Grande Construction Group Limited (巨匠建設集團股份有限公司) (a company whose shares are listed on the Stock Exchange (stock code: 01459)), where she was responsible for providing independent advice. Further, since January 2018, Ms. Lam has been serving as the chief financial officer of Capital Financial Holdings Limited (首都金融控股有限公司) (a company whose shares are listed on GEM of the Stock Exchange (stock code: 08239)) and has been serving as the company secretary since January 2024, where she was responsible for handling financial reporting and corporate governance matters.

Ms. Lam obtained a Bachelor’s Degree in Accounting from The Hong Kong Polytechnic University in Hong Kong in November 2001. Ms. Lam is a Fellow Member of the Association of Chartered Certified Accountants, and a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Cong Rumin (叢潤民), aged 36, is an independent non-executive Director. He was appointed as an independent non-executive Director on April 30, 2025, and is primarily responsible for overseeing and providing independent judgment to the Board.

Mr. Cong served as the associate professor in the School of Computer Science and Technology (計算機與信息技術學院) of Beijing Jiaotong University (北京交通大學) between June 2019 and December 2022. Since January 2023, Mr. Cong has been serving as the professor in the School of Control Science and Engineering (控制科學與工程學院) of Shandong University (山東大學).

Mr. Cong obtained Doctorate of Engineering in Information and Communication Engineering from Tianjin University (天津大學) in the PRC in June 2019. Since November 2024, he has served as an Executive Council Member (常務理事) of the Shandong Artificial Intelligence Society (山東省人工智能學會).

SENIOR MANAGEMENT

Our senior management, together with our executive Directors, is responsible for the day-to-day management of our business.

The following table provides information about members of our senior management:

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as senior management	Time of joining our Group	Responsibilities
Mr. Chen Lisheng (陳黎升)	43	Executive Director and general manager	January 18, 2021	January 18, 2021	Responsible for the overall operations of our Group and overseeing the software business, supply chain management and engineering management of our Group
Mr. Li Xiaobing (李小兵)	53	Executive Director and deputy general manager	January 18, 2021	January 18, 2021	Responsible for the after-sales business, finance, human resources management, internal control and legal compliance, and information technology of our Group
Ms. Du Jing (杜晶)	41	Executive Director and chief financial officer	March 12, 2022	March 12, 2022	Responsible for overall finance and accounting management
Mr. Su Tong (蘇彤)	47	Executive Director, employee representative Director and assistant to general manager	July 12, 2024	July 8, 2024	Served as the head of the presales business for our Group
Mr. Feng Yixin (馮一新)	52	Deputy general manager	January 18, 2021	May 2, 2012	Responsible for the sales and marketing of our Group in the new energy industry
Mr. Dai Wenbin (戴文斌)	51	Deputy general manager, Board secretary and joint company secretary of our Company	April 30, 2025	April 30, 2025	Responsible for information disclosure and investor relations

Mr. Chen Lisheng (陳黎升) is an executive Director and general manager of our Company. See “— Board of Directors — Executive Directors” above for his biographical details.

Mr. Li Xiaobing (李小兵) is an executive Director and deputy general manager of our Company. See “— Board of Directors — Executive Directors” above for his biographical details.

Ms. Du Jing (杜晶) is an executive Director and chief financial officer of our Company. See “— Board of Directors — Executive Directors” above for her biographical details.

Mr. Su Tong (蘇彤) is an executive Director, employee representative Director and assistant to general manager of our Company. See “— Board of Directors — Executive Directors” above for his biographical details.

Mr. Feng Yixin (馮一新), aged 52, is a deputy general manager of our Company. Mr. Feng joined our Group in May 2012, and served as a member of the technical expert committee of our Company between 2012 and 2023. He was appointed as a deputy general manager of our Company in January 2014.

Prior to joining our Group, Mr. Feng served as a metalwork workshop technician of Wuxi County Diesel Engine Factory (無錫縣柴油機廠) between July 1998 and June 2002, which principally engaged in diesel engine manufacturing, and Mr. Feng’s responsibilities primarily

DIRECTORS AND SENIOR MANAGEMENT

included equipment maintenance and process optimization, technical support and collaboration with production departments. Between April 2003 and April 2010, Mr. Feng served as the technical manager of the research institute of Jiangsu Tianqi Co., Ltd. (江蘇天奇股份有限公司), a company in the intelligent equipment industry, where Mr. Feng’s responsibilities primarily included project management and technical coordination,

Mr. Feng graduated from Xuzhou Chemical Engineering School (徐州化工學校) in the PRC in June 1994. Mr. Feng obtained the engineer qualification issued by Wuxi Personnel Bureau (無錫市人事局) in October 2009.

Mr. Dai Wenbin (戴文斌), aged 51, is a deputy general manager, board secretary and joint company secretary of our Company. Mr. Dai joined our Group in April 2025 and has served as the deputy general manager, the Board secretary of the Company since April 30, 2025. Further, Mr. Dai has been appointed as our joint company secretary on April 30, 2025 with the appointment taking effect upon the [REDACTED]. Mr. Dai is primarily responsible for information disclosure and investor relations.

Prior to joining our Group, Mr. Dai worked at Noblelift Company and served concurrently as deputy general manager and board secretary between August 2023 and April 2025, where he was primarily responsible for information disclosure and investor relations. From 2021 to 2023, Mr. Dai served as a partner at Zhengling Management Consulting (Shenzhen) Co., Ltd. (正領管理諮詢(深圳)有限公司), a company which primarily engaged in providing enterprise management consulting service, where Mr. Dai was responsible for overseeing overall company operations and managing corporate consulting matters. From 2020 to 2022, Mr. Dai served as a deputy general manager and company secretary at INA Intelligent Technology (Zhejiang) Co., Ltd. (浙江衣拿智能科技股份有限公司), a company which primarily engaged in providing smart logistics solutions, where Mr. Dai was primarily responsible for regular operation and investor relations. Before that, Mr. Dai served as (i) the board secretary of Hebei Baoshuo Co., Ltd. (河北寶碩股份有限公司, currently known as 華創雲信數字技術股份有限公司 (Huachuang Yunxin Digital Technology Co., Ltd.)), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600155)) between March 2012 and April 2015; (ii) the deputy president and board secretary of Ygsoft Inc. (遠光軟件股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 002063) between July 2015 and March 2019.

Mr. Dai obtained a bachelor’s degree in Business Administration through Hunan University’s online program in September 2004. Mr. Dai obtained the Board Secretary qualification from the Shenzhen Stock Exchange in 2010 and Shanghai Stock Exchange in 2012, along with an Independent Director qualification from Shenzhen Stock Exchange in 2016.

OTHER INFORMATION

None of our Directors and senior management members are related to other Directors or members of our senior management. Save as disclosed above, none of our Directors and senior management members held any directorship in public companies, whose securities were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document. Save as disclosed above, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, there are no other matters in respect of our Directors that are required to be disclosed pursuant to Rule 13.51(2)(a) to (v) of the Listing Rules, and there is no other material matter relating to our Directors that needs to be brought to the attention of our Shareholders.

Save as disclosed in the section headed “Appendix VI — Statutory and General Information”, none of our Directors or members of the senior management holds any interest in the Shares which would be required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Mr. Dai Wenbin (戴文斌) has been appointed as our joint company secretary on April 30, 2025 with the appointment taking effect upon the [REDACTED]. For biographical details of Mr. Dai, see “— Senior Management” in this section.

Ms. Zhao Na (趙娜) has been appointed as our joint company secretary with the appointment taking effect upon the [REDACTED].

Ms. Zhao is an assistant manager of Company Secretarial Services of Tricor Services Limited, having over 6 years of experience in compliance and corporate secretarial fields for Hong Kong listed companies and is a Chartered Secretary, a Chartered Governance Professional and an associate member of both of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Zhao obtained a Master’s degree of Corporate Governance from The Hong Kong Polytechnic University in 2025.

BOARD COMMITTEES

The Board delegates certain responsibilities to various dedicated committees in accordance with relevant PRC laws, regulations, the Articles and the Hong Kong Listing Rules, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Strategy and Sustainability Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Audit Committee consists of three independent non-executive Directors, namely Ms. Lam Fei Sui, Ms. Zhu Ying and Mr. Cong Rumin, and is chaired by Ms. Lam Fei Sui. Ms. Lam Fei Sui holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of our Group, to oversee the audit process, to develop and review our policies, to make recommendations to our Board on the appointment and dismissal of the external auditors, and to perform other duties and responsibilities as assigned by our Board.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with the Rule 3.25 of the Listing Rules and the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Remuneration Committee consists of one executive Director and two independent non-executive Directors, namely Ms. Zhu Ying, Mr. Ding and Mr. Cong Rumin, and is chaired by Ms. Zhu Ying. The primary duties of the Remuneration Committee are, including but not limited to, establishing and reviewing the policy and structure of the remuneration for our Directors and senior management, reviewing and approving our management’s remuneration proposals with reference to our Board’s corporate goals and objectives, ensuring none of our Directors determine their own remuneration, and making recommendations on employee benefit arrangement.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Nomination Committee consists of one executive Director and two independent non-executive Directors, namely Ms. Zhu Ying, Mr. Ding and Mr. Cong Rumin, and chaired by Ms. Zhu Ying. The primary duties of the Nomination Committee are, including but not limited to, reviewing the

DIRECTORS AND SENIOR MANAGEMENT

structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and make recommendation to our Board on any proposed changes to our Board to complement our Company’s corporate strategy; identifying individuals suitably qualified as potential board members and select or make recommendations to our Board on the selection of individuals nominated for directorships; assessing the independence of independent non-executive Directors; and making recommendations to our Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of our chairman.

Strategy and Sustainability Committee

We have established a Strategy and Sustainability Committee which consists of one executive Director and two independent non-executive Directors, namely Mr. Ding, Ms. Zhu Ying and Mr. Cong Runmin, and chaired by Mr. Ding. The primary duties of the Strategy and Sustainability Committee are, including but not limited to, (i) reviewing and providing recommendations on the Company’s long-term development strategy, including enhancing the Company’s sustainable development capabilities from environmental, social, and governance (“ESG”) perspectives; (ii) reviewing and providing recommendations on major investment and financing proposals requiring approval from the Board, as specified in the Articles; (iii) reviewing and providing recommendations on major capital and asset operation projects requiring approval from the Board, as specified in the Articles; (iv) studying, assessing, and providing recommendations on key ESG trends, risks, and opportunities that the Company faces; (v) overseeing the development and implementation of the Company’s ESG objectives, including setting ESG management performance targets, tracking progress, and offering recommendations for actions needed to meet those objectives; (vi) reviewing and providing recommendations on other significant matters that impact the Company’s development; and (vii) addressing other matters as authorized by the Board.

BOARD DIVERSITY

With a view to achieving sustainable and balanced development, we have adopted a board diversity policy (the “**Board Diversity Policy**”) to achieve diversity in our Board. The Board Diversity Policy sets out the objective of and approach by our Board to achieve and maintain diversity in our Board in order to enhance the effectiveness of our Board and recognizes and embraces the benefits of diversity in our Board. We endeavor to ensure that our Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the implementation of our business strategy. Pursuant to the Board Diversity Policy, we seek to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service and any other factors that our Board may consider relevant and applicable from time to time. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board. Our Board believes that such merit-based appointments will enable our Company to best serve our Shareholders and other stakeholders going forward.

Our Board currently comprises nine Directors, including six executive Directors and three independent non-executive Directors. Our Directors have a balanced mix of experiences, including overall management and strategic development, marketing and business development, and finance and accounting experiences in addition to experience in the smart intralogistics solution industry. Our Board believes that the female representation in our Board, a mix of different background and experiences of our Directors and the age diversity, would enable our Directors to bring in valuable views and opinions of different perspectives, which could enhance the quality of decision making of our Board and benefit our Group as a whole. Based on the foregoing, we consider our current Board composition satisfies the principles set out in the Board Diversity Policy.

Upon 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, and when necessary, make any revisions that may be required and recommend any

DIRECTORS AND SENIOR MANAGEMENT

such revisions to our Board for consideration and approval. Our Company will disclose the biographical details of each Director and report on the implementation of the Board Diversity Policy (including whether our Company has achieved board diversity) in its annual corporate governance report.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after [REDACTED].

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

For the three years ended December 31, 2023, 2024 and 2025, the aggregate amount of remuneration of our Directors were RMB4.3 million, RMB4.6 million and RMB10.1 million, respectively.

Under the arrangement currently in force, our Directors will be entitled to receive remuneration and benefits in kind for their service which, for the year ending December 31, 2026, is expected to be approximately RMB5.9 million. The remuneration of Directors consists of directors’ fees, salaries, allowances and other benefits, performance related bonuses, pension scheme contributions and social welfare, and share-based payment expense, which are determined based on the evaluation of each Director’s individual performance and market trends. The actual remuneration of Directors for the financial year ending December 31, 2026 may be different from the expected remuneration.

Our Company’s five highest paid individuals includes two, one and two Directors for each of the years ended December 31, 2023, 2024 and 2025, respectively. The aggregate amount of remuneration of five highest individuals (including Directors) for each of the years ended December 31, 2023, 2024 and 2025, were RMB4.8 million, RMB8.5 million and RMB10.2 million, respectively. During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as a compensation for loss of office in connection with the management of the affairs of our Company or any subsidiary during the Track Record Period.

The remuneration of Directors and senior management is determined with reference to factors including the salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management, employment conditions of other positions in our Company and the desirability of performance-based remuneration.

COMPLIANCE ADVISOR

Our Company has appointed Guotai Junan Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our Company will consult with and seek advice from the compliance advisor on a timely basis in the following circumstances: (a) before the publication of any regulatory announcement, circular or financial report required by regulatory authorities or applicable laws; (b) where a transaction, which might be a notifiable or connected transaction under Chapter 14 or 14A of the Listing Rules, is contemplated including share issues and share repurchases; (c) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where the business activities, developments or results of our Group deviate from any forecast, estimate, or other information in this document; and (d) where the Stock Exchange makes an inquiry of the listed issuer under Rule 13.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, in a timely manner, inform us of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange as well as any amendment or supplement to applicable laws and guidelines.

The Compliance Advisor’s term of appointment shall commence on the [REDACTED] and end on the date which we distribute our annual report of financial results for the first full financial year commencing after the [REDACTED], or until the agreement is terminated, whichever is earlier.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

As of the Latest Practicable Date, save as disclosed in the section headed “Relationship with Our Controlling Shareholders”, none of our Directors had any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business that requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on April 30, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

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

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, Noblelift Company was interested in and entitled to exercise in 99.60% of the voting rights in our Company. Noblelift Company is a joint stock company incorporated in the PRC with limited liability with its A shares listed on the Shanghai Stock Exchange (stock code: 603611). As of the Latest Practicable Date, Noblelift Company was owned as to approximately 34.54% in aggregate by Mr. Ding, (our executive Director and chairman of the Board), Mr. Ding Yi (丁毅) (the father of Mr. Ding) and Ms. Mao Ying (毛英) (the spouse of Mr. Ding Yi), who are together parties acting in concert.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised), Noblelift Company, Mr. Ding, Mr. Ding Yi and Ms. Mao Ying will be able to exercise in aggregate [REDACTED]% of the voting rights in our Company. By virtue of the above, Noblelift Company, Mr. Ding, Mr. Ding Yi and Ms. Mao Ying are regarded as a group of Controlling Shareholders upon [REDACTED].

DELINEATION OF BUSINESSES

The table below sets forth the principal businesses of our Group and the Retained Noblelift Group, respectively, as of the Latest Practicable Date:

	Principal Business Activities
Our Group	Engaging in the offering of smart intralogistics solutions, after-sales services and sales of intralogistics equipment and others (the “ Smart Logistics System Segment ”)
The Retained Noblelift Group .	(i) Engaging in the Smart Logistics System Segment with a primary focus on customers outside the new energy industry; and (ii) the research and development, production, sales, and maintenance of cutting-edge logistics equipment (the “ Intelligent Manufacturing Equipment Segment ”)
	The Intelligent Manufacturing Equipment Segment of the Retained Noblelift Group primarily services the general equipment manufacturing industries such as specialized vehicle manufacturing, consecutive handling equipment manufacturing, and elevator manufacturing, as well as professional technical service industries such as engineering design services, with major projects including industrial vehicles such as small transport vehicles (小型搬運車輛), motorized industrial vehicles (機動工業車輛) and AGV forklifts, etc. During the three years ended December 31, 2023, 2024 and 2025, the revenue derived from the Intelligent Manufacturing Equipment Segment of the Retained Noblelift Group amounted to approximately RMB3,546.2 million, RMB3,715.3 million and RMB3,819.8 million, representing approximately 50.9%, 53.2% and 57.1% of the total revenue of the Retained Noblelift Group

As of the Latest Practicable Date, apart from its interests in our Group, the Retained Noblelift Group is also engaged in the Smart Logistics System Segment (the “**Savoye Businesses**”) through its subsidiary, Savoye, which may be considered as having a similar nature to that of the businesses of our Group. In addition, during the Track Record Period, Shanghai Noblelift Intelligent Technology Limited* (上海諾力智能科技有限公司) (“**Shanghai Noblelift**”), a subsidiary of the Retained Noblelift Group which principally engaged in the research and development, production, sales and maintenance of AGVs, had also on several occasions engaged in projects of smart

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

intralogistics solutions. However, Shanghai Noblelift had not undertaken any new projects of smart intralogistics solution since the second half of 2024, and will cease to engage in any relevant business after completion of the current projects on hand. Save for two remaining projects of smart intralogistics solution on hand as of the Latest Practicable Date which are expected to complete by the end of 2027, Shanghai Noblelift will cease to conduct any business activities that compete or may potentially compete with our Group in Asia and will not engage in any operations in the new energy industry globally prior to the [REDACTED].

Our Directors are of the view that there is a clear delineation between our businesses and the Savoye Businesses as illustrated below, and hence the interests of the Retained Noblelift Group in the Savoye Businesses do not, and will not, give rise to (i) any direct or indirect competition between our Group and the Retained Noblelift Group; or (ii) any actual or potential conflict of interest between our Group and the Retained Noblelift Group in any material aspect.

Industrial Differentiation in sales and marketing

As set out in the paragraph headed “Business — Our business model — Smart Intralogistics Solutions”, our smart intralogistics solution comprises various intralogistics sub-systems that cover the entire spectrum of material handling and internal logistics operations, including (i) smart intralogistics software systems, (ii) automated storage and retrieval systems, (iii) automated conveyor and sorting systems, and (iv) robotics systems. In particular, our representative stacker crane products which are specialised in heavy load lifting with maximum loading capacities ranging from 600 kg to 12,000 kg, are mainly catered for customers in the new energy industry, with some customers who are not engaged in the new energy industry such as the manufacturing of automotive parts, electronics, healthcare and pharmaceutical products.

By contrast, Savoye primarily manufactures X-PTS series tote/bin AS/RSs, INTELIS series conveyors and JIVARO series packing machines. The X-PTS series tote/bin AS/RSs specialize in light load lifting with a maximum loading capacity of 32kg and a maximum size of 620mm*420mm and is only catered for customers who are not engaged in the new energy industry. Savoye’s customers are mainly engaged in e-commerce, cosmetics, and fast moving consumer goods.

Consequently, each of our Group and Savoye has a different base of target customers and there was no overlapping of customers between the Group and Savoye during the Track Record Period.

During the Track Record Period, our revenue derived from new energy customers accounted for approximately 78.5%, 75.5% and 93.8% of our total revenue from smart intralogistics solutions for the years ended December 31, 2023, 2024 and 2025, respectively. In contrast, Savoye is not engaged in the new energy industry and hence, its sales in other industries accounted for 100% of its total revenue for each of the three years ended December 31, 2023, 2024 and 2025, respectively.

Delineation in terms of geographical focus

Geographical market of sales

Our Group and Savoye operate in different geographical markets with separate non-overlapping customers. During the Track Record Period, our Group had been focusing its business operation primarily in the mainland China market, generating 97.7%, 94.4% and 94.3% of its total revenue from mainland China for the years ended December 31, 2023, 2024 and 2025, respectively. In contrast, Savoye concentrates on the European, Middle East, Africa, and the U.S. market as its key sales regions, with sales recorded in these regions accounting for approximately 99.8%, 100% and 100% of its total revenue for the three years ended December 31, 2023, 2024 and 2025, respectively. This geographic divergence underscores our Group’s deep-rooted commitment to the PRC market.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

In additional to the above, in order to further enhance the delineation of the operations between our Group and Savoye, we have implemented the following measures:

- (i) Going forward, our Group will focus its operations in Asia and expand its operations in the new energy industry globally (including but not limited to the Oceania, European, Middle East, Africa and USA markets). On the other hand, Savoye will cease to conduct any business activities that compete or may potentially compete with our Group in Asia and will not engage in any operations in the new energy industry globally prior to or upon [REDACTED]. Further, to better delineate Savoye’s business with our Group, it is intended that SAVOYE SEA PTE. LTD., a subsidiary of Savoye incorporated in Singapore which has no substantial business operation as of the Latest Practicable Date, will be deregistered in Singapore. Based on the information currently available but barring any unforeseen circumstances, it is expected that the deregistration of SAVOYE SEA PTE. LTD will be completed by the third quarter in 2026. In connection to the above, Noblelift Company [has executed] the Deed of Non-Competition in favor of our Group which reflects the above arrangement. For clarity, the geographical delineation between the business operation of the Group and the Retained Noblelift Group shall be set with reference to the location of execution of the relevant project (for instance, pursuant to the arrangement under the Deed of Non-Competition, in addition to the offering of smart intralogistics solutions for the new energy industry which is restricted globally, the Retained Noblelift Group shall not undertake any project that competes or may compete with our Group which is carried out in Asia). For further details, please refer to the paragraph headed “Deed of Non-Competition” in this section below.
- (ii) In alignment with its strategic vision to expand into light load, high-speed logistics solution and tote/bin AS/RSs in Asia, our Company intends to enter into a supplemental agreement to the License Agreement with Savoye, pursuant to which the original authorized territory with respect to the X-PTS Licensed Products under the License Agreement shall be expanded from covering only the PRC (including Taiwan Region, Hong Kong and Macao Special Administrative Region of the PRC) to the relevant countries in Asia, and the non-exclusive license currently granted under the current License Agreement shall become an exclusive license. In this regards going forward, all sales of Licensed Products in the relevant countries in Asia must be conducted through our Company, and the relevant customers shall enter into supply agreement with our Company accordingly. For further details, please refer to the paragraph headed “Connected Transactions — Fully exempt continuing connected transactions — License Agreement”.

Geographical Market of procurement

For procurement, our Group and Savoye are both committed to establishing sound cooperative relationships with local suppliers, primarily procuring raw materials from local suppliers and conducting production at local manufacturing bases. During the Track Record Period, save for one supplier of our Group which Savoye also procured relevant products for its sales in the Middle East in 2024 (which represents approximately 1.29% of its total procurement costs for the year ended December 31, 2024), there is no overlapping of suppliers between the Group and Savoye.

Independence of management team

Our Company is administrated and managed independently of the Retained Noblelift Group. All of the essential administrative functions (including but not limited to administration, accounting and finance and human resources management) of the Group has been, and will continue to be, handled by its own team, independent of and without the support of the Retained Noblelift Group.

As of the Latest Practicable Date, save for Mr. Ding, our executive Director who also serves as a director in Noblelift Company, none of our Company’s core management team members have any other roles with the Retained Noblelift Group.

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Research and development

Our Group has an established research and development function that is independent of the Retained Noblelift Group. The key technology talents and all the research and development staff have entered into employment contracts with the Company and are under the Company’s payroll exclusively.

The Group’s research and development department is responsible for the overall research and development of its products and solutions, covering all stages from planning and design to development and commercialization. It involves designing tools, standardizing product pattern, developing and testing new products, conducting in-depth technical research, and outputting new intellectual properties. The research and development department plays a crucial role in maintaining our Group’s competitive edge and driving its continuous innovation, supporting our Group’s strategic positioning as an established player in the field of intralogistics. As at December 31, 2025, our Group has obtained more than 290 patents, registered trademarks, software copyrights and copyright in the PRC.

Based on the above, we consider that the business operations of our Group and that of Retained Noblelift Group are clearly delineated in all material aspects.

REASONS FOR EXCLUSION OF THE SAVOYE BUSINESSES FROM OUR GROUP

Our Directors are of the view that it would be commercially justifiable to exclude the Savoye Businesses from our Group:

- (i) ***Clear delineation and limited strategic value.*** We believe that the Savoye Businesses clearly delineate from our principal businesses in all material aspects for the reasons demonstrated above, and given such clear delineation, it is commercially sound not to include the Savoye Businesses in our Group.
- (ii) ***Diversion of management attention and resources.*** The operation, expansion and development of the Savoye Businesses will require additional management and internal resources and may divert our management’s attention and time from the operation and development of our principal businesses. Further, having considered that the Savoye Businesses are not in line with the business strategy and development of our principal businesses, any injection of the Savoye Businesses into our Group would require additional, onerous and unnecessary input of costs and resources by our Group.

In light of the reasons set out above and in the paragraph headed “Delineation of businesses” in this section above, the Savoye Businesses were not injected into our Group and, as at the Latest Practicable Date, our Controlling Shareholders had no intention to inject the Savoye Businesses into our Group in the future.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Taking the following factors into account, our Directors are confident that we can operate our business independently from our Controlling Shareholder and its close associates after the [REDACTED].

MANAGEMENT INDEPENDENCE

Upon [REDACTED], our Board will consist of nine Directors, comprising six executive Directors and three independent non-executive Directors.

Our management and operational decisions are made collectively by our Board of Directors and senior management, many of whom have been with our Group for a considerable duration and possess significant experience and expertise in the relevant industry and corporate management.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Upon [REDACTED], save as Mr. Ding, our executive Director who also serves as a director in Noblelift Company, none of our Directors or senior management members holds directorship or senior management position in any member of the Retained Noblelift Group or in any close associates of our Controlling Shareholders. Our senior management team will carry out the business operations of our Group independently from our Controlling Shareholders and their respective close associates.

Notwithstanding the overlapping Director, our Directors consider that our Board and the senior management members are able to perform the managerial role independently from the Retained Noblelift Group and the close associates of our Controlling Shareholders after the [REDACTED] for the following reasons:

- (i) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, he/she to act for the benefit and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;
- (ii) although Mr. Ding holds directorship in both our Group and the Retained Noblelift Group, when performing his duty as a director, he will be supported by the separate and independent senior management team of our Group and the Retained Noblelift Group. In particular, for our senior management team which is responsible for carrying out our daily management and operations, all of them have substantial experience in the industry in which our Company is engaged and/or in their respective fields of expertise, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, please refer to the section headed “Directors and Senior Management” in this document;
- (iii) we have three independent non-executive Directors, comprising one-third of the total members of our Board, who possess the necessary knowledge, experience and competence to create a balance between conflict of interests between interested Directors and independent Directors. Certain matters of our Company must always be referred to the independent non-executive Directors for review to ensure the interests of our Company and the Shareholders are upheld;
- (iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting on any Board resolutions approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest and shall not be counted in the quorum presenting at the relevant Board meeting; and
- (v) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. For details, see “— Corporate Governance Measures” below in this section.

In light of the above, our Directors believe that the Board as a whole, along with our senior management team, is able to carry out the managerial functions of our Group independently without reliance on the Controlling Shareholders and their respective close associates after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational independence

Our Directors consider that our operations are independent from our Controlling Shareholders and their respective close associates for the following reasons:

- (i) save for the license agreement entered into between Savoye and our Company (for details, please refer to the section headed “Connected Transaction — Fully exempt continuing connected transactions — License Agreement” in this document), our Group owns and independently operates all of its core assets and holds all the relevant material licenses, qualifications, intellectual properties and permits required for conducting that are necessary for our business;
- (ii) the section headed “Connected Transactions” in this document sets out the continuing connected transactions between our Group and our Controlling Shareholders or their associated companies which will continue after the completion of the [REDACTED]. All such transactions are determined after arm’s-length negotiations and on normal commercial terms. In determining the pricing for products or services between our Group and our Controlling Shareholders or their respective associated companies, factors such as historical transaction amount, estimated costs of equipment and labor, and quotations from independent third parties are taken into consideration where applicable;
- (iii) our Group’s senior management, including the general manager, deputy general manager and chief financial officer, are independently appointed by the Board in accordance with the Company’s articles of association. Their remuneration assessments are directly tied to the Group’s performance and are not subject to interference from our Controlling Shareholders;
- (iv) our Group has established a comprehensive corporate governance, comprising various separate departments each charged with specific responsibilities;
- (v) our Group also has independent access to, among others, customers and suppliers required for our Group’s business, and we operate our business independently, with independent rights to make and implement our operational decisions;
- (vi) we maintain a set of internal control procedures to facilitate the effective operation of our business. For details on the internal control procedures, see “Business — Risk Management and Internal Control”; and
- (vii) we have adopted a set of corporate governance practices and manuals, such as rules with respect to the shareholders’ meeting, the board meeting, the board committees’ meeting and the conduct of connected transactions, pursuant to relevant laws and regulations, to facilitate the effective operation of our business.

Financial independence

We are able to make financial decisions without interference from our Controlling Shareholders and their close associates. Our Board of Directors retains authority to approve annual budgets, major capital expenditures and dividend policies in accordance with its Articles of Association and internal governance protocols without interference from the Controlling Shareholders and their close associates. We have our independent financial department with a team of independent financial staff responsible for discharging the treasury function, and an audit committee comprising mainly of independent non-executive Directors to oversee our accounting and financial reporting processes.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

We maintain independent control on our own bank accounts, with all financial transactions conducted through these accounts, and do not share accounts with Controlling Shareholders or their close associates.

During the Track Record Period and up to the Latest Practicable Date, Noblelift Company had provided corporate guarantees for certain loans or credit facilities granted by the lending banks to our Group. All subsisting guarantees provided by Noblelift Company in favor of our Group as aforementioned will be released prior to [REDACTED].

In light of the above, our Directors believe that, from a financial standpoint, we can operate our business independently of our Controlling Shareholders and their close associates following the [REDACTED].

DEED OF NON-COMPETITION

In order to avoid any potential competition between our Controlling Shareholders (the “**Non-Competing Shareholders**”) on the one hand and us on the other hand, Non-Competing Shareholders have entered into the Deed of Non-competition in favor of our Company. Pursuant to the Deed of Non-competition, subject to the exceptions set out below, each of the Non-Competing Shareholders has irrevocably and unconditionally, jointly and severally, undertaken to our Company (for ourselves and on behalf of each other member of our Group) that it would not, and would procure that its close associates (except any members of our Group) not to, during the Restricted Period (as defined below), directly or indirectly, through any third party or with the assistance of any third party (whether such third party is a natural person, legal person, partnership or other organization) in any form, including but not limited to joint operation, joint venture, cooperation, partnership, contracting, leasing operation, agency, equity participation or loan, etc., either on its own account or in conjunction with or on behalf of any person, firm or company (except through any member of our Group), among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise, and whether for profit, reward or otherwise) any Restricted Business (as defined below).

Each of the Non-Competing Shareholders has irrevocably and unconditionally declared and undertaken to our Company (for ourselves and on behalf of each other member of our Group) that, as of the effective date of the Deed of Non-competition, neither itself nor its close associates are engaged in any Restricted Business, and do not hold any direct or indirect interest in any company or enterprise that is (or may be) in direct or indirect competition with our Company (and/or its subsidiaries).

The “**Restricted Business**” stated in the Deed of Non-competition refers to any activity or business which competes, or is likely to compete, either directly or indirectly, with: (a) the offering of smart intralogistics solutions for the new energy industry (i.e. the part of the energy industry focusing on the development, usage and promotion of new energy, covering lithium-ion batteries, energy storage, solar photovoltaic and other relevant sectors) as disclosed in this document; (b) in addition to the businesses listed in (a) above, any business activities that compete or may potentially compete with the existing business of any member of our Group as disclosed in this document in the PRC and Asia, and any other countries/regions in which any member of the Group operates, engages in or invests from time to time (the “**Restricted Areas**”) in which it is involved, engaged, acquired or held; and (c) any other business in which our Company has otherwise published an announcement on the website of the Stock Exchange stating its intention to operate, engage in or invest in.

The obligation of the Non-Competing Shareholders under the Deed of Non-competition will remain binding on the Non-Competing Shareholders until the expiration of the Restricted Period (as defined below).

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

“**Restricted Period**” shall mean the period from the [REDACTED] to the earlier of the followings: (a) the date on which the H Shares cease to be listed on the Stock Exchange (except for temporary suspension of the [REDACTED] of the Shares on the Stock Exchange for any reason); or (b) the date on which the Non-Competing Shareholder(s) and its close associates, individually or collectively cease to be entitled to exercise or control the exercise of not less than 30% in aggregate of the voting power at general meetings of our Company or otherwise cease to be controlling shareholders of our Company.

The Non-Competing Shareholders have further irrevocably and unconditionally, jointly and severally, undertaken to our Company (for ourselves and on behalf of each other member of our Group) that in the event that it or its close associate(s) (other than any member of our Group) identifies or is given or offered any business investment or other business or commercial opportunity relating to the Restricted Business (the “**New Business Opportunity**”), it will and will procure its close associates to refer the New Business Opportunity to our Company as soon as practicable in the following manner: (a) the relevant Non-Competing Shareholder(s) is required to, and shall procure its close associates (other than any member of our Group) to, refer, or to procure the referral of, the New Business Opportunity to our Company, and shall give written notice (the “**Offer Notice**”) as soon as reasonably practicable to our Company of any New Business Opportunity containing all information reasonably necessary for our Company to consider. The Offer Notice shall include but not limited to the nature of the New Business Opportunity, the identity of the target asset(s) or company(ies) (if applicable), and the details of the investment or acquisition costs, and all other information that a listed company reasonably needs to know when considering whether to pursue the new business opportunity; (b) as soon as reasonably practicable after receiving the Offer Notice, our Company shall seek approval from a board committee (comprising only our Independent Non-executive Directors who do not have any interest, actual or potential, direct or indirect in the relevant New Business Opportunity) (the “**Independent Board**”) as to whether to pursue or decline the New Business Opportunity; (c) the Independent Board shall take into account all relevant factors in considering whether our Company shall pursue the New Business Opportunity. Such factors may include, among other things, the financial impact of pursuing the New Business Opportunity, whether the nature of the New Business Opportunity is consistent with our Group’s strategies and development plans and the general market conditions. If appropriate, the Independent Board may, at the cost of our Company, appoint independent financial advisers, legal advisers and/or other professional advisers to assist in the decision-making process in relation to such New Business Opportunity; (d) the relevant Non-Competing Shareholder(s) and/or its close associates will use their best endeavours to assist and procure the Company (and/or any of its subsidiaries) to acquire the business opportunity on terms that are fair and reasonable and no less favorable than those initially offered to the relevant Non-Competing Shareholder(s) and its close associates, or on terms that are more favorable or acceptable to the Company (and/or any of its subsidiaries); (e) the Independent Board shall, within twenty (20) business days (or such longer period as may be agreed in writing by the parties) upon receipt of the Offer Notice, inform the relevant Non-Competing Shareholder in writing on behalf of our Company of its decision whether to pursue or decline the New Business Opportunity; (f) the relevant Non-Competing Shareholder and/or its close associates shall be entitled (but not obliged) to pursue such New Business Opportunity (i) if it has received a notice from the Independent Board declining such New Business Opportunity, or (ii) if the Independent Board has failed to respond within such twenty (20) business days period pursuant to sub-paragraph (d) above; (g) if the relevant Non-Competing Shareholder and/or its close associates (collectively referred to as the “**Offeror**”) obtain restricted business in accordance with Article (f), and the Offeror intends to transfer, sell, lease, grant licenses or transfer and grant the restricted business in any way (the “**Proposed Transaction**”), the Offeror will provide the Company (and/or any of its subsidiaries) with a right of first refusal (the “**Right of First Refusal**”) under the same conditions as any third party who obtains the proposed transaction offer. The Non-Competing Shareholder shall promptly issue a written notice (“**Sale Notice**”) to the Company regarding the proposed new transaction, which shall include all the terms of the Proposed Transaction and all information reasonably required by the Company to determine whether to exercise the right of first refusal. Only when the Offeror (a) receives a notice from the Company refusing to exercise the Right of First Refusal, or (b) fails to respond within twenty (20) business

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days from the date of the Sale Notice due to the Company's failure to respond, the Offeror may transfer the restricted business to other third parties, but its terms cannot be superior to those provided to the Company. Within 7 (seven) business days of receiving the Sale Notice, the Company will seek determination opinions from independent non-executive directors in the board of directors who do not have significant interests in the relevant matters. If the Company decides to exercise the Right of First Refusal, it will determine the terms with the relevant Offeror based on the principles of fairness and reasonableness in accordance with applicable laws and regulations; (h) if there is any material change in the nature, terms or conditions of such New Business Opportunity pursued by the relevant Non-Competing Shareholder, it shall refer such New Business Opportunity as so revised to our Company in the manner as outlined in the Deed of Non-competition as if it were a New Business Opportunity; and (i) any Director and/or its close associates who has actual or potential interests in the New Business Opportunity shall not attend meetings convened to consider such New Business Opportunity (unless required by the Independent Board), shall abstain from voting at such meetings and he/she/it shall not be counted in the quorum present in the meetings.

The Non-Competing Shareholder has also irrevocably and unconditionally undertaken to our Company that: (1) it and would procure its close associates will provide all information requested by our Company which is necessary for the annual review by our Independent Non-executive Directors of the Non-Competing Shareholders' compliance with the undertakings and the enforcement of the Deed of Non-competition; (2) it will make an annual report as requested by the independent non-executive directors and the Listing Rules on its compliance with the commitments under the Deed of Non-competition. The Non-Competing Shareholder agrees and acknowledge that the Company will disclose relevant annual declarations in its annual report or announcement; (3) it will encourage the Company to disclose through annual reports or announcements to the public decisions related to the matters reviewed by independent non-executive directors (including reasons for the Company not to undertake new business opportunities); (4) it will not, and will urge its close associates not to incite or induce customers or potential customers of the Group not to conduct business with the Group; and (5) it will not, and will urge its close associates not to incite or induce employees or potential employees of the Group to leave the Group, or hire such individuals in any way, provide services or employ them in any other way.

Exceptions:

1. The Non-Competing Shareholder and its close associates who continue to engage in the business of provision of smart intralogistics solutions in the PRC before the effective date of the Deed of Non-competition shall not constitute a violation of the Deed of Non-competition provided that the Non-Competing Shareholder and its close associates undertake that they will not renew the relevant contracts of provision of smart intralogistics solution when they expire and will not continue to engage in the above-mentioned business thereafter.
2. The Deed of Non-competition will not restrict the Non-Competing Shareholder and its close associates from engaging in business that is different or dissimilar from the Restricted Business and business which does not constitute competition.
3. Nothing in the Deed of Non-competition shall preclude any of the Non-Competing Shareholders or their close associates from:
 - a. holding interests in the shares of a company provided that the total number of the shares held by the relevant Non-Competing Shareholder(s) and/or its close associates in aggregate does not exceed 10% of the issued shares of that class of the company in question, and such Non-Competing Shareholder(s) and its close associates, whether acting singly or jointly, are not entitled to appoint a majority of the directors of that company; or

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- b. pursuing any business opportunity which may constitute the Restricted Business after our Independent Board has confirmed in writing to the relevant Non-Competing Shareholder(s) that our Independent Board or the relevant member(s) of our Group has declined such business opportunity.

Save as disclosed above, as of the date of the Deed of Non-competition, each of the Controlling Shareholders or any of their respective close associates (other than members of our Group) had not engaged in or participated in any Restricted Business, and had not held any direct or indirect interest in any company or enterprise engaged in the Restricted Business.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), which sets out principles of good corporate governance.

In order to further safeguard the interest of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflict of interest with members of the Controlling Shareholder and its respective close associates: (i) where a Shareholders’ meeting is to be held for considering proposed transactions in which any of our Controlling Shareholder or any of their respective associates has a material interest, such Controlling Shareholder will not vote on the resolutions and shall not be counted towards the quorum; (ii) the Articles of Association and the Rules of Procedure of Board Meetings adopted by our Company provide that a Director shall abstain from voting on any resolution in which such Director or any of his/her close associates has a connected relationship and nor shall such Director be counted in the quorum present at the relevant Board meeting for such resolution; (iii) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with our Controlling Shareholder or any of its respective associates, our Company will comply with the applicable requirements under the Listing Rules; (iv) our Company is committed that the Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). Our Company has appointed three independent non-executive Directors and believes that the independent non-executive Directors (a) possess sufficient experiences, (b) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and (c) will be able to provide an impartial and external opinion to protect the interest of our Shareholders as a whole. For details of the biographies of our independent non-executive Directors, see “Directors and Senior Management” in this document; (v) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and the Controlling Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders; (vi) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review; (vii) where our Directors reasonably request for the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company’s expenses; and (viii) our Company has appointed Guotai Junan Capital Limited as our compliance advisor, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors’ duties and corporate governance.

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

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised), the following persons will have interests or short positions in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or 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:

Name of Substantial shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme not exercised)		
		Number and description of Shares (L) ^(Note 1)	Approximate percentage of shareholding in the total issued Shares of our Company	Number and description of Shares (L)	Approximate percentage of shareholding in the Unlisted/H Shares	Approximate percentage of shareholding in the total issued Shares of our Company
Noblelift Company ^(Note 2)	Beneficial owner	119,515,440 Unlisted Shares	99.60%	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
Mr. Ding ^(Note 2)	Interest in a controlled corporation	119,515,440 Unlisted Shares	99.60%	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
Mr. Ding Yi ^(Note 2)	Interest in a controlled corporation	119,515,440 Unlisted Shares	99.60%	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
Ms. Mao Ying ^(Note 2)	Interest in a controlled corporation	119,515,440 Unlisted Shares	99.60%	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
Mr. Chen Lisheng ^(Note 3)	Interest in a controlled corporation	484,560 Unlisted Shares	0.40%	[REDACTED] Unlisted Shares	[REDACTED]%	[REDACTED]%
	Beneficial owner	3,160,000 ^(Note 4) H Shares	2.63%	[REDACTED] H Shares	[REDACTED]%	[REDACTED]%
Mr. Yang Tianbiao	Beneficial owner	2,000,000 ^(Note 4) H Shares	1.67%	[REDACTED] H Shares	[REDACTED]%	[REDACTED]%

Notes:

- The letter (L) denotes the person's long position in the Shares
- Noblelift Company is a joint stock company established in the PRC, and its shares are listed on the Shanghai Stock Exchange (stock code: 603711). As at the Latest Practicable Date, Noblelift Company was owned as to approximately 34.54% in aggregate by Mr. Ding (our executive Director and chairman of the Board) and Mr. Ding Yi (the father of Mr. Ding) and Ms. Mao Ying (the spouse of Mr. Ding Yi), who are together parties acting in concert. By virtue of the SFO, each of Mr. Ding, Mr. Ding Yi and Ms. Mao Ying is deemed to be interested in the Shares held by Noblelift Company.
- Wuxi Dinghong is an employee incentive shareholding platform of our Company. As at the Latest Practicable Date, Wuxi Dinghong held 484,560 Shares, representing approximately 0.40% of the issued Shares. Mr. Chen Lisheng (陳黎升) is the general partner of Wuxi Dinghong, as such, by virtue of SFO, Mr. Chen Lisheng (陳黎升) is deemed to be interested in the Shares held by Noblelift Company.
- These Shares represent the underlying interests in Shares pursuant to options granted to Mr. Chen Lisheng and Mr. Yang Tianbiao under to the [REDACTED] Share Option Scheme. For details, see “Statutory and General Information — 5. [REDACTED] Share Option Scheme” in Appendix VI to this document. None of the options have been exercised as at the Latest Practicable Date.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed above and in “3. Further information about Directors and substantial shareholders — A. Disclosure of interests” in Appendix VI to this document, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised), have interests and/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 other member of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and following the completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, our registered share capital was RMB120,000,000 comprising 120,000,000 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised, the share capital of our Company immediately after the [REDACTED] will be as follows:

Description of Shares ⁽¹⁾	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
Unlisted Shares.	120,000,000	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED].	[REDACTED]	[REDACTED]%
Total	<u>[REDACTED]</u>	<u>100.00%</u>

Note:

- (1) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares.

Assuming the [REDACTED] is exercised in full and the options granted under the [REDACTED] Share Option Scheme are not exercised, the share capital of our Company immediately after the [REDACTED] will be as follows:

Description of Shares ⁽¹⁾	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
Unlisted Shares.	120,000,000	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED].	[REDACTED]	[REDACTED]%
Total	<u>[REDACTED]</u>	<u>100.00%</u>

Notes:

- (1) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares.
- (2) The aggregate of the percentage figures in the above table may not add up to 100% due to rounding of the percentage figures to two decimal places.

SHARE CAPITAL

PUBLIC FLOAT REQUIREMENTS

In compliance with Rule 19A.13A(1) of the Listing Rules, at the time of the [REDACTED], at least [REDACTED]% of the total issued share capital of our Company shall be held by the public (as defined in the Listing Rules). For further details, please refer to the paragraph headed “Lock-up and public float” in the section headed “History, development and corporate structure” in this document.

RANKING

Upon completion of the [REDACTED], our Company would have Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares. However, except for certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC. Unlisted Shares and H Shares will rank pari passu with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by us in Renminbi, Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Our Unlisted Shares are unlisted Shares which are currently not listed or traded on any stock exchange.

According to stipulations by the State Council securities regulatory authority and the Articles of Association, the Unlisted Shares may be converted into H Shares. Such converted Shares may be listed or traded on an overseas stock exchange provided that the conversion and trading of such converted Shares shall only be effected after all requisite internal approval process have been duly completed and the approval from the relevant PRC regulatory authorities (including the CSRC) and the relevant overseas stock exchange have been obtained.

In addition, such conversion and trading shall in all respects comply with the regulations prescribed by the State Council securities regulatory authority and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted to H Shares and to be traded on the Stock Exchange, such conversion requires the approval of the relevant PRC regulatory authorities, including the CSRC. Approval of the Stock Exchange is required for the listing of such converted Shares on the Stock Exchange. Subject to fulfilling the procedures below, our Company may apply for the [REDACTED] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares before any proposed conversion so that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the H Share register. As any [REDACTED] of additional Shares after our Company’s initial [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require prior application for [REDACTED] as at the time of our Company’s initial [REDACTED] in Hong Kong. A vote by our Shareholders in general meeting is not required for the [REDACTED] and trading of the converted Shares on an overseas stock exchange. Any [REDACTED] of the converted Shares on the Stock Exchange after the initial [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of any proposed conversion.

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After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the [REDACTED] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the [REDACTED] and the [REDACTED] in force from time to time. Until the converted Shares are re-registered on the [REDACTED] of our Company, such Shares would not be [REDACTED] as H Shares.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors and members of senior management of our Company.

For details of the lock-up undertaking given by our Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules, see “[REDACTED]” in this document.

SHAREHOLDERS’ GENERAL MEETINGS

For details of circumstances under which Shareholders’ general meeting are required, see “Appendix V — Summary of Articles of Association” to this document.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, our Company is required to register its shares that are not listed on any overseas stock exchange with China Securities Depository and Clearing Corporation Limited within 15 business days upon the [REDACTED] and provide a written report to the CSRC regarding the centralized registration and deposit of our Shares that are not listed on the overseas stock exchange as well as the [REDACTED] and [REDACTED] of our H Shares.

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to issue H Shares and seek the [REDACTED] of H Shares on the Hong Kong Stock Exchange. The Company has obtained such approval at the Shareholders’ meeting held on April 30, 2025.

FINANCIAL INFORMATION

You should read the following discussion and analysis together with our consolidated financial statements included in the Accountants’ Report in Appendix I to this document, together with the accompanying notes. Our consolidated financial statements were prepared in accordance with HKFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties. Our actual performance and results may differ materially from our expectations and predictions as a result of certain factors, including those set out in the sections entitled “Forward-Looking Statements,” “Risk Factors,” and elsewhere in this document. In addition, certain industry issues also affect our financial condition and results of operations, as described in “Industry Overview.”

OVERVIEW

We are an established smart intralogistics and automation solution provider in China. Our offerings include smart intralogistics solutions, after-sales services, and sales of intralogistics equipment and others. Our smart intralogistics solutions, which are offered on a project-by-project basis, accounted for over 95% of our revenue during the Track Record Period. In terms of revenue in 2025, we ranked,

- 4th in the smart intralogistics solutions industry in China with a 1.6% market share;
- 2nd in the smart intralogistics solutions for industrial sectors in China with a 3.2% market share, and
- 1st in the smart intralogistics solutions for new energy lithium-ion battery sector in China with a 25.6% market share.

The industrial sector accounted for nearly 50% of the total smart intralogistics solution market in China in 2025, while the new energy lithium-ion battery sector accounted for approximately 6%.

Our after-sales services primarily include retrofit projects, replacement of spare parts, and maintenance and repair services. Our sales of intralogistics equipment primarily comprise the sales of stacker cranes.

Building on our years of experience and strong production and service capabilities, we have developed industry-specific smart intralogistics solutions that integrate intralogistics sub-systems and address the specific needs of industry verticals. The primary industry verticals of our customers include:

- New Energy:** This industry contributes the largest portion of our revenue and primarily involves solutions for the storage and intralogistics management of lithium-ion batteries. These batteries require secure and highly precise handling due to their sensitivity to environmental conditions and potential safety hazards, such as fire, if mishandled.
- Automotive Parts:** This sector mainly encompasses solutions for tires and other automotive components, including vehicle bodies.
- Healthcare:** This sector includes solutions for medical equipment, raw pharmaceutical materials, finished pharmaceutical products, and pharmaceutical distribution centers; and

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- (iv) **Food:** This sector primarily involves solutions for cold-chain storage management, requiring intralogistics solutions that operate efficiently in freezing environments.

Additionally, we have experience serving a wide variety of other industry verticals, such as chemicals, electronics, new materials, textile and equipment manufacturing.

In 2023, 2024 and 2025, our revenue amounted to RMB1,694.7 million, RMB1,797.8 million and RMB1,881.7 million, respectively, and our profit for these periods amounted to RMB78.2 million, RMB88.6 million and RMB97.4 million, respectively. Our smart intralogistics solutions for customers in the new energy industry, in particular, contributed over 75% of our revenue from smart intralogistics solutions during the Track Record Period.

RECENT DEVELOPMENTS

Our Directors confirm that, up to the Latest Practicable Date, there has been no material adverse change in our financial, operational and trading positions or prospects since December 31, 2025, being the end date of the periods reported on in the Accountants’ Report included in Appendix I to this document, and there has been no events since December 31, 2025 that would materially affect the information shown in the Accountants’ Report included in Appendix I to this document.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our historical financial information has been prepared on a historical cost basis, except for certain financial instruments, which have been measured at fair value. We have early adopted all HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, in the preparation of the historical financial information. Our historical financial information has been presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated. See note 2.1 of the Accountants’ Report in Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe the following are some of the key factors that have affected and will continue to affect our business, results of operations, and financial condition:

General Economic Conditions and Market Demand for Intralogistics Services, Particularly from the New Energy Industry

Our business expansion and revenue growth have relied, and will continue to rely, on the general economic conditions in China and the market demand for smart intralogistics solutions, related after-sales services, and intralogistics equipment. During the Track Record Period, we derived a substantial portion of our revenue from the sales of smart intralogistics solutions to customers in the new energy industry, particularly lithium-ion battery manufacturers. Our revenue from new energy solutions amounted to RMB1,257.7 million, RMB1,306.1 million and RMB1,676.6 million in 2023, 2024 and 2025, respectively, representing 78.5%, 75.5% and 93.8% of our total revenue from smart intralogistics solutions for the same years, respectively.

The demand for our solutions, after-sales services, and intralogistics equipment, especially those related to the new energy industry, is primarily driven by the overall demand for end applications of lithium-ion batteries. Our customers in the new energy industry include leading lithium-ion battery manufacturers such as CATL and REPT Battero. According to CIC, the market size of China’s smart intralogistics solution for new energy industry grew from RMB5.1 billion in

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2021 to RMB7.7 billion in 2025, representing a CAGR of 11.1%. Looking ahead, this market is expected to continue its robust expansion, fueled by supportive government policies, technological innovation, and rising demand. It is projected to reach RMB14.7 billion by 2030, with a CAGR of 13.8% from 2025 to 2030.

We believe we are well-positioned to capitalize on the growth opportunities presented by these industry trends, supported by our established collaborations with leading manufacturers and our experience in the industry.

Our Ability to Compete Effectively

The intralogistics industry in which we operate is highly competitive, and the success of our business relies heavily on our ability to compete effectively against both established market players and new entrants. With over 16 years of operating history, we have accumulated significant experience and expertise in providing smart intralogistics solutions. This has enabled us to establish a strong market presence, solid brand reputation, and robust research and development capabilities. Furthermore, we have built a customer base that includes well-known companies recognized as leaders in their respective industries.

The intralogistics industry remains in a growth phase, which presents favorable opportunities for our future development, as a growing market translates into additional business prospects. However, increased competition could materially affect our pricing abilities. In the past, we have strategically lowered our gross profit margins to secure solutions projects that we deemed to have strategic significance for our long-term growth and market positioning. For further details, see “Risk Factors — Risks Related to Our Business and Industry — The smart logistics solution industry is competitive. Our failure to successfully compete could materially and adversely affect our market position and market share.”

Looking ahead, we intend to leverage our extensive know-how, technological advantages, and market resources to further enhance and diversify our service offerings. By strengthening our relationships with existing customers and pursuing expansion opportunities in new industry verticals and geographic markets, we aim to maintain our competitive edge and drive sustainable growth.

Maintaining Strong Relationships with Our Major Customers and Growing Our Customer Base

Our ability to attract and retain customers is essential to our revenue growth, ability to obtain a steady stream of new projects, and long-term success. Over the years, we have built a loyal customer base that includes leading players in the new energy and automotive parts industries. By closely aligning with the evolving needs of these customers and providing highly customized smart intralogistics solutions tailored to their individual needs, we have cultivated long-standing partnerships with our key customers, driving significant business growth through repeat purchases and provision of after-sales services to our existing customers, which help us to further enhance customer stickiness.

Beyond the new energy industry, we leverage our expertise and experience in providing smart intralogistics solutions to serve customers across a diverse range of industries. These include large healthcare companies such as Sinopharm and Yuwell. This breadth of capabilities forms a solid foundation for us to further diversify our customer base and expand into new industry verticals. Our long-standing collaboration with major customers reinforce our reputation as a trusted provider in the market, while our reliability and innovation continue to attract new customers in both our existing verticals and emerging ones.

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Going forward, customers in the new energy industry will remain an important source of business and revenue for us. To sustain our long-term growth, we actively pursue opportunities to diversify our customer portfolio and strengthen our presence in other industry verticals, such as food cold chain and healthcare, and develop business in growing industry verticals such as shipbuilding, semiconductors, retail, smart manufacturing, and petrochemicals.

However, our ability to maintain and expand our customer base is subject to various external factors beyond our control, such as changes in the general economic conditions, competition, and shifts in our customers’ business operations and strategies. For additional details, see “Risk Factors — Risks Related to Our Business and Industry.”

Technological Innovation and Development of New, Upgraded and Diversified Offerings

The smart intralogistics industry is undergoing rapid transformation, driven by continuous technological advancements. To maintain our competitive edge and address increasingly complex customer demands, we have consistently invested in the development of innovative new solutions and enhancements to our existing technologies and products. Over the years, we have built a robust portfolio of intralogistics equipment and software, which we integrate with procured components and our customer’s existing interface to deliver tailored, high-quality solutions that address our customers’ unique needs.

Our self-developed stacker crane series, for instance, demonstrates the breadth and versatility of our product portfolio, ranging from the MINILoad SRM, with a maximum lifting capacity of 100kg, which is particularly suited for pharmaceutical solutions where loads are relatively lightweight, to the HD12000 SRM, with a maximum lifting capacity of 12,000kg, suited for the needs of customers with heavy-duty lifting requirements, such as steel companies. In addition, we offer a comprehensive product line of smart intralogistics software, including warehouse management systems (WMS), flexible manufacturing systems (FMS) for new energy lithium-ion batteries, warehouse control systems (WCS) and other key software, all of which are researched and developed in-house. By combining our comprehensive product range with high-quality components (including robots and other equipment) sourced from trusted third-party manufacturers, we are able to efficiently integrate diverse hardware and software, introducing new features and refining functionalities in our solutions to adapt to a wide variety of customer requirements.

Technological leadership requires sustained investment in research and development, which is critical for maintaining our market position in the long run. Looking forward, we plan to increase our research and development budget to upgrade and expand our intralogistics equipment and software, and performing capacity upgrades and technical retrofits to our production facilities. By strategically investing in research and development initiatives, we aim to deliver solutions that provide better long-term value for customers, improving customer satisfaction and retention.

Cost Management and Operational Efficiency

Effective cost management and scaling operational efficiencies are fundamental to our long-term success and profitability. Our ability to control costs and manage operational expenses directly impacts our results of operations and competitiveness. During the Track Record Period, our profit for the year amounted to RMB78.2 million, RMB88.6 million and RMB97.4 million in 2023, 2024 and 2025, respectively, accounting for 4.6%, 4.9% and 5.2% of our revenue for the same years, respectively. We employ a mix of in-house production and procurement of certain components from third-party suppliers to achieve higher production output and efficiency while lowering costs. By maintaining strict oversight over our cost of sales and operational expenses, we ensure that we deliver high-quality solutions and products while protecting our profit margins.

To achieve greater operational efficiency and cost savings, we continuously seek to optimize our business processes, reduce waste, and streamline our operations. We have invested in technologies and equipment to enhance our operational efficiency and reduce labor costs. For

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instance, we utilized newer equipment, adopted more refined production techniques, and implemented standardized product specifications. We have also implemented measures to control our costs of sales and operating expenses, such as implementing centralized procurement for outsourced manufacturing and optimizing labor force. By optimizing production and maintaining strict management over our operating expenses, we aim to improve overall profitability even as we grow our market reach and product offerings.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating 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 results of operations. Our management continually evaluates such estimates, assumptions, and judgments based on past experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between 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 in these estimates and assumptions in the foreseeable future.

Material accounting policies, estimates, assumptions, and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in the notes in the Accountants’ Report in Appendix I to this document.

PRINCIPAL COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Revenue	1,694,654	1,797,805	1,881,681
Cost of sales	(1,456,819)	(1,561,941)	(1,597,504)
Gross profit	237,835	235,864	284,177
Other income and gains	19,096	15,243	12,467
Selling and distribution expenses	(27,322)	(27,089)	(33,815)
Administrative expenses	(52,235)	(52,730)	(57,325)
Research and development expenses	(71,300)	(65,840)	(74,960)
Impairment losses on financial and contract assets, net	(11,895)	7,889	(5,780)
Other expenses	(8,438)	(15,571)	(11,198)
Finance costs	(4,375)	(2,664)	(2,059)
Share of losses of an associate	—	—	(134)
Profit before tax	81,366	95,102	111,373
Income tax expenses	(3,184)	(6,476)	(13,999)
Profit for the year	78,182	88,626	97,374

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Revenue

By Segment

Our revenue during the Track Record Period represents revenue from our three business segments: (i) smart intralogistics solutions, where we provide integrated solutions to our customers on a project-by-project basis. Revenue from each project is recognized after the installation and commissioning of the solution are completed and the customer accepts the solution; (ii) after-sales services, which primarily include maintenance and upgrade services provided to customers who have purchased our smart intralogistics solutions; and (iii) sales of intralogistics equipment which primarily comprised sales of stacker cranes and conveyors, and to a much lesser extent, sales of others which are scrap materials from our production activities.

The vast majority of our revenue is derived from smart intralogistics solutions, our core offering. Our revenue from smart intralogistics solutions has shown consistent growth from 2023 to 2025, primarily due to: (i) an increase in demand for smart intralogistics solutions for lithium-ion battery companies in China, mainly attributable to the growth of the new energy vehicle market; and (ii) an increase in market demand for smart intralogistics systems driven by favorable policies issued by the PRC government that incentivize the intelligent upgrading of warehouse management and intralogistics systems for manufacturing enterprises.

The following table sets forth a breakdown of our revenue by business segment:

	Year ended December 31,					
	2023		2024		2025	
	<i>(RMB in thousands except for percentages)</i>					
Smart intralogistics solutions . . .	1,602,744	94.6%	1,727,754	96.1%	1,786,679	95.0%
After-sales services	47,515	2.8%	49,775	2.8%	82,126	4.4%
Sales of intralogistics equipment and others	44,395	2.6%	20,276	1.1%	12,876	0.6%
Total	1,694,654	100.0%	1,797,805	100.0%	1,881,681	100.0%

Geographical Market

Geographical markets are identified by the country or region where the products or services were delivered. The following table sets forth a breakdown of our revenue by geographical market:

	Year ended December 31,					
	2023		2024		2025	
	<i>(RMB in thousands except for percentages)</i>					
China	1,656,242	97.7%	1,697,045	94.4%	1,774,255	94.3%
Overseas ⁽¹⁾	38,412	2.3%	100,760	5.6%	107,426	5.7%
Total	1,694,654	100.0%	1,797,805	100.0%	1,881,681	100.0%

(1) Primarily include products delivered to customers in Thailand, Germany and Pakistan.

Our revenue from overseas market amounted to RMB38.4 million in 2023 and RMB100.8 million in 2024 because we completed and delivered a smart intralogistics solution for a textile company in Pakistan in 2023 and for a tire company in Thailand in 2024. Our revenue from overseas markets remained relatively stable at RMB107.4 million in 2025.

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By Customer Industry

The following table sets forth a breakdown of our revenue from smart intralogistics solutions by customer industry:

	Year ended December 31,					
	2023		2024		2025	
<i>(RMB in thousands except for percentages)</i>						
New energy	1,257,676	78.5%	1,306,084	75.5%	1,676,602	93.8%
Automotive parts	53,447	3.3%	169,049	9.8%	922	0.1%
Healthcare	53,799	3.4%	66,561	3.9%	12,965	0.7%
Food	78,962	4.9%	63,225	3.7%	12,720	0.7%
Others ⁽¹⁾	158,860	9.9%	122,835	7.1%	83,470	4.7%
Total	1,602,744	100.0%	1,727,754	100.0%	1,786,679	100.0%

(1) Primarily include chemicals, electronics, new materials, textiles and equipment manufacturing

During the Track Record Period, the vast majority of our revenue from smart intralogistics solutions was contributed by customers from the new energy industry, primarily lithium-ion battery manufacturers in China, aligning with the continued growth of the PRC electric vehicle market in recent years.

Cost of Sales

By Nature

Our cost of sales primarily comprises: (i) cost of direct materials, mainly consisting of the costs of procured equipment, such as racks, shuttles and robots which are integrated in our solution offering, components such as stacker crane travel wheels, stacker crane shafts, sheet metal parts and sprockets which are used in the assembly of our intralogistics equipment, and raw materials used in the production of our intralogistics equipment, principally steel; (ii) overheads, such as travel expenses, utilities, indirect materials, lease expenses and depreciation; and (iii) labor costs, representing the remuneration and benefits paid to our production staff and project technicians.

The following table sets forth a breakdown of our cost of sales by nature:

	Year ended December 31,					
	2023		2024		2025	
<i>(RMB in thousands except for percentages)</i>						
Direct materials	1,250,981	85.9%	1,347,600	86.3%	1,355,338	84.8%
Labor costs	75,907	5.2%	85,557	5.5%	124,033	7.8%
Overheads	113,373	7.8%	111,194	7.1%	100,069	6.3%
Warranties	16,558	1.1%	17,590	1.1%	18,064	1.1%
Total	1,456,819	100.0%	1,561,941	100.0%	1,597,504	100.0%

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By Segment

The following table sets forth a breakdown of our cost of sales by business segment:

	Year ended December 31,					
	2023		2024		2025	
<i>(RMB in thousands except for percentages)</i>						
Smart intralogistics solutions . . .	1,398,376	96.0%	1,517,827	97.2%	1,528,610	95.7%
After-sales services	19,014	1.3%	27,920	1.8%	58,624	3.7%
Sales of intralogistics equipment and others	39,429	2.7%	16,194	1.0%	10,270	0.6%
Total	1,456,819	100.0%	1,561,941	100.0%	1,597,504	100.0%

By Customer Industry

The following table sets forth a breakdown of the cost of sales of our smart intralogistics solutions by customer industry:

	Year ended December 31,					
	2023		2024		2025	
<i>(RMB in thousands except for percentages)</i>						
Smart intralogistics solutions						
New energy	1,106,805	79.1%	1,094,969	72.2%	1,413,740	92.5%
Automotive parts	39,962	2.9%	177,983	11.7%	621	0.0%
Healthcare	49,890	3.6%	62,658	4.1%	12,413	0.8%
Food	70,602	5.0%	59,942	3.9%	13,826	0.9%
Others ⁽¹⁾	131,117	9.4%	122,275	8.1%	88,010	5.8%
Total	1,398,376	100.0%	1,517,827	100.0%	1,528,610	100.0%

(1) Primarily include chemicals, new materials, electronics, textiles and equipment manufacturing

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
<i>(RMB in thousands except for percentages)</i>						
Smart intralogistics solutions	204,368	12.8%	209,927	12.2%	258,069	14.4%
After-sales services	28,501	60.0%	21,855	43.9%	23,502	28.6%
Sales of intralogistics equipment and others . . .	4,966	11.2%	4,082	20.1%	2,606	20.2%
Total	237,835	14.0%	235,864	13.1%	284,177	15.1%

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By Customer Industry

The following table sets forth a breakdown of the gross profit and gross profit margin of our smart intralogistics solutions by customer industry:

Year ended December 31,						
2023			2024		2025	
Gross profit	Gross profit margin		Gross profit	Gross profit margin	Gross profit	Gross profit margin
<i>(RMB in thousands except for percentages)</i>						
Smart intralogistics solutions						
New energy	150,871	12.0%	211,115	16.2%	262,862	15.7%
Automotive parts	13,485	25.2%	(8,934)	(5.3)%	301	32.6%
Healthcare	3,909	7.3%	3,903	5.9%	552	4.3%
Food	8,360	10.6%	3,283	5.2%	(1,106)	(8.7)%
Others ⁽¹⁾	27,743	17.5%	560	0.5%	(4,540)	(5.4)%
Total	204,368	12.8%	209,927	12.2%	258,069	14.4%

(1) Primarily include chemicals, new materials, electronics, textiles and equipment manufacturing

Our overall gross profit for smart intralogistics solutions increased from RMB204.4 million in 2023 to RMB209.9 million in 2024, while the overall gross profit margin decreased slightly from 12.8% to 12.2% due to a mix of contributing factors across our different industry solutions. Although the gross profit of our new energy solutions grew significantly from RMB150.9 million in 2023 to RMB211.1 million in 2024, with the segmental margin improving from 12.0% to 16.2%, this positive impact was offset by margin contractions across our other industry sectors, namely automotive parts, healthcare, food, and others. The aggregate gross profit of these remaining sectors experienced a decline, shifting from a gross profit of RMB53.5 million in 2023 to a gross loss of RMB1.2 million in 2024. This decrease was primarily driven by intensifying market competition and the financial impact of certain contracts that incurred gross losses in the automotive parts and food sectors. In particular, we had a negative gross profit margin for automotive parts solutions in 2024 due to two loss-making contracts.

In 2025, our overall gross profit for smart intralogistics solutions increased to RMB258.1 million, representing an overall margin of 14.4%. This growth was mainly driven by (i) enhanced performance in our new energy projects, which contributed substantially all our total gross profit, and (ii) a substantial rebound in our automotive parts solutions as we secured a small number of high-margin contracts for developing smart intralogistics software systems. The gross profit margin of the automotive parts segment recovered from negative 5.3% in 2024 to 32.6% in 2025, converting a gross loss of RMB8.9 million into a gross profit of RMB0.3 million. Meanwhile, the food segment and other segments recorded gross losses of RMB1.1 million and RMB4.5 million, respectively, with negative gross profit margins of 8.7% and 5.4%. These results were primarily due to intense market competition within these sectors, leading us to proactively reduce project pricing in order to preserve market share.

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Other Income and Gains

Our other income and gains primarily include: (i) government grants, mainly comprising awards and subsidies for our business development and research and development activities; (ii) bank interest income from our bank deposits; and (iii) investment income from financial assets at fair value through profit or loss, mainly comprising our investment income from low-risk wealth management products issued by commercial banks.

The following table sets forth a breakdown of our other income and gains:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Other income			
Bank interest income	1,794	1,600	1,175
Investment income from financial assets at fair value through profit or loss	2,617	2,647	2,570
Government grants	13,741	8,298	6,340
Others	922	684	460
Total other income	<u>19,074</u>	<u>13,229</u>	<u>10,545</u>
Gains			
Fair value gains on financial assets at fair value through profit or loss	22	2,014	1,907
Foreign exchange gain	—	—	—
Others	—	—	15
Total gains	<u>22</u>	<u>2,014</u>	<u>1,922</u>
Total	<u>19,096</u>	<u>15,243</u>	<u>12,467</u>

Selling and Distribution Expenses

Our selling and distribution expenses primarily include: (i) employee compensation, mainly comprising salaries and other benefits paid to our sales personnel; (ii) business development expenses; and (iii) publicity expenses, mainly comprising advertising expenses and expenses incurred promoting our offerings at industry expos. The following table sets forth a breakdown of our selling and distribution expenses:

	Year ended December 31,					
	2023		2024		2025	
	(RMB in thousands except for percentages)					
Employee compensation	17,298	63.3%	18,193	67.2%	24,189	71.5%
Business development expenses . .	4,815	17.6%	5,289	19.5%	6,723	19.9%
Publicity expenses	3,556	13.0%	2,072	7.6%	1,950	5.8%
Others ⁽¹⁾	1,653	6.1%	1,535	5.7%	953	2.8%
Total	<u>27,322</u>	<u>100.0%</u>	<u>27,089</u>	<u>100.0%</u>	<u>33,815</u>	<u>100.0%</u>

(1) Primarily include lease property expenses, office expenses, depreciation and amortization, and others

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Administrative Expenses

Our administrative expenses primarily include: (i) employee compensation, mainly comprising salaries and other benefits paid to our administrative personnel; (ii) professional service fees, mainly comprising consulting, legal and accountants fees and fees paid to other professionals; and (iii) office expenses, and depreciation and amortization related to administrative assets.

The following table sets forth a breakdown of our administrative expenses:

	Year ended December 31,					
	2023		2024		2025	
<i>(RMB in thousands except for percentages)</i>						
Employee compensation	31,726	60.8%	27,867	52.9%	31,055	54.2%
Business development expenses . .	3,378	6.5%	3,429	6.5%	3,653	6.4%
Professional service fees	2,519	4.8%	6,023	11.4%	7,039	12.3%
Depreciation and amortization . .	4,543	8.7%	4,473	8.5%	5,092	8.9%
Lease property expenses	1,224	2.3%	1,709	3.2%	874	1.5%
Office expenses	4,275	8.2%	4,201	8.0%	4,627	8.1%
Others ⁽¹⁾	4,570	8.7%	5,028	9.5%	4,985	8.6%
Total	52,235	100.0%	52,730	100.0%	57,325	100.0%

(1) Primarily include utilities and other miscellaneous items allocated for administrative purposes

Research and Development Expenses

Our research and development expenses primarily include: (i) employee compensation, mainly comprising salaries and other benefits paid to our research and development personnel; (ii) raw material expenses, mainly comprising costs of raw materials used in our research and development projects; and (iii) contracted research and development expenses, mainly comprising fees paid to third-party researchers and developers we engage to enhance our technologies and offerings.

The following table sets forth a breakdown of our research and development expenses:

	Year ended December 31,					
	2023		2024		2025	
<i>(RMB in thousands except for percentages)</i>						
Employee compensation	47,868	67.1%	46,570	70.8%	50,304	67.1%
Raw material expenses	15,567	21.8%	12,199	18.5%	16,841	22.5%
Contracted research and development expenses	2,649	3.7%	214	0.3%	532	0.7%
Depreciation and amortization . .	1,608	2.3%	3,288	5.0%	3,665	4.9%
Others ⁽¹⁾	3,608	5.1%	3,569	5.4%	3,618	4.8%
Total	71,300	100.0%	65,840	100.0%	74,960	100.0%

(1) Primarily include software licensing, intellectual property application and testing fees

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Impairment Losses on Financial and Contract Assets

Our net impairment losses on financial and contract assets primarily comprise bad debts and impairment losses of our trade receivables, contract assets, and other receivables. We recorded impairment losses on financial and contract assets of RMB11.9 million in 2023 and gains on financial and contract assets of RMB7.9 million in 2024. Furthermore, our net impairment losses on financial and contract assets changed from a gain of RMB7.9 million in 2024, to a loss of RMB5.8 million in 2025.

Other Expenses

Our other expenses primarily comprised: (i) gains/losses on asset disposal in relation to the liquidation of our subsidiary Suyue Intelligent Equipment (Wuxi) Co., Ltd. (速躍智能裝備(無錫)有限公司); (ii) compensation paid; and (iii) foreign exchange losses. Our other expenses were RMB8.4 million, RMB15.6 million and RMB11.2 million in 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs primarily comprise: (i) interest on bank and other borrowings; and (ii) interest on lease liabilities. The following table sets forth a breakdown of our finance costs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Interest on bank and other borrowings . . .	4,284	2,533	1,945
Interest on lease liabilities	91	131	114
Total	4,375	2,664	2,059

Income Tax Expenses

Our income tax expenses comprise current tax on profits for the year and deferred tax. We are subject to income tax on an entity basis on assessable profits arising in or derived from the tax jurisdictions in which members of our Group are domiciled and operate. The following table sets forth a breakdown of our income tax expenses for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current — PRC			
Charge for the year	4,961	9,327	17,751
Deferred tax	(1,777)	(2,851)	(3,752)
Total	3,184	6,476	13,999

Pursuant to the Law of the PRC on Enterprise Income Tax and the respective regulations, our Company was recognized as a High and New Technology Enterprise during the Track Record Period and entitled to a preferential tax rate of 15% in 2023, 2024 and 2025. Our subsidiaries in China, Wuxi Zhongnuo and Wuxi Liding, were qualified as small and micro enterprises and received the applicable preferential tax treatment in 2023 and 2024, and Wuxi Zhongnuo continued to enjoy such treatment in 2025.

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Our subsidiary incorporated in Singapore is subject to Singapore tax at the rate of 17%. Our subsidiary incorporated in Hungary is subject to Hungary tax at the rate of 9%. Our subsidiary incorporated in Malaysia is subject to Malaysia tax at the rate of 24%. We had no assessable profits derived from or earned in Singapore and Hungary during the Track Record Period.

COMPARISON OF RESULTS OF OPERATIONS

2025 Compared with 2024

Revenue

Our revenue from smart intralogistics solutions increased slightly from RMB1,727.8 million in 2024 to RMB1,786.7 million in 2025. This increase was primarily attributable to the continued growth in the new energy vehicle industry, leading to increased demand from our major customers for facility upgrades and expansions.

Our revenue from after-sales services increased by 64.9% from RMB49.8 million in 2024 to RMB82.1 million in 2025. This increase was primarily attributable to (i) increased post-installation demand as new energy solution projects commissioned in prior periods entered operational phases, and (ii) increased orders for technical retrofits, as major new energy customers elected to upgrade their facilities to improve production efficiency.

Our revenue from sales of intralogistics equipment and others decreased by 36.5% from RMB20.3 million in 2024 to RMB12.9 million in 2025. In 2025, sales of intralogistics equipment and others made limited contribution to our revenue, primarily due to reduced sales of stacker cranes and conveyors.

Cost of Sales

Our cost of sales increased slightly from RMB1,561.9 million in 2024 to RMB1,597.5 million in 2025 in line with our revenue growth during this period.

Gross Profit and Gross Profit Margin

Our gross profit from smart intralogistics solutions increased by 23.0%, from RMB209.9 million in 2024 to RMB258.1 million in 2025. Our gross profit margin for smart intralogistics solutions increased from 12.2% in 2024 to 14.4% in 2025. This was primarily attributable to the improved profitability of our new energy projects, which accounted for substantially all of the segment's gross profit in 2025, as we continued to secure high-margin contracts from customers within the new energy industry. Additionally, the gross profit margin of the automotive parts segment recovered from negative 5.3% in 2024 to 32.6% in 2025 solutions as we secured small number of high-margin contracts for developing smart intralogistics software systems, converting a gross loss of RMB8.9 million into a gross profit of RMB0.3 million. Meanwhile, the food segment and other segments recorded gross losses of RMB1.1 million and RMB4.5 million, respectively, with negative gross profit margins of 8.7% and 5.4%. These results were primarily due to intense market competition within these sectors, leading us to proactively reduce project pricing in order to preserve market share. More broadly, our gross profit margins improved because we (i) increased volumes of in-house produced equipment and (ii) proactively managed our external procurement costs. In particular, the average unit production cost of in-house produced stacker cranes in projects accepted in 2025 has seen a reduction of 6.0% compared with 2024. The reduction was mainly attributable to the introduction of high-precision automated equipment, implementation of lean production management, and product design optimisation which enhanced production efficiency and reduced material and labour costs. At the same time, the procurement cost of outsourced subsystems as a percentage of their corresponding quoted sales price decreased from 84.5% to 78.0% during the same period, representing a reduction of 6.5%. The decrease in costs of externally procured components relative to customer quotations was primarily due to strengthened supplier

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management and competitive procurement practices, including internal cost modelling and target pricing. These relative cost improvements in both in-house production and external procurement supported the increase in our gross profit margin in 2025.

Our gross profit from after-sales services increased by 7.3% from RMB21.9 million in 2024 to RMB23.5 million in 2025. However, our gross profit margin for after-sales services decreased from 43.9% in 2024 to 28.6% in 2025. The decline in gross profit margin was primarily due to our efforts to expand the after-sales customer base by strategically lowering service fees, which, while supporting gross profit growth, resulted in dilution of margins.

Our gross profit from sales of intralogistics equipment and others decreased by 36.6%, from RMB4.1 million in 2024 to RMB2.6 million in 2025. Gross profit margin for this segment increased from 20.1% in 2024 to 20.2% in 2025. The decrease in gross profit was because in 2025, our sales of intralogistics equipment were reduced.

Other Income and Gains

Our other income and gains decreased by 17.8% from RMB15.2 million in 2024 to RMB12.5 million in 2025, primarily due to a decrease in government grants because of timing difference of grant approvals and disbursements by the relevant authorities during this period.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 24.7% from RMB27.1 million in 2024 to RMB33.8 million in 2025, primarily due to (i) a RMB6.0 million increase in employee compensation primarily due to higher incentives and bonuses and hiring of additional sales personnel, and (ii) a RMB1.4 million increase in business development expenses, as we sought to attract more business opportunities.

Administrative Expenses

Our administrative expenses remained stable at RMB57.3 million in 2025 compared with RMB52.7 million the year prior.

Research and Development Expenses

Our research and development expenses increased by 14.0% from RMB65.8 million in 2024 to RMB75.0 million in 2025, primarily due to (i) a RMB4.6 million increase in raw material expenses, resulting from greater consumption of direct materials associated with new research and development initiatives for AS/RS equipment and conveyor systems; and (ii) increased share-based payments amounted to RMB3.7 million.

Impairment Losses on Financial and Contract Assets, net

We recorded net impairment gains on financial and contract assets of RMB7.9 million in 2024 and losses on financial and contract assets of RMB5.8 million in 2025. The change was primarily due to increased provisions for impairment of trade receivables and other receivables, driven by the growth in their respective balances, which was partially offset by a reversal of impairment provision for contract assets.

Other Expenses

Our other expenses decreased from RMB15.6 million in 2024 to RMB11.2 million in 2025, primarily due to the absence of a RMB3.6 million loss recorded in 2024 in connection with the cancellation of a construction contract of Wuxi Senheda and the disposal of related ground facilities.

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Finance Costs

Our finance costs decreased from RMB2.7 million in 2024 to RMB2.1 million in 2025, primarily due to a decrease in our outstanding balances of bank borrowings.

Income Tax Expenses

Our income tax expenses increased from RMB6.5 million in 2024 to RMB14.0 million in 2025, primarily due to an increase in our taxable income.

Profit for the Year and Net Profit Margin

As a result of the foregoing, our profit for the year increased by 9.9% from RMB88.6 million in 2024 to RMB97.4 million in 2025, while our net profit margin increased from 4.9% in 2024 to 5.2% in 2025.

2024 Compared to 2023

Revenue

Our revenue from smart intralogistics solutions increased by 7.8% from RMB1,602.7 million in 2023 to RMB1,727.8 million in 2024, primarily due to higher revenue contribution from new energy, automotive parts and chemical industries:

- our revenue from new energy solutions increased from RMB1,257.7 million in 2023 to RMB1,306.1 million in 2024 as we continued to solidify long-term relationship with major new energy customers. Average revenue per new energy solution increased from 66.2 million in 2023 to 76.8 million in 2024;
- our revenue from automotive parts solutions increased significantly from RMB53.4 million in 2023 to RMB169.0 million in 2024, mainly due to our delivery of two solutions to tire manufacturers for which we recognized total revenue of RMB136.5 million in 2024, including one in Thailand, reflecting our efforts to capture market demand in this sector; and
- our revenue from chemicals solutions increased significantly from RMB38.2 million in 2023 to RMB87.6 million in 2024, mainly due to our delivery of two large-scale chemical solutions in 2024 for which we recognized total revenue of RMB83.1 million in 2024, reflecting our ability to capture customer demand in this sector.

Our revenue from after-sales services increased by 4.8% from RMB47.5 million in 2023 to RMB49.8 million in 2024, primarily due to the continued demand for technical upgrade and support services from our new energy customers.

Our revenue from sales of intralogistics equipment and others decreased by 54.3% from RMB44.4 million in 2023 to RMB20.3 million in 2024, primarily because we recorded one-off sales of 27 stacker cranes for RMB21.9 million to a single customer in 2023.

Cost of Sales

Our cost of sales increased by 7.2% from RMB1,456.8 million in 2023 to RMB1,561.9 million in 2024, primarily due to: (i) an increase of RMB96.6 million in the cost of direct materials in line with the increase in our revenue from smart intralogistics solutions and after-sales services; and (ii) an increase of RMB9.7 million in labor cost due to higher than budgeted labor costs in relation to a smart intralogistics solution project overseas, partially offset by a decrease of RMB2.2 million in overheads due to our cost-control measures.

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Gross Profit and Gross Profit Margin

Our gross profit from smart intralogistics solutions increased by 2.7% from RMB204.4 million in 2023 to RMB209.9 million in 2024, in line with our revenue growth in this business segment.

Our gross profit margin for smart intralogistics solutions decreased from 12.8% in 2023 to 12.2% in 2024, mainly due to market competition and strategic expansion in various sectors including automotive parts and healthcare, which are margin dilutive. This was partially offset by an increase in the new energy industry’s gross profit margin, reflecting our strong market position and competitiveness in this area. For other sectors, in 2023, we delivered certain high-margin solutions to a textile company in Pakistan for a gross margin of 26.4% and for which we recognized RMB38.4 million of revenue in 2023, and to a Photovoltaic company in Yunnan, China for a gross margin of 37.1% and for which we recognized RMB10.2 million of revenue in 2023. However, in 2024, we encountered two loss-making contracts in building solutions for chemicals customers due to our strategic expansion into new industry markets and prioritizing growth over profitability. The losses associated with these contracts was RMB3.8 million.

Our gross profit from after-sales services decreased by 23.2% from RMB28.5 million in 2023 to RMB21.9 million in 2024, primarily due to our efforts to expand our after-sales customer base by strategic lowering of our service fees. As a result, our gross profit margin for after-sales services decreased from 60.0% in 2023 to 43.9% in 2024.

Our gross profit from sales of intralogistics equipment and others decreased by 18.0% from RMB5.0 million in 2023 to RMB4.1 million in 2024, primarily due to one-off surge in sales in 2023. Despite higher 2023 revenue, gross profitability was affected by a large loss-making sale with a negative margin, causing gross profit margins in this segment to be relatively modest, at 11.2%. In 2024, no such loss-making sales occurred, and thus our gross profit margin from sales of intralogistics equipment and others recovered to 20.1%.

Other Income and Gains

Our other income and gains decreased by 20.4% from RMB19.1 million in 2023 to RMB15.2 million in 2024, primarily due to a RMB5.4 million decrease in government grants. The foregoing decrease was partially offset by a RMB2.0 million rise in fair value gains on financial assets at fair value through profit or loss, primarily due to fair value gains on bank wealth management products we purchased in 2024.

Selling and Distribution Expenses

Our total selling and distribution expenses remained relatively stable at RMB27.3 million and RMB27.1 million in 2023 and 2024, respectively.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB52.2 million and RMB52.7 million in 2023 and 2024, respectively.

Research and Development Expenses

Our research and development expenses decreased by 7.7% from RMB71.3 million in 2023 to RMB65.8 million in 2024, primarily due to our increased reliance on in-house research and development as opposed to outsourced services, and our transition to material-light research model, which resulted in less expenses.

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Impairment Losses on Financial and Contract Assets, net

We recorded net impairment losses on financial and contract assets of RMB11.9 million in 2023 and gains on financial and contract assets of RMB7.9 million in 2024, primarily due to (i) a decrease in our ECL for trade receivables aged over three years and reversal of bad debts on trade receivables as we recovered certain outstanding trade receivables; and (ii) a decrease in impairment losses on other receivables as we collected such receivables.

Other Expenses

Our other expenses increased significantly from RMB8.4 million in 2023 to RMB15.6 million in 2024, primarily due to a RMB9.8 million late payment fee. For details, see “Business — Legal Proceedings and Compliance — Tax Matters.”

Finance Costs

Our finance costs decreased by 38.6% from RMB4.4 million in 2023 to RMB2.7 million in 2024, primarily due a decrease in interest on bank borrowings following our repayment of certain bank borrowings and a decrease in prevailing market interest rates in 2024.

Income Tax Expenses

Our income tax expenses increased from RMB3.2 million in 2023 to RMB6.5 million in 2024, primarily due to an increase in our taxable income.

Profit for the Year and Net Profit Margin

As a result of the foregoing, our profit for the year increased by 13.3% from RMB78.2 million in 2023 to RMB88.6 million in 2024, while our net profit margin increased from 4.6% in 2023 to 4.9% in 2024.

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

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	103,442	134,037	144,870
Total current assets	3,670,665	2,782,801	2,862,729
Total assets	3,774,107	2,916,838	3,007,599
Total non-current liabilities	6,774	4,258	3,575
Total current liabilities	3,347,305	2,425,540	2,408,765
Total liabilities	3,354,079	2,429,798	2,412,340
Net assets	420,028	487,040	595,259
Share capital	74,000	74,300	120,000
Reserves	346,028	412,740	475,259
Total equity	420,028	487,040	595,259

FINANCIAL INFORMATION

Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	March 31,
				2026
		(RMB in thousands)		(unaudited)
Current assets				
Inventories	2,480,582	1,641,751	1,222,813	1,187,018
Trade receivables	335,903	342,163	495,703	466,113
Contract assets	272,651	224,423	211,281	240,301
Prepayments, other receivables and other assets	73,738	86,069	139,238	255,247
Financial assets at fair value through profit or loss	50,001	237,688	421,870	295,281
Financial assets at fair value through other comprehensive income	169,204	26,044	105,342	195,181
Pledged deposits	70,460	39,061	125,250	94,699
Restricted cash	–	35,807	37,044	11,530
Cash and cash equivalents	218,126	149,795	104,188	102,381
Total current assets	3,670,665	2,782,801	2,862,729	2,847,751
Current liabilities				
Trade and bills payables	1,234,703	825,456	993,420	761,995
Other payables and accruals . .	82,016	62,054	63,245	57,328
Contract liabilities	1,930,459	1,473,419	1,318,591	1,485,378
Interest-bearing bank borrowings	85,694	45,926	11,544	12,543
Lease liabilities	1,969	1,175	1,827	3,724
Tax payables	–	4,744	5,077	6,383
Provisions	12,464	12,766	15,061	14,734
Total current liabilities	3,347,305	2,425,540	2,408,765	2,342,085
Net current assets	323,360	357,261	453,964	505,666

Our net current assets increased from RMB323.4 million as of December 31, 2023 to RMB357.3 million as of December 31, 2024 and RMB454.0 million as of December 31, 2025, respectively, as the decrease in our current liabilities outpaced the decrease in our current assets, primarily due to decreases in our trade and bills payables and contract liabilities. Our net current assets increased to RMB505.7 million as of March 31, 2026 as the decrease in our current liabilities outpaced the decrease in our current assets, primarily due to a decrease in our trade and bills payables, which was partially offset by an increase in our contract liabilities.

Inventories

Our inventories primarily consist of (i) raw materials we use in our production, and (ii) work in progress, such as racks, shuttles and robots, and other equipment for producing our integrated intralogistics solutions.

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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	92,682	91,609	59,434
Work in progress	2,397,601	1,597,063	1,219,624
	2,490,283	1,688,672	1,279,058
Less: Provisions for impairment of inventories	(9,701)	(46,921)	(56,245)
Total	<u>2,480,582</u>	<u>1,641,751</u>	<u>1,222,813</u>

During the Track Record Period, we had substantial inventories, principally work in progress, due to our accounting policy which stipulates revenue and costs from smart intralogistics solutions are recognized only upon customer acceptance of on-site delivery. This process can span several months or over a year from start to finish. Refer to “— Material Accounting Policies And Estimates — Revenue Recognition”. During the Track Record Period, the average project duration (measured by days between commencement of solution design and customer acceptance) for our smart intralogistics solutions was 508 days in 2023, 694 days in 2024, and 530 days in 2025. Typically, customers pay us in two installments totaling 60% of the contract value up to the time when we deliver a project to customers on-site for installation. An additional 30% of the contract value is usually paid upon customer acceptance.

According to CIC, it is normal market practice for smart intralogistics solution projects to be delivered to customers first, followed by formal acceptance after several months or longer. This delay is due to necessary adjustments during initial hardware testing, integrated system commissioning, changes in customer specifications, coordination with customer-site building works, among other commercial considerations. This timing difference between project delivery and customer acceptance is a standard aspect of our smart intralogistics solutions and revenue recognition process, and does not inherently indicate project delay, dispute, or credit risk.

Our inventories decreased from RMB2,480.6 million as of December 31, 2023 to RMB1,641.8 million as of December 31, 2024, primarily due to a decrease in work in progress as we completed and delivered multiple solutions to customers before the end of 2024 after a substantial portion of work in progress inventories were utilized. Our inventories further decreased to RMB1,222.8 million as of December 31, 2025, primarily due to the completion and cost recognition of several large-scale projects during the year, which outpaced the inventory build-up for new projects.

We believe we have a comprehensive and adequate system in place for identifying and accounting for inventory risks and impairment provisions. We regularly review our inventories to identify items with low value and make impairment provisions accordingly. Provisions for impairment of inventories surged from RMB9.7 million as of December 31, 2023 to RMB46.9 million as of December 31, 2024 mainly because we incurred higher labor costs than we budgeted on a large-value, strategic solution project in Europe. Provisions for impairment of inventories further increased into RMB56.2 million, primarily driven by a RMB10.8 million provision for a project in Southeast Asia in 2025, as we incurred additional costs to accommodate unexpected site conditions and uphold our service standards. We believe our provisions for impairment of inventories are sufficient during the Track Record Period.

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The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	1,555,830	510,113	764,325
One to two years	711,954	798,366	158,729
Two to three years	92,655	216,337	134,461
More than three years	120,143	116,935	165,398
Total	2,480,582	1,641,751	1,222,813

The following table sets forth the average inventory turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Average inventory turnover days ⁽¹⁾	601	482	327

(1) Average inventory turnover days equal the average of the opening and closing inventory balances of the year indicated divided by the cost of sales of the same year and multiplied by 365 days.

Our inventory turnover days were 601 days, 482 days and 327 days in 2023, 2024 and 2025, respectively. The relatively high level inventory turnover days in 2023 was primarily due to numerous projects entering an intensive implementation period in 2023, leading to the procurement of substantial materials and equipment, resulting in a higher year-end inventory balance. In 2024 and in 2025, as we increased our project efficiency and these projects recognized revenue and costs, the inventory turnover days decreased accordingly.

As of March 31, 2026, RMB317.5 million, or 26.0%, of our inventories as of December 31, 2025 had been sold or utilized.

Recoverability of Inventories

We believe that there are no material recoverability issues with respect to our inventories for the reasons provided below:

- (i) throughout the Track Record Period, we have not experienced any material recoverability issues in inventories;
- (ii) the vast majority (approximately 95.4%, excluding provisions for impairment) of our inventory balance as of December 31, 2025 is accounted for by work in progress inventory. Our work in progress inventory represent unfinished projects, and are tied to firm customer orders from which we expect to generate revenue; and
- (iii) a small portion (approximately 4.6%, excluding provisions for impairment) of our inventory balance as of December 31, 2025 is accounted for by raw materials. We procure raw materials against firm customer orders, and occasionally purchase larger quantities in advance to secure favourable pricing. Raw materials not needed for original orders can be either redeployed to other customer projects, or sold as scrap through established recycling channels.

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Trade Receivables and Financial Assets at Fair Value through Other Comprehensive Income

Our trade receivables represent the outstanding amount due from our customers for the purchase of our products or solutions.

For our smart intralogistics solution, customers typically pay 30% of total contract value upon signing the agreement, 30% after on-site delivery, 30% after acceptance of the delivery, and 10% after the warranty period which is usually one year. The first and second payments are typically settled before or immediately when they fall due. The third and fourth payments typically become due upon acceptance and after the warranty period, respectively, and we do not typically grant credit terms to our customers. As such, our trade receivables are largely representative of the outstanding portion of the third and fourth payments for our smart intralogistics solutions.

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade receivables	464,687	467,389	626,029
Less: Impairment	(128,784)	(125,226)	(130,326)
Total	335,903	342,163	495,703

Our trade receivables, net of impairment, increased from RMB335.9 million as of December 31, 2023 to RMB342.2 million as of December 31, 2024, primarily due to an increase in our solutions which were accepted by customers towards the end of 2024 and the resulting increase in our revenue in 2024. As of December 31, 2025, our trade receivables, net of impairment, reached RMB495.7 million. This increase was primarily attributed to the acceptance of several large-scale solutions in the second half of 2025. Payments for these projects were outstanding at year-end and within their respective credit periods. We believe our provisions for impairment of trade receivables are sufficient. In calculating provisions for impairment of trade receivables, we apply the simplified approach under HKFRS Accounting Standards to estimate ECL. On an individual basis, higher-risk receivables are provisioned at more elevated rates, ranging from 50% to 100%, depending on the severity of credit concerns.

The following table sets forth an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	155,212	240,631	343,464
One to two years	138,095	59,029	120,251
Two to three years	26,928	34,889	20,009
Three to four years	11,312	5,850	9,767
Four to five years	4,356	1,764	2,212
Total	335,903	342,163	495,703

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Our financial assets at fair value through other comprehensive income represent bank acceptance bills received from customers. These decreased from RMB169.2 million as of December 31, 2023, to RMB26.0 million as of December 31, 2024, due to our offering of cash payment incentives to customers and endorsing bills to settle payables with suppliers. Our financial assets at fair value through other comprehensive income increased to RMB105.3 million as of December 31, 2025 because we received an increased amount of bank acceptance bills from our customers in 2025.

The following table sets forth the average trade receivables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Average trade receivables turnover days ⁽¹⁾	146	89	94

(1) Average trade receivables turnover days equal the average of the opening and closing balances of gross carrying amount of trade receivables and financial assets at fair value through other comprehensive income of the year indicated divided by the revenue of the same year and multiplied by 365 days.

The above trade receivables turnover days indicate the average time required for us to collect payments for our solutions as whole. Our average trade receivables turnover days continued to decrease from 146 days in 2023 to 89 days in 2024, due to our continued collection efforts and cash incentives offered to customers for early payments. In 2025, our trade receivables turnover days slightly increased to 94 days.

As of March 31, 2026, RMB152.6 million, or 30.8%, of our trade receivables as of December 31, 2025 had been settled.

Recoverability of Trade Receivables

We believe that there are no material recoverability issues with respect to our trade receivables for the reasons provided below:

- (i) throughout the Track Record Period, we have not experienced any material recoverability issues in trade receivables;
- (ii) In order to achieve timely settlement of our trade receivables, we have proactively made collection efforts with our customers, including closely monitoring and holding period meetings on the status of our trade receivables, and timely communicating with relevant parties and reminding them of payments through various channels. As a result, as of March 31, 2026, RMB315.2 million, RMB263.8 million and RMB152.6 million, or 93.8%, 77.1% and 30.8% of our trade receivables outstanding as of December 31, 2023, 2024 and 2025, had been subsequently collected; and
- (iii) a significant proportion (approximately 69.3%) of our trade receivables as of December 31, 2025 is accounted for by trade receivables aged one year or less.

Contract Assets

Our contract assets consist of retention money for our sales of intralogistics solutions, after-sales services and intralogistics equipment and others, which is collected after the end of the warranty period.

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Smart intralogistics solutions	284,129	236,047	222,893
After-sales services	2,090	—	—
Sales of intralogistics equipment and others	3,248	2,035	1,460
	289,467	238,082	224,353
Less: Impairment	(16,816)	(13,659)	(13,072)
Total	272,651	224,423	211,281

Our contract assets decreased from RMB272.7 million as of December 31, 2023 to RMB224.4 million as of December 31, 2024, and further, to RMB211.3 million as of December 31, 2025, primarily reflecting the net effect of new retention money arising from completed projects and the reclassification of retention money to trade receivables upon the expiry of warranty periods. In calculating impairment provisions for our contract assets, we perform impairment analyses using a provision matrix based on the ECL model. These calculations incorporate the probability-weighted outcomes of historical default rates, adjusted for forward-looking economic conditions. We believe our impairment provisions for contract assets are sufficient.

The following table sets forth an aging analysis of our contract assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	251,792	201,528	197,322
One to two years	17,226	21,294	10,382
Two to three years	3,633	1,601	3,577
Total	272,651	224,423	211,281

As of March 31, 2026, RMB50.5 million, or 23.9%, of our contract assets as of December 31, 2025 had been certified.

Recoverability of Contract Assets

We believe that there are no material recoverability issues with respect to our contract assets. We have applied ECL at a rate of approximately 6% during each year of the Track Record Period, and actual impairments have been minimal. Contract assets are expected to be reclassified to trade receivables upon expiration of warranty periods, reflecting fulfilment of contractual obligations. Given the predictable conversion to receivables and low actual losses, recoverability risk is not considered material. For details of our contract assets, see note 21 of the Accountants’ Report in Appendix I to this document.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consist of: (i) prepayments to suppliers; and (ii) deposits, mainly comprising various deposits incurred in our normal business operations, including performance guarantee deposits, bid security deposits, and rental deposits.

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The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current portion:			
Prepayments to suppliers	55,721	73,129	104,821
Deposits	16,225	14,292	14,349
Prepaid tax	5,548	2,161	—
Receivables from disposal of a subsidiary	—	—	8,460
Deferred [REDACTED] expense	[REDACTED]	[REDACTED]	[REDACTED]
Others	2,118	915	981
	79,612	90,497	144,432
Impairment allowance	(5,874)	(4,428)	(5,194)
Subtotal	73,738	86,069	139,238
Non-current portion:			
Rental deposits	235	317	438
Prepayments for long-term assets	1,000	1,821	21,190
Subtotal	1,235	2,138	21,628
Total	74,973	88,207	160,866

Our prepayments to suppliers increased from RMB55.7 million as of December 31, 2023 to RMB73.1 million as of December 31, 2024, primarily as we made additional purchases using prepayments for components used in several smart intralogistics solution projects. Our prepayments to suppliers increased to RMB104.8 million as of December 31, 2025, primarily due to increased prepayments made for raw materials and equipment for new projects that commenced in late 2025.

As of December 31, 2025, we recorded receivables from disposal of a subsidiary of RMB8.5 million in connection with our disposal of Wuxi Senheda. For details, see “History, Development and Corporate Structure — Disposal of Wuxi Senheda Intelligent Equipment Co., Ltd. (無錫森和大智能裝備有限公司).”

As of December 31, 2025, deferred [REDACTED] expenses amounted to RMB[REDACTED], representing the portion of [REDACTED] professional and other fees that had been capitalized. These expenses are directly attributable to the issue of our [REDACTED] and will be charged to equity upon completion of the [REDACTED].

As of March 31, 2026, RMB54.2 million, or 38.9%, of our prepayments, other receivables and other assets as of December 31, 2025 had been settled.

Our prepayments for long-term assets increased from RMB1.0 million as of December 31, 2023 to RMB1.8 million as of December 31, 2024, primarily due to our prepayments for fixed assets and software for our own use. Our prepayments for long-term assets further increased to RMB21.2 million as of December 31, 2025, primarily due to RMB20.0 million in investment deposits we paid to SVOLT Energy Technology Co., Ltd. (蜂巢能源科技股份有限公司) in connection with our agreement for the potential subscription of certain equity interests. For details, see “Waivers from Strict Compliance with Listing Rules and Exemptions from the Companies (Winding Up And Miscellaneous Provisions) Ordinance” — “Waiver In Relation To Post-Track Record Period Acquisition” — “Background Of The Subscription.”

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Financial Assets at Fair Value through Profit or Loss

Our financial assets measured at fair value through profit or loss (FVTPL) consisted of our wealth management products issued by commercial banks. Our financial assets measured at FVTPL increased significantly from RMB50.0 million as of December 31, 2023 to RMB237.7 million as of December 31, 2024, primarily because: (i) we purchased additional bank wealth management products due to a decrease in the market deposit interest rate; and (ii) we did not have significant cash requirements at year-end and therefore did not redeem most of our wealth management products. Our financial assets measured at FVTPL further increased to RMB421.9 million as of December 31, 2025, primarily due to an increase in surplus cash available for investment, resulting in a higher balance of wealth management products held at period end.

To invest our surplus cash for a higher yield than time deposit while minimizing financial risks, our cash management policy mandates that we invest in low-risk, short-term wealth management products and structure deposits offered by well-known PRC commercial banks. Factors we consider include but not limited to macro-economic and interest rate conditions, general market conditions, product maturity and yield, credit profile of the issuing financial institutions, our expected capital requirements, and the potential risk and return of the investment. After [REDACTED], we intend to continue our cash management and investment strictly in accordance with our internal policy, Articles of Association and, to the extent that such investment is a notifiable transaction under Chapter 14 of the Listing Rules, we will comply with the relevant requirements under Chapter 14 of the Listing Rules, including the announcement, reporting and/or shareholders’ approval requirements (if applicable).

Trade and Bills Payables

Our trade and bills payables primarily consist of outstanding amounts owed to third parties, principally our suppliers of components and raw materials. According to our understanding with suppliers and prevailing market practices, our suppliers give us a credit term generally ranging from 0 to 180 days to settle payments after they fall due. For large project-based procurements, we typically adopt Back-to-Back Payment Terms, under which payment to suppliers is made only after we receive corresponding payments from our customers.

Our trade and bills payables decreased from RMB1,234.7 million as of December 31, 2023 to RMB825.5 million as of December 31, 2024, primarily due to a continued decrease in our purchase of raw materials as multiple projects were completed or had already moved beyond phases requiring large-scale purchases of raw materials, while our newly undertaken projects had not yet entered the stage requiring large-scale purchases. Our trade and bills payables increased to RMB993.4 million as of December 31, 2025, primarily due to our increased use of short-term bank acceptance bills for supplier payments to better manage our working capital.

The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	1,069,294	585,593	827,493
One to two years	127,641	198,403	97,768
Two to three years	21,441	15,616	41,662
Over three years	16,327	25,844	26,497
Total	1,234,703	825,456	993,420

FINANCIAL INFORMATION

The following table sets forth the average trade and bills payables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Average trade and bills payables turnover days ⁽¹⁾	334	241	208

(1) Average trade and bills payables turnover days equal the average of the opening and closing balances of gross carrying amount of trade and bills payables balances of the year indicated divided by the cost of sales of the same year and multiplied by 365 days.

Our average trade and bills payables turnover days decreased from 334 days in 2023 to 241 days in 2024 due to a reduction in accounts payable, as newly initiated projects have not yet reached the centralized procurement phase, resulting in fewer payables. Our average trade and bills payables turnover days further declined to 208 days in 2025, primarily due to our continued settlement of supplier invoices. Our average trade and bills payables turnover days are longer than the typical credit periods granted by our suppliers (which generally range from 0 to 180 days) primarily because of the following factors:

- Our trade and bills payables turnover days reflect the combined settlement cycle of trade payables and bills payables, rather than the credit terms of individual suppliers. Our average trade payables turnover days alone (excluding bills) ranged from 131 to 181 days during the Track Record Period, which are more realistic representation of our settlement cycle with suppliers.
- For large project-based procurements, we typically negotiate Back-to-Back Payment Terms with suppliers that are aligned with the collection schedule from our customers. As a result, payment to certain suppliers may be deferred to match customer receipts, extending the effective settlement period.
- For certain equipment purchases, supplier contracts specify that final payments are contingent on the completion of a warranty period (usually exceeding one year). We settle such payables only after the warranty period ends, further lengthening the turnover period.

As of March 31, 2026, RMB645.9 million, or 65.0%, of our trade and bills payables as of December 31, 2025 had been settled.

Certain of our trade and bills payables are subject to Back-to-Back Payment Terms, under which we pay our suppliers proportionally upon receiving payment from our customers for the solutions in which the procured goods are integrated. Where a customer delays payment to us, we correspondingly defer payment to the supplier in accordance with such terms. In consequence, payables subject to Back-to-Back Payment Terms are deemed past due only after receiving the corresponding payment from the end-customer.

The following table sets forth an aging analysis of our trade and bills payables past due (assuming the Back-to-Back Payment Terms are enforceable) but not yet settled as of the dates indicated:

FINANCIAL INFORMATION

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Within one year	84,733	26,030	55,431	75,586
One to two years	40,752	39,396	5,963	6,062
Two to three years	1,099	5,000	1,193	2,186
Over three years	2,924	2,891	3,296	3,208
Total⁽¹⁾⁽²⁾	129,508	73,317	65,883	87,042

- (1) In respect of payables subject to Back-to-Back Payment Terms, suppliers are assumed to be entitled to milestone-based payments upon achieving the corresponding contractual milestones, in proportion to the amounts we receive from the end-customer. Payables subject to Back-to-Back Payment Terms are deemed past due if the corresponding payment has been received from the end-customer and we have not made proportionate payment to the supplier.
- (2) Payables not subject to Back-to-Back Payment Terms become past due upon expiry of the applicable credit period.

We arrange monthly settlement of trade and bills payables: (i) in the case of payables subject to Back-to-Back Payment Terms, after receiving the corresponding payment from the end-customer (at which point such payables are already deemed past due); and (ii) in the case of payables not subject to Back-to-Back Payment Terms, at or near the end of the prescribed credit period, in which case settlement may occur after the payable is deemed past due.

Trade and bills payables past due (assuming the Back-to-Back Payment Terms are enforceable) but not yet settled decreased from approximately RMB129.5 million as of December 31, 2023 to approximately RMB73.3 million as of December 31, 2024, primarily attributable to our continued settlement of outstanding obligations in the ordinary course of business.

Trade and bills payables past due (assuming the Back-to-Back Payment Terms are enforceable) but not yet settled decreased to RMB65.9 million as of December 31, 2025, primarily because of decreases in payables aged between one to three years. As of March 31, 2026, we had settled RMB40.3 million, or approximately 61.2% of our trade and bills payables which were past due (assuming the Back-to-Back Payment Terms are enforceable) but not settled as of December 31, 2025. Trade and bills payables past due (assuming the Back-to-Back Payment Terms are enforceable) but not yet settled increased to RMB87.0 million as of March 31, 2026 due to our increased procurement with suppliers at the first quarter of the year and the resulting increase in short-term payables aged within one year.

The following table sets forth an aging analysis of our trade and bills payables past due (assuming the Back-to-Back Payment Terms are unenforceable) but not yet settled as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Within one year	103,230	69,759	70,850	85,261
One to two years	72,855	46,042	7,746	21,133
Two to three years	21,441	15,616	41,662	27,833
Over three years	16,327	25,844	26,497	26,409
Total⁽¹⁾⁽²⁾	213,853	157,261	146,755	160,636

FINANCIAL INFORMATION

- (1) In respect of payables subject to Back-to-Back Payment Terms, suppliers are assumed to be entitled to milestone-based payments upon achieving corresponding contractual milestones, irrespective of whether we have received payment from the customer. Payables subject to Back-to-Back Payment Terms are deemed past due when suppliers have achieved the relevant contractual milestones.
- (2) Payables not subject to Back-to-Back Payment Terms become past due upon expiry of the applicable credit period.

Trade and bills payables past due (assuming Back-to-Back Payment Terms are unenforceable) but not yet settled decreased from RMB213.9 million as of December 31, 2023 to RMB157.3 million as of December 31, 2024, primarily attributable to our continued settlement of outstanding obligations in the ordinary course of business.

Trade and bills payables past due (assuming the Back-to-Back Payment Terms are unenforceable) but not yet settled further decreased to RMB146.8 million as of December 31, 2025, primarily due to settlement with suppliers. As of March 31, 2026, trade and bills payables past due (assuming the Back-to-Back Payment Terms are unenforceable) but not yet settled increased to RMB160.6 million as a result of increases in our payables aged within one year and between one and two years. This increase is primarily attributed to the increased procurement with suppliers at the first quarter of the year and the migration of certain past due amounts to over one year.

Other Payables and Accruals

Our other payables and accruals primarily consist of (i) other tax payables, mainly including VAT; and (ii) payroll and welfare payable to our employees.

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>		
Deposits received	4,023	8,452	9,382
Payroll and welfare payable.	29,746	30,065	37,976
Other tax payables	43,755	16,650	12,929
Payables for purchase of property, plant and equipment.	1,268	1,056	1,227
Due to related parties	1,047	—	—
Other payables	2,177	5,831	1,731
Total	82,016	62,054	63,245

Our other payables and accruals decreased from RMB82.0 million as of December 31, 2023, to RMB62.1 million as of December 31, 2024, primarily due to a decrease in other tax payables attributable to our value-added tax paid. Our other payables and accruals increased to RMB63.2 million as of December 31, 2025, primarily due to an increase in our employee compensation in line with our revenue growth.

As of March 31, 2026, RMB52.6 million, or 83.2%, of our other payables and accruals as of December 31, 2025 had been settled.

FINANCIAL INFORMATION

Contract Liabilities

Our contract liabilities primarily consist of prepayments received from customers pursuant to contractual terms. Our contract liabilities decreased from RMB1,930.5 million as of December 31, 2023 to RMB1,473.4 million as of December 31, 2024, primarily due to our completion and delivery of multiple solution projects. Our contract liabilities further decreased to RMB1,318.6 million, primarily due to the accelerated progress of project acceptance by our customers.

As of March 31, 2026, RMB227.8 million, or 17.3%, of our contract liabilities as of December 31, 2025 had been recognized as revenue.

Provisions

Our provisions primarily consist of warranty provisions related to contractual obligations. Our provisions increased from RMB12.5 million as of December 31, 2023 to RMB12.8 million as of December 31, 2024, primarily due to fluctuations in warranty. Our provisions further increased to RMB15.1 million as of December 31, 2025, primarily due to an increase in warranty provisions in line with our revenue growth.

Non-Current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	57,018	52,477	52,137
Investments in an associate	—	—	14,866
Right-of-use assets	11,679	38,734	9,322
Other intangible assets	2,885	7,212	9,689
Equity investments at fair value through profit or loss	2,000	2,000	2,000
Deferred tax assets	28,625	31,476	35,228
Prepayments, deposits and other receivables	1,235	2,138	21,628
Total non-current assets	103,442	134,037	144,870
Non-current liabilities			
Deferred income	3,692	3,052	2,453
Lease liabilities	3,082	1,206	1,122
Total non-current liabilities	6,774	4,258	3,575
Net assets	420,028	487,040	595,259

Property, Plant and Equipment

Our property, plant and equipment primarily include buildings, machinery, vehicles, lease improvements, construction in progress, and vehicles. The carrying amount of our property, plant and equipment was RMB57.0 million, RMB52.5 million and RMB52.1 million as of December 31, 2023, 2024 and 2025 respectively. The changes in the carrying amount of our property, plant and equipment during the Track Record Period was primarily due to our procurement of new production facilities and equipment and renovation to support our business operations, offset by depreciation and amortization and disposal of old property and equipment.

FINANCIAL INFORMATION

Right-of-Use Assets

Our right-of-use assets increased from RMB11.7 million as of December 31, 2023 to RMB38.7 million as of December 31, 2024, primarily due to the acquisition of additional land use rights by our subsidiary. Our right-of-use assets decreased to RMB9.3 million as of December 31, 2025, primarily due to the disposal of Wuxi Senheda, which included a parcel of land with a carrying amount of RMB28.6 million. For details, see “History, Development and Corporate Structure — Disposal of Wuxi Senheda Intelligent Equipment Co., Ltd. (無錫森和大智能裝備有限公司).”

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we have funded our cash requirements mainly from cash generated from our operations and bank borrowings. We had cash and cash equivalents of RMB218.1 million, RMB149.8 million, and RMB104.2 million as of December 31, 2023, 2024 and 2025, respectively. Our cash and cash equivalents include cash on hand, and deposits held with financial institutions.

Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities, bank borrowings and other funds raised from the capital markets from time to time and the [REDACTED] received from the [REDACTED]. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, and the estimated [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 selected cash flow statement information for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows from/(used in) operating activities	(61,566)	226,838	216,481
Net cash flows from/(used in) investing activities	21,987	(226,825)	(209,498)
Net cash flows (used in)/from financing activities	8,572	(68,254)	(52,240)
Net increase/(decrease)			
in cash and cash equivalents	(31,007)	(68,241)	(45,257)
Cash and cash equivalents at beginning of year	249,133	218,126	149,795
Effects of exchange rate changes on cash and cash equivalents	—	(90)	(350)
Cash and cash equivalents at end of period	218,126	149,795	104,188

FINANCIAL INFORMATION

Cash Flows from/(used in) Operating Activities

Cash flow from operating activities reflects: (i) profit before tax adjusted for non-cash and non-operating items, such as finance costs, depreciation of items of property, plant and equipment and right-of-use assets; and (ii) the effects of movements in working capital.

In 2025, we had net cash generated from operating activities of RMB216.5 million. This amount represented our profit before tax of RMB111.4 million, adjusted for non-cash and non-operating items, primarily: (i) depreciation of items of property, plant and equipment of RMB9.8 million; (ii) share-based payment expenses in connection with our share incentive scheme of RMB10.8 million; and (iii) loss on disposal of a subsidiary of RMB2.1 million. The amount was further adjusted by changes in certain working capital accounts, primarily: (i) a RMB409.6 million decrease in inventories primarily due to customer acceptance of several large projects; (ii) a RMB168.0 million increase in trade and bills payables, primarily due to increased procurement with suppliers; and (iii) a RMB154.8 million decrease in contract liabilities primarily due to the aforementioned customer acceptance of several projects.

In 2024, we had net cash generated from operating activities of RMB226.8 million. This amount represented our profit before tax of RMB95.1 million, adjusted for non-cash and non-operating items, primarily: (i) depreciation of items of property, plant and equipment of RMB8.8 million; and (ii) loss on disposal of items of property, plant and equipment of RMB4.2 million. The amount was further adjusted by changes in certain working capital accounts, primarily: (i) a RMB801.6 million decrease in inventories, primarily due to our completion and delivery of multiple smart intralogistics solutions; (ii) a RMB457.0 million decrease in contract liabilities, primarily due to our aforementioned completion and delivery of solution projects; and (iii) a RMB409.2 million decrease in trade and bills payables, primarily due to our settlement of outstanding payables.

In 2023, we had net cash used in operating activities of RMB61.6 million. This amount represented our profit before tax of RMB81.4 million, adjusted for non-cash and non-operating items, primarily: (i) depreciation of items of property, plant and equipment of RMB10.3 million; and (ii) depreciation of right-of-use assets of RMB8.0 million. The amount was further adjusted by changes in certain working capital accounts, primarily: (i) a RMB326.3 million decrease in financial assets at fair value through other comprehensive income, primarily due to our endorsement of bank acceptance bills; (ii) a RMB204.1 million decrease in contract liabilities, primarily due to our completion and delivery of multiple solution projects; (iii) a RMB200.6 million decrease in trade and bills payables, primarily due to our settlement of outstanding payables; and (iv) a RMB166.3 million increase in inventories, primarily due to an increase in our work in progress after we commenced production of several smart intralogistics solutions in 2023.

We are adopting the following measures to improve our net operating cash flow:

- ***Customer collections.*** We have sought to optimize contract payment terms with our customers, including increasing the proportion of advance payments. For example, in nine smart intralogistics solution project contracts newly signed with existing customers in 2025, the proportion of payment due upon signing was increased from 30% to 40%. The combined contract value of these projects is RMB748.3 million.
- ***Supplier payments.*** We have strengthened negotiations with our suppliers to change means of payment for certain payables from bank transfer to settlement by bank acceptance bills, thereby easing short-term cash outflow pressure.
- ***Project management.*** We plan to utilize a project management platform to enhance project progress control, strengthen cost and funding milestone management, and optimise project implementation cycles, thereby reducing capital tied up in work in progress and improving cash flow turnover.

FINANCIAL INFORMATION

Cash Flows from/(used in) Investing Activities

In 2025, we had net cash used in investing activities of RMB209.5 million, mainly attributable to purchases of financial assets at FVTPL of RMB1,147.0 million and a prepaid investment of RMB20.0 million, partially offset by (i) the redemption of financial assets at FVTPL amounting to RMB967.3 million, and (ii) net cash inflows from the disposal of a subsidiary of RMB18.6 million.

In 2024, we had net cash used in investing activities of RMB226.8 million, mainly attributable to purchase of financial assets at FVTPL of RMB1,107.0 million, partially offset by redemption of financial purchase of financial assets at FVTPL of RMB924.0 million.

In 2023, we had net cash from investing activities of RMB22.0 million, mainly attributable to redemption of financial purchase of financial assets at FVTPL of RMB929.6 million, partially offset by purchase of financial assets at FVTPL of RMB898.1 million.

Cash Flows from/(used in) Financing Activities

In 2025, we had net cash used in financing activities of RMB52.2 million, mainly attributable to (i) payments of [REDACTED] expenses of RMB[REDACTED] and (ii) repayments of interest-bearing bank borrowings of RMB46.9 million.

In 2024, we had net cash used in financing activities of RMB68.3 million, mainly attributable to: (i) repayment of interest-bearing bank borrowings of RMB87.3 million, partially offset by new interest-bearing bank borrowings of RMB47.5 million; and (ii) dividends paid to the controlling shareholder of RMB23.5 million.

In 2023, we had net cash generated from financing activities of RMB8.6 million, mainly attributable to new interest-bearing bank borrowings of RMB108.0 million, partially offset by (i) repayment of interest-bearing bank borrowings of RMB86.7 million; and (ii) payments for lease liabilities to RMB7.2 million.

INDEBTEDNESS

During the Track Record Period, our indebtedness included non-trade amounts due to related parties, interest-bearing bank borrowings, current lease liabilities, and non-current lease liabilities. As of March 31, 2026, being the indebtedness date for the purpose of the indebtedness statement, we had a total indebtedness of RMB43.7 million. As of the same date, we had RMB509.0 million of unutilized banking facilities available for drawdown.

The following table sets forth the balance and breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
				(unaudited)
	(RMB in thousands)			
Due to related parties	1,047	—	—	—
Interest-bearing bank borrowings .	85,694	45,926	11,544	12,543
Current lease liabilities	1,969	1,175	1,827	3,724
Non-current lease liabilities	3,082	1,206	1,122	27,570
Total	91,792	48,307	14,493	43,837

FINANCIAL INFORMATION

Our total indebtedness decreased from RMB91.8 million as of December 31, 2023 to RMB48.3 million as of December 31, 2024, primarily due to a decrease in our interest-bearing bank borrowings at the year-end. Our total indebtedness further decreased to RMB14.5 million as of December 31, 2025, primarily due to repayments of interest-bearing bank borrowings. Our total indebtedness increased to RMB43.8 million as of March 31, 2026, primarily due to the recognition of lease liabilities under a newly executed long-term lease agreement for a larger, consolidated production facility in Wuxi, to which we are relocating our operations from our previous separate factories.

Our interest-bearing bank borrowings were primarily guaranteed bank borrowings with maturities of within one year and bore interest rates ranging from approximately 2.2% to 3.2% per year. Our interest-bearing bank borrowings were primarily used for working capital purposes. For details, see note 29 of the Accountants’ Report included in Appendix I to this document.

Our Directors confirm that as of the Latest Practicable Date, the agreements under our bank borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in our bank borrowings or payables, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining credit facilities, or withdrawal of facilities or requests for early repayment. Our Directors confirm that there has not been any material change in our indebtedness since December 31, 2025 and as of the date of this document.

As of December 31, 2023, we recorded non-trade amounts due to related parties, which have been fully settled before December 31, 2024. See “— Related Party Transactions” for details.

Except as disclosed above, as of the Latest Practicable Date, we did not have any material mortgages, charges, debentures, loan capital issued and outstanding or agreed to be issued, debt securities, loans, bank overdrafts or other indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

Our capital expenditures primarily include purchases of intangible assets, property, plant and equipment and right-of-use assets. The following table sets forth our capital expenditures for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Purchase of intangible assets	232	7,616	4,892
Purchase of items of property, plant and equipment	11,389	9,636	9,713
Additions of right-of-use assets	—	29,253	—
Total	11,621	46,505	14,605

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Our additions of right-of-use assets as of December 31, 2024 represent our lease of additional production facilities in Suzhou and the lease of additional land use rights by our subsidiary as well as our purchase of licencing rights from a related party.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, we had capital commitments of RMB4.5 million, RMB0.4 million, and RMB1.2 million, respectively, in relation to property, plant and equipment.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios:

	As of or for the Year ended December 31,		
	2023	2024	2025
Gearing ratio ⁽¹⁾	20.4%	9.4%	1.9%
Current ratio ⁽²⁾	1.1	1.1	1.2
Quick ratio ⁽³⁾	0.4	0.5	0.7
Return on assets ⁽⁴⁾	2.0%	2.6%	3.3%

(1) Gearing ratio is calculated based on total debt, including total bank borrowings, divided by total equity as of the date indicated and multiplied by 100%.

(2) Current ratio is calculated based on current assets divided by current liabilities as of the date indicated.

(3) Quick ratio is calculated based on current assets less inventories divided by current liabilities as of the date indicated.

(4) Return on assets equals net profit for the year indicated divided by average assets of the end of the same year and prior year.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into certain transactions with our related parties. For details, see note 39 of the Accountants’ Report included in Appendix I to this document. During the Track Record Period, our related party transactions primarily comprised purchases of goods, such as intralogistics equipment, from related parties. Our non-trade related transactions with related parties consist of payables due to our Controlling Shareholder, which amounted to RMB1.0 million, nil, and nil as of December 31, 2023, 2024 and 2025, respectively. As of December 31, 2025, all our amounts due to related parties of a non-trade nature have been fully settled. Any related party transactions after the [REDACTED] will be conducted in compliance with the applicable Listing Rules.

It is the view of our Directors that each of the related party transactions set out in Note 39 of the Accountants’ Report in Appendix I to this document (i) were conducted on arm’s length basis and on normal commercial terms, which are considered fair, reasonable and in the interest of our Shareholders as a whole; and (ii) do not distort our financial results during the Track Record Period or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

FINANCIAL INFORMATION

FINANCIAL RISK DISCLOSURE

Our activities expose us to a variety of financial risks, including credit risk, liquidity risk, and capital management risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. We do not use any derivative financial instruments to hedge certain risk exposures during the Track Record Period. For details of our financial risks, see note 43 of the Accountants’ Report included in Appendix I to this document.

DIVIDENDS

We declared and paid dividends of nil, RMB23.5 million and nil to our shareholders in 2023, 2024 and 2025, respectively.

Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. We currently do not have any dividend policy or fixed dividend pay-out ratio. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had RMB96.6 million in distributable reserves available for distribution to our shareholders.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See Appendix II — Unaudited [REDACTED] Financial Information to this document for details.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure required under Rules 13.13 to 13.19 of the Listing Rules upon the listing of the Shares on the Stock Exchange.

[REDACTED] EXPENSES

Our [REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED] and the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] range, and no exercise of the [REDACTED], we estimate that our [REDACTED] expenses will be approximately RMB[REDACTED], accounting for approximately [REDACTED]% of our [REDACTED], of which RMB[REDACTED] is directly attributable to the issue of our [REDACTED] and will be deducted from equity, and approximately RMB[REDACTED] was charged to our consolidated income statement for 2025, and approximately RMB[REDACTED] is expected to be charged to our consolidated income statement for 2026. Our estimated [REDACTED] expenses include (i) [REDACTED] expenses of approximately RMB[REDACTED] and (ii) [REDACTED] related expenses of approximately RMB[REDACTED], which are further categorized into: (a) fees and expenses of legal advisers and the Reporting Accountant of approximately RMB[REDACTED]; and (b) other fees and expenses of approximately RMB[REDACTED]. The [REDACTED] expenses above are the best estimate as of the Latest Practicable Date and for reference only, and the actual amount may differ from this estimate. Our Directors do not expect such expenses to materially impact our results of operations for the year ending December 31, 2026.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our Strategies.”

USE OF [REDACTED]

We estimate that the net [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the [REDACTED] of the [REDACTED] range of HK\$[REDACTED] per Share to HK\$[REDACTED] per Share, after deducting [REDACTED] and estimated [REDACTED] expenses paid and payable by us in the [REDACTED], taking into account any additional discretionary incentive fee.

We intend to use the [REDACTED] from the [REDACTED] for the following purposes:

	Purpose	Intended Timeframe
1	Research and development initiatives:	
	(a) Development of smart software systems	2026-2028
	(b) Development of advanced robotic and equipment systems	2026-2028
2	Capacity upgrades and technical retrofits to production facilities:	
	(a) Production facilities for shuttles	2026-2028
	(b) Production facilities for stacker cranes	2026-2028
	(c) Production facilities for conveyors	2026-2028
3	Strategic alliances and mergers and acquisitions	2026-2028
4	Overseas expansion	2026-2028
5 . . .	Working capital and general corporate purposes	N/A
	• approximately [REDACTED]%, or HK\$[REDACTED], for research and development initiatives of software systems, robotics and intralogistics equipment.	
	(a) approximately [REDACTED]%, or HK\$[REDACTED], will be used for the development of smart software systems over the next three years, details of which are set out below.	
	(i) Warehouse Execution Systems (WES) software	
	We plan to allocate approximately HK\$[REDACTED] to develop advanced warehouse execution systems (WES) software, to optimize equipment scheduling, inventory management, and order fulfillment processes.	
	(ii) AI-based automated process testing software	
	We plan to allocate approximately HK\$[REDACTED] to development of AI-based automated process testing software, to improve the efficiency and accuracy of software testing and significantly reduce the need for manual intervention.	

FUTURE PLANS AND [REDACTED]

(iii) Improved digital twin technologies

We plan to allocate approximately HK\$[REDACTED] million to more advanced digital twin technologies, to enable real-time simulation and virtual optimization of intralogistics operations before implementation.

We estimate implementation of our planned development of smart software systems will involve, among others, procurement of servers and computers, use of private cloud services, and licensing of professional application software for use in data management. Accordingly, we plan to engage approximately 135 R&D personnel, including 35 additionally hired professionals as software engineers, AI engineer, data analysts and database managers who, among them, will have professional experiences in software programming, data analysis, 3D modelling and AI model training.

These developments will enhance overall system intelligence, operational visibility, and predictive maintenance capabilities of our smart intralogistics solutions.

(b) approximately [REDACTED]%, or HK\$[REDACTED], will be used for the development of advanced robotic and equipment systems from 2026 to 2028, details of which are set out below.

(i) High-density pallet storage robots integrated with four-way shuttles

We plan to allocate approximately HK\$[REDACTED] to the development of high-density pallet storage robots integrated with four-way shuttles, to achieve high-density storage and flexible, multi-directional pallet handling.

(ii) Second generation tote multi-shuttle systems

We plan to allocate approximately HK\$[REDACTED] to the development of second generation tote multi-shuttle systems, to enhance high-throughput storage and retrieval capabilities for mini loads.

(iii) Tote-climbing robots

We plan to allocate approximately HK\$[REDACTED] to the development of tote-climbing robots, to enable autonomous vertical movement of totes within storage racks, optimizing storage density and operational flexibility.

(iv) Micro Fulfilment Center (MFC) system

We plan to allocate approximately HK\$[REDACTED] to the development of MFC systems, to enhance delivery speed and efficiency by locating inventory closer to end customers and consumers.

(v) Next-generation tote conveying and sorting systems

We plan to allocate approximately HK\$[REDACTED] to the development of next-generation tote conveying and sorting systems, to improve material flow efficiency and automated order picking.

FUTURE PLANS AND [REDACTED]

We estimate implementation of our planned development of advanced robotic and equipment systems will involve, among others, investment in manufacturing of prototype equipment, development of corresponding WCS software to support such prototypes, and investments in customer beta-sites. Accordingly, we plan to engage approximately 48 additionally hired professionals including mechanical engineers, electrical component engineers, solution development engineers and software engineers, each of whom will be required to have relevant professional experience and university degrees from prestigious institutions.

- approximately [REDACTED]%, or HK\$[REDACTED], for capacity upgrades and technical retrofits to our production facilities of AS/RSs and conveyor systems, of which:
 - (a) approximately [REDACTED]%, or HK\$[REDACTED], will be used to establish production facilities for our shuttles. This includes investments in advanced production and testing equipment, the establishment of a dedicated shuttle manufacturing center, and the implementation of automated assembly lines with enhanced quality control systems.
 - (b) approximately [REDACTED]%, or HK\$[REDACTED], will be used to upgrade the production facilities of our stacker cranes, including implementing robotic welding systems to improve precision and efficiency, acquisition of advanced CNC milling machines for improved component fabrication, and upgrades to our tooling systems and investments in manufacturing execution systems (MES) software to optimize production workflows; and
 - (c) approximately [REDACTED]%, or HK\$[REDACTED], will be used to upgrade the production facilities of our conveyors, including new side channel roll forming machines and associated tooling, the installation of automated powder coating lines to enhance product durability and finish quality, and comprehensive improvements to our assembly line infrastructure.

We plan to construct and upgrade these production facilities in Wuxi over the next three years, and anticipate completion between February and October 2028. We estimate our investments will result in additional annual production capacity of approximately 1,000 shuttles, 100 mini-load stacker cranes, 100 pallet stacker cranes and 30 kilometers of case conveyor lines.

- approximately [REDACTED]%, or HK\$[REDACTED], will be used for strategic alliances, and mergers and acquisitions over the next three years, focusing on two aspects:
 - (a) Acquisition of technological capabilities: we will actively identify and acquire companies with advanced technological capabilities, particularly those specializing in automation, intelligent systems, and complementary technologies. The principal businesses of such companies are expected to include smart manufacturing and automation logistics (such as automated warehouses, sorting systems, and warehouse robotics), digitalisation and emerging technologies (such as AI, data analytics platforms, and industrial application software), and other complementary technology fields. Targeted acquisitions will focus on enhancing our capabilities in smart manufacturing, automated control systems, data algorithms, and industrial software applications. In addition, we will pursue strategic investments, joint innovation initiatives, and technology incubation programs to strengthen our core technology portfolio and proactively develop forward-looking solutions to meet evolving customer demands, with a particular focus on startups and research and development institutions with capabilities in

FUTURE PLANS AND [REDACTED]

artificial intelligence applications, critical component upgrades, and cutting-edge industry research. These strategic initiatives will significantly upgrade the automation and digital capabilities of our intralogistics systems, enabling us to deliver more comprehensive, integrated and next-generation solutions to our customers.

- (b) Industry vertical expansion: a critical component of our acquisition strategy involves acquiring specialized knowledge, channels, and resources in key industry verticals. We will prioritize companies with established expertise and customer bases in sectors with specialized intralogistics automation requirements, including not limited to e-commerce distribution, retail logistics, healthcare, and semiconductors. The principal businesses of such companies are expected to include logistics equipment providers and system integrators with established international channels and vertical industry resources. These acquisitions will allow us to rapidly penetrate specific application scenarios, optimize our business portfolio, and improve both service precision and response speed.

We will consider both qualitative and quantitative factors when evaluating acquisition targets, with a preference for companies with:

- (i) a core business and technologies complementary to ours, including ability to enhance our market and industry coverage and ultimately revenue generation;
- (ii) a management team with at least five years of experience in local market operations or technical R&D;
- (iii) minimum average annual revenue of RMB30.0 million over the past three years;
- (iv) positive and stable cash flow performance; and
- (v) valuation metrics in line with industry expectations.

When evaluating early-stage and growth investment targets, we will prioritize target companies specializing in next-generation technologies in the fields of AI, robotics, smart equipment, and software. We expect individual deal sizes of such investments to be no more than RMB[REDACTED].

As advised by CIC, based on the above criteria, we have more than 1,000 suitable investment and cooperation targets in the global smart intralogistics solutions market.

- approximately [REDACTED]%, or HK\$[REDACTED] will be used to fund our overseas expansion, including establishing a sales and service network in the Asia Pacific region to improve our capability to provide quick and localized responses to customers.

Our decision to expand into the Asia Pacific region, in particular Southeast Asia, is supported by the following considerations:

- (i) ***Diversification and new growth sources.*** Over 94% of our revenue during the Track Record Period was generated in China. Expanding into Asia Pacific provides a source of further growth, reducing reliance on a single market while strengthening our international brand.
- (ii) ***Capturing Southeast Asia’s manufacturing relocation and logistics upgrade.*** Southeast Asian countries such as Malaysia, Singapore, Vietnam, and Thailand are seeing increased investment in technology-intensive industries, triggering demand

FUTURE PLANS AND [REDACTED]

for automated intralogistics solutions. According to the 2024 China Statistical Bulletin of Outbound Direct Investment, China's direct investment in ASEAN countries reached USD34.36 billion in 2024, of which 44.8% flowed into manufacturing, 27.7% into wholesale/retail, and 9.1% into leasing and business services, all of which are industries that overlap with our target customer base. Several leading global lithium-ion battery manufacturers and electric vehicle manufacturers have announced plans to establish manufacturing facilities in Southeast Asia in 2025, especially in Malaysia and Indonesia. These major industry players are expected to invest billions of dollars over the next few years to set up integrated production capacities spanning from midstream battery material supply to downstream lithium-ion battery manufacturing.

- (iii) ***Local demand and replicable experience.*** We believe our experience delivering more than 1,000 intralogistics solution projects in China is replicable in Southeast Asia. We have already completed intralogistics solution projects in Thailand and Vietnam, and, as of the Latest Practicable Date, are delivering projects in Malaysia, Singapore and Indonesia, demonstrating both our capability and local demand. Further, according to the 2024 China Statistical Bulletin of Outbound Direct Investment, among ASEAN countries, Singapore (USD102.6 billion), Indonesia (with USD25.5 billion), Thailand (USD16.7 billion), Vietnam (USD16.2 billion) and Malaysia (USD12.8 billion) are the top five recipients of Chinese investment in 2024.

Our planned expansion in the Asia Pacific region includes planned investments in a technology exhibition center in Malaysia and recruitment of local sales and services professionals in Singapore and Malaysia. We plan to undertake these investments over the period of 2026 to 2028. Such investments will be allocated to team salaries, office rent and renovation, purchases of office equipment, and local marketing activities.

- (a) In Singapore, we plan to invest approximately HK\$[REDACTED] in local marketing expenses, office space and sales team salaries.
- (b) In Malaysia, we plan to invest approximately HK\$[REDACTED] in local marketing expenses, exhibition and office space and sales team salaries.

Accordingly, we plan to engage approximately 10 professionals in Singapore and 15 professionals in Malaysia, including managers, sales personnel, project design technicians and after-sales staff, each of whom will be required to have relevant professional experience and university degrees.

We plan to implement our expansion into the Asia Pacific region by focusing on three types of customers: (i) Chinese enterprises establishing manufacturing or distribution operations in the region, (ii) global companies undertaking automated intralogistics projects locally, and (iii) overseas integrators and end customers purchasing core equipment such as stacker cranes and multi-shuttle systems. We plan to target verticals starting with new energy, and expand into retail logistics, healthcare, and cold chain, using local channel partners and existing case studies to build credibility. We intend to expand our presence by deploying local sales personnel to engage directly with customers, supported by an exhibition center, while leveraging exhibitions and trade shows to showcase our products. Our China-based headquarters will provide technical and project execution support. Further, we intend to provide comprehensive after-sales services to strengthen customer stickiness. According to CIC, our intended expansion model is based on an approach commonly used by global smart intralogistics providers.

- approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and general corporate purposes.

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In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED] range, assuming the [REDACTED] is not exercised, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED], respectively.

If the [REDACTED] is exercised in full, we estimate that we will receive [REDACTED] of approximately (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the maximum [REDACTED]), (ii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] Range) and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the minimum [REDACTED]).

To the extent that our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

If the [REDACTED] from the [REDACTED] are not immediately applied to the above purposes, we will only deposit those [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

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STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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ACCOUNTANTS’ REPORT

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in the document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHONGDING INTELLIGENT (WUXI) TECHNOLOGY CO., LTD. AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Zhongding Intelligent (Wuxi) Technology Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [●] to [●], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “Relevant Periods”), and 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 material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages [●] to [●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [REDACTED] (the “Document”) in connection with the initial [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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 set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of 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 (“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.

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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 set out in note 2.1 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.

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 purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange 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 [●] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

[●]

Certified Public Accountants

Hong Kong

[Date]

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I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
REVENUE	5	1,694,654	1,797,805	1,881,681
Cost of sales		(1,456,819)	(1,561,941)	(1,597,504)
Gross profit		237,835	235,864	284,177
Other income and gains	5	19,096	15,243	12,467
Selling and distribution expenses		(27,322)	(27,089)	(33,815)
Administrative expenses		(52,235)	(52,730)	(57,325)
Research and development expenses		(71,300)	(65,840)	(74,960)
Impairment losses on financial and contract assets, net		(11,895)	7,889	(5,780)
Other expenses		(8,438)	(15,571)	(11,198)
Finance costs	7	(4,375)	(2,664)	(2,059)
Share of losses of an associate	14	—	—	(134)
PROFIT BEFORE TAX	6	81,366	95,102	111,373
Income tax expense	10	(3,184)	(6,476)	(13,999)
PROFIT FOR THE YEAR		<u>78,182</u>	<u>88,626</u>	<u>97,374</u>
Attributable to:				
Owners of the parent		<u>78,182</u>	<u>88,626</u>	<u>97,374</u>
EARNINGS PER SHARE				
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic (RMB)	12			
- For profit for the year		<u>0.65</u>	<u>0.74</u>	<u>0.81</u>
Diluted (RMB)				
- For profit for the year		<u>0.65</u>	<u>0.74</u>	<u>0.78</u>
OTHER COMPREHENSIVE INCOME				
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences:				
Exchange differences on translation of foreign operations		—	(90)	80
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>78,182</u>	<u>88,536</u>	<u>97,454</u>
Attributable to:				
Owners of the parent		<u>78,182</u>	<u>88,536</u>	<u>97,454</u>

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	57,018	52,477	52,137
Investments in an associate	14	–	–	14,866
Right-of-use assets	15	11,679	38,734	9,322
Other intangible assets	16	2,885	7,212	9,689
Equity investments at fair value through profit or loss	18	2,000	2,000	2,000
Deferred tax assets	32	28,625	31,476	35,228
Prepayments, other receivables and other assets	22	1,235	2,138	21,628
Total non-current assets		103,442	134,037	144,870
CURRENT ASSETS				
Inventories	19	2,480,582	1,641,751	1,222,813
Trade receivables	20	335,903	342,163	495,703
Contract assets	21	272,651	224,423	211,281
Prepayments, other receivables and other assets	22	73,738	86,069	139,238
Financial assets at fair value through profit or loss	23	50,001	237,688	421,870
Financial assets at fair value through other comprehensive income	24	169,204	26,044	105,342
Pledged deposits	25	70,460	39,061	125,250
Restricted cash	25	–	35,807	37,044
Cash and cash equivalents	25	218,126	149,795	104,188
Total current assets		3,670,665	2,782,801	2,862,729
CURRENT LIABILITIES				
Trade and bills payables	26	1,234,703	825,456	993,420
Other payables and accruals	27	82,016	62,054	63,245
Contract liabilities	28	1,930,459	1,473,419	1,318,591
Interest-bearing bank borrowings	29	85,694	45,926	11,544
Lease liabilities	15	1,969	1,175	1,827
Tax payables		–	4,744	5,077
Provisions	30	12,464	12,766	15,061
Total current liabilities		3,347,305	2,425,540	2,408,765
NET CURRENT ASSETS		323,360	357,261	453,964
TOTAL ASSETS LESS CURRENT LIABILITIES		426,802	491,298	598,834
NON-CURRENT LIABILITIES				
Deferred income	31	3,692	3,052	2,453
Lease liabilities	15	3,082	1,206	1,122
Total non-current liabilities		6,774	4,258	3,575
Net assets		420,028	487,040	595,259
EQUITY				
Equity attributable to owners of the Company				
Paid-in capital/Share capital	33	74,000	74,300	120,000
Reserves		346,028	412,740	475,259
Total equity		420,028	487,040	595,259

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Paid-in capital	Capital reserve*	Other reserve*	Share- based payment reserves*	Special reserve*	Statutory surplus reserve*	Exchange fluctuation reserve*	Retained profits*	Total
	RMB'000 (note 33)	RMB'000 (note 34)	RMB'000	RMB'000 (note 35)	RMB'000 (note 34)	RMB'000 (note 34)	RMB'000 (note 34)	RMB'000	RMB'000
As at 1 January 2023	74,000	17,266	(7,147)	–	–	37,980	–	219,747	341,846
Profit for the year	–	–	–	–	–	–	–	78,182	78,182
Total comprehensive income for the year	–	–	–	–	–	–	–	78,182	78,182
Appropriation of safety fund	–	–	–	–	4,267	–	–	(4,267)	–
Utilisation of safety fund	–	–	–	–	(4,267)	–	–	4,267	–
As at 31 December 2023	<u>74,000</u>	<u>17,266</u>	<u>(7,147)</u>	<u>–</u>	<u>–</u>	<u>37,980</u>	<u>–</u>	<u>297,929</u>	<u>420,028</u>

Year ended 31 December 2024

	Paid-in capital	Capital reserve*	Other reserve*	Share- based payment reserves*	Special reserve*	Statutory surplus reserve*	Exchange fluctuation reserve*	Retained profits*	Total
	RMB'000 (note 33)	RMB'000 (note 34)	RMB'000	RMB'000 (note 35)	RMB'000 (note 34)	RMB'000 (note 34)	RMB'000 (note 34)	RMB'000	RMB'000
As at 1 January 2024	74,000	17,266	(7,147)	–	–	37,980	–	297,929	420,028
Profit for the year	–	–	–	–	–	–	–	88,626	88,626
Exchange differences related to foreign operations	–	–	–	–	–	–	(90)	–	(90)
Total comprehensive income for the year	–	–	–	–	–	–	(90)	88,626	88,536
Dividends paid to the shareholders	–	–	–	–	–	–	–	(23,500)	(23,500)
Capital contribution by a shareholder	300	1,614	–	–	–	–	–	–	1,914
Equity-settled share-based payments	–	–	–	62	–	–	–	–	62
Appropriation of safety fund	–	–	–	–	4,314	–	–	(4,314)	–
Utilisation of safety fund	–	–	–	–	(4,314)	–	–	4,314	–
As at 31 December 2024	<u>74,300</u>	<u>18,880</u>	<u>(7,147)</u>	<u>62</u>	<u>–</u>	<u>37,980</u>	<u>(90)</u>	<u>363,055</u>	<u>487,040</u>

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Year ended 31 December 2025

	Share capital	Paid-in capital	Capital reserve*	Other reserve*	Share- based payment reserves*	Special reserve*	Statutory surplus reserve*	Exchange fluctuation reserve*	Retained profits*	Total
	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 34)	RMB'000	RMB'000 (note 35)	RMB'000 (note 34)	RMB'000 (note 34)	RMB'000 (note 34)	RMB'000	RMB'000
As at 1 January 2025 . . .	–	74,300	18,880	(7,147)	62	–	37,980	(90)	363,055	487,040
Profit for the year . . .	–	–	–	–	–	–	–	–	97,374	97,374
Exchange differences related to foreign operations	–	–	–	–	–	–	–	80	–	80
Total comprehensive income for the year . . .	–	–	–	–	–	–	–	80	97,374	97,454
Equity-settled share- based payments	–	–	–	–	10,765	–	–	–	–	10,765
Appropriation of safety fund	–	–	–	–	–	4,478	–	–	(4,478)	–
Utilisation of safety fund	–	–	–	–	–	(4,478)	–	–	4,478	–
Conversion into a joint stock company	120,000	(74,300)	345,072	–	–	–	(37,980)	–	(352,792)	–
Transferred from retained profits	–	–	–	–	–	–	11,059	–	(11,059)	–
As at 31 December 2025	<u>120,000</u>	<u>–</u>	<u>363,952</u>	<u>(7,147)</u>	<u>10,827</u>	<u>–</u>	<u>11,059</u>	<u>(10)</u>	<u>96,578</u>	<u>595,259</u>

* These reserve accounts comprise the consolidated reserves of RMB346,028,000, RMB412,740,000 and RMB475,259,000 in the consolidated statements of financial position as at the end of each of the Relevant Periods.

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CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		81,366	95,102	111,373
Adjustments for:				
Finance costs	7	4,375	2,664	2,059
Interest income	5	(1,794)	(1,600)	(1,175)
Investment income from financial assets at fair value through profit or loss.	5	(2,617)	(2,647)	(2,570)
Loss on disposal of a subsidiary	36	–	–	2,073
Gain on disposal of right-of-use assets		–	–	(6)
Loss/(gain) on disposal of items of property, plant and equipment	6	3,097	4,240	(9)
Share of losses of an associate	14	–	–	134
Fair value gains, net:				
Fair value gains on financial assets at fair value through profit or loss. .	5	(22)	(2,014)	(1,907)
Depreciation of items of property, plant and equipment	13	10,259	8,834	9,761
Depreciation of right-of-use assets	15	7,965	2,635	2,950
Amortisation of intangible assets	16	477	2,310	3,068
Share-based payment expenses	35	–	62	10,765
Foreign exchange loss		–	–	430
Impairment of inventories		927	37,220	9,324
Impairment/(reversal of impairment) of trade receivables, net	6	11,380	(3,286)	5,100
Impairment/(reversal of impairment) of contract assets, net	6	285	(3,157)	(587)
Impairment/(reversal of impairment) of other receivables, net	6	230	(1,446)	1,267
		115,928	138,917	152,050
(Increase)/decrease in inventories		(166,318)	801,611	409,614
Decrease/(increase) in trade receivables		5,509	(2,974)	(158,640)
Decrease/(increase) in financial assets at fair value through other comprehensive income		326,338	143,160	(79,298)
(Increase)/decrease in contract assets		(6,851)	51,385	13,729
Decrease/(increase) in prepayments, deposits and other receivables . . .		70,263	(10,942)	(31,836)
Decrease in deferred income		(659)	(640)	(599)
(Decrease)/increase in provisions		(2,818)	302	2,295
(Decrease)/increase in trade and bills payables		(200,586)	(409,247)	167,964
Decrease in contract liabilities		(204,106)	(457,040)	(154,828)
(Decrease)/increase in other payables and accruals		(34,974)	(18,703)	874
Decrease/(increase) in restricted cash		8,857	(35,807)	(1,237)
Decrease/(increase) in pledged deposits		33,897	31,399	(86,189)
Cash generated (used in)/from operations.		(55,520)	231,421	233,899
Income tax paid		(6,046)	(4,583)	(17,418)
Net cash flows (used in)/from operating activities		(61,566)	226,838	216,481

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		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase items of property, plant and equipment		(11,389)	(9,636)	(9,713)
Proceeds from disposal of a subsidiary	36	–	–	18,570
Investment in an associate		–	–	(15,000)
Prepaid investment		–	–	(20,000)
Additions of right-of-use assets.		–	(29,253)	–
Purchase of intangible assets		(232)	(7,616)	(4,892)
Purchase of financial assets at fair value through profit or loss		(898,101)	(1,107,000)	(1,147,000)
Redemption of financial assets at fair value through profit or loss		929,596	923,974	967,295
Proceeds from disposal of items of property, plant and equipment		319	1,049	67
Loans to related parties.	39	–	(6,000)	–
Receipt of loans to related parties	39	–	6,000	–
Interest received		1,794	1,657	1,175
Net cash flows from/(used in) investing activities		21,987	(226,825)	(209,498)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for lease liabilities	15	(7,244)	(3,107)	(1,282)
Prepayments for right-of-use assets.		–	–	(256)
Deposits paid for lease liabilities		(189)	(82)	(121)
Dividends paid to the shareholders	11	–	(23,500)	–
Repayment of loans from related parties	39	(1,438)	(1,047)	–
Payments of [REDACTED] expense		[REDACTED]	[REDACTED]	[REDACTED]
New interest-bearing bank borrowings		108,000	47,486	12,500
Repayment of interest-bearing bank borrowings		(86,708)	(87,254)	(46,882)
Interest paid		(3,849)	(2,664)	(2,059)
Capital contribution by a shareholder.	33	–	1,914	–
Net cash flows from/(used in) financing activities		8,572	(68,254)	(52,240)
NET DECREASE IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of year		(31,007)	(68,241)	(45,257)
Cash and cash equivalents at beginning of year		249,133	218,126	149,795
Effect of foreign exchange rate changes, net		–	(90)	(350)
CASH AND CASH EQUIVALENTS AT END OF YEAR.	25	218,126	149,795	104,188

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STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statements of financial position of the Company at the end of each of the Relevant Periods is as follows:

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	57,007	52,459	51,244
Investments in subsidiaries	17	20,000	32,831	7,331
Investments in an associate	14	–	–	14,866
Right-of-use assets	15	11,679	9,868	7,803
Other intangible assets	16	2,885	7,212	9,669
Equity investments at fair value through profit or loss	18	2,000	2,000	2,000
Deferred tax assets	32	26,297	30,174	32,777
Prepayments, other receivables and other assets	22	1,235	2,138	21,490
Total non-current assets		121,103	136,682	147,180
CURRENT ASSETS				
Inventories	19	2,464,760	1,605,230	1,232,418
Trade receivables	20	337,907	347,453	514,266
Contract assets	21	272,651	224,423	208,499
Prepayments, other receivables and other assets	22	73,680	107,645	138,766
Financial assets at fair value through profit or loss	23	50,000	237,687	421,870
Financial assets at fair value through other comprehensive income	24	168,904	25,548	105,342
Pledged deposits	25	70,460	39,061	125,250
Restricted cash	25	–	35,807	37,044
Cash and cash equivalents	25	212,473	124,868	88,689
Total current assets		3,650,835	2,747,722	2,872,144
CURRENT LIABILITIES				
Trade and bills payables	26	1,232,550	828,268	992,624
Contract liabilities	28	1,929,007	1,454,114	1,318,591
Other payables and accruals	27	74,631	50,531	63,227
Interest-bearing bank borrowings	29	85,694	45,926	11,544
Lease liabilities	15	1,969	1,175	1,237
Tax payables		–	4,665	5,077
Provisions	30	12,464	12,766	15,061
Total current liabilities		3,336,315	2,397,445	2,407,361
NET CURRENT ASSETS		314,520	350,277	464,783
TOTAL ASSETS LESS CURRENT LIABILITIES		435,623	486,959	611,963
NON-CURRENT LIABILITIES				
Deferred income	31	3,692	3,052	2,453
Lease liabilities	15	3,082	1,206	198
Total non-current liabilities		6,774	4,258	2,651
Net assets		428,849	482,701	609,312
EQUITY				
Paid-in capital/Share capital	33	74,000	74,300	120,000
Reserves	34	354,849	408,401	489,312
Total equity		428,849	482,701	609,312

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Zhongding Intelligent (Wuxi) Technology Co., Ltd. (“the Company”) is a limited liability company established in the People’s Republic of China (“PRC”) on 9 February 2009. The registered office of the Company is located at No. 5 Da Huai Road, Luoshe Town, Huishan District, Wuxi, China.

The Company is a smart intralogistics and warehouse automation solution provider. During each of the Relevant Periods, the Group was principally engaged in the business of smart intralogistics solutions. The controlling shareholder of the Company is Noblelift Intelligent Equipment Co., Ltd. The Company is ultimately controlled by Mr. Ding Sheng, Mr. Ding Yi and Ms. Mao Ying who are acting in concert.

Pursuant to a shareholders’ resolution of the Company on 18 March 2025, the Company was converted into a joint stock company with 120,000,000 shares with a nominal value of RMB1 each issued to the shareholders of the Company in proportion to their capital contributions to the Company.

Information about subsidiaries

During the year ended 31 December 2023, 2024 and 2025, the Company had direct and indirect interests in its subsidiaries. The particulars of principal subsidiaries are set out below:

Entity name	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered paid-in capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
			%	%	
Wuxi Liding Technical Service Co., Ltd. (“Wuxi Liding”) (a),(b),(c)	Chinese Mainland 21 July 2022	RMB30,000,000	100	–	After-sales service
Wuxi Zhongyun Hongye Soft Control Technology Co., Ltd. (“Wuxi Zhongyun”) (a),(b),(c)	Chinese Mainland 10 March 2013	RMB10,500,000	100	–	Software development
Suyue Intelligent Equipment (Wuxi) Co., Ltd. (“Suyue Intelligent”) (a),(b),(c)	Chinese Mainland 26 April 2020	RMB50,000,000	100	–	Manufacture
Wuxi Zhongnuo Software Co., Ltd. (“Wuxi Zhongnuo”) (a),(b),(c)	Chinese Mainland 28 May 2021	RMB10,000,000	100	–	Software development
Wuxi Senhe Da Intelligent Equipment Co., Ltd. (“Wuxi Senheda”) (a),(c),(d)	Chinese Mainland 18 December 2023	RMB37,000,000	100	–	Investment holding
Zhongding Integration Technology Hungary Limited Liability Company (“Zhongding Hungary”) (c)	Hungary 17 November 2023	HUF3,000,000	100	–	Sales and after-sales operations
Zhongding Integration Technology Singapore Pte. Ltd. (“Zhongding Singapore”) (c)	Singapore 8 March 2024	SGD200,000	100	–	Sales and after-sales operations
Zhongding Integration Technology Malaysia Sdn. Bhd (c)	Malaysia 20 February 2025	RM10,000,000	–	100	Sales and after-sales operations

- (a) The English names of the entities registered in the PRC represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English name.

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- (b) Wuxi Zhongyun was dissolved on 9 January 2023, Suyue Intelligent was dissolved on 1 February 2024, Wuxi Zhongnuo was dissolved on 29 December 2025 and Wuxi Liding was dissolved on 30 December 2025.
- (c) No audited financial statements of these subsidiaries have been prepared for the years ended 31 December 2023, 2024 and 2025, as these subsidiaries were newly incorporated or not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdictions of incorporation.
- (d) Wuxi Senheda was disposed on 27 June 2025, further details of which are given in note 36 to the Historical Financial Information.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance.

All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently applied by the Group in the preparation of the Historical Financial Information throughout each of the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. The Historical Financial Information is presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS7¹</i>

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of HKFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of profit or loss and statement of cash flows and additional disclosure will be included in the financial statements.

The Group is in the process of making an assessment of the impact of other new and revised HKFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised HKFRS Accounting Standards are unlikely to have a significant impact on the Group’s results of operations and financial position.

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2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investment in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group’s investments in associates are stated in the consolidated statement of financial position at the Group’s share of net assets under the equity method of accounting, less any impairment losses.

Fair value measurement

The Group measures its wealth management products, bills receivables and equity investments at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets and non-current assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are 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. An impairment loss is charged to the profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group 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); and
 - (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 parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4.75%
Machinery.	9.50%-19.40%
Office equipment and electronic devices	19.00%-31.67%
Vehicles	19.40%-23.75%
Leasehold improvements	33.33%-50.00%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 3 to 5 years.

Licence

Purchased licence is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 3 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2-3 years
Leasehold land	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for “Revenue recognition” below.

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In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at each of the Relevant Periods with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At the end of each of the Relevant Periods, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. Debt investments graded in the top investment categories (Very Good and Good) by the credit rating agency are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk of debt investments since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the credit rating agency both to determine whether the debt instruments have significantly increased in credit risk and to estimate ECLs.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the end of each of the Relevant Periods (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

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Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each of the Relevant Periods. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and bills payables, other payables and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and bills payables, other payables and interest-bearing bank borrowings)

After initial recognition, trade and bills payables, other payables and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

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Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the profit or loss.

The Group provides for warranties in relation to the smart intralogistics solutions for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

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- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Smart intralogistics solutions

Revenue from the smart intralogistics solutions is recognised at the point in time when control of the asset is transferred to the customer, generally on completion of the project acceptance.

(b) Sales of intralogistics equipment and others

Revenue from the sales of intralogistics equipment and others is recognised at the point in time when control of the asset is transferred to the customer, generally on completion of the equipment acceptance.

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(c) After-sales services

Revenue from after-sales services comprises revenue from two service models. One is maintenance and upkeep services and the other is technical upgrading services. Revenue from the maintenance and upkeep services is recognised over the scheduled period on a straight-line basis as the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from the technical upgrading services is recognised at the point in time when the services are completed.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share-based payment scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The discount for lack of marketability is determined by the management using a Black-Scholes model. The fair value is determined using a binomial model, further details of which are given in note 35 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

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Other employee benefits

Pension scheme

The employees of the Company and the Group’s subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Events after the Relevant Periods

If the Group receives information after the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the Relevant Periods, it will assess whether the information affects the amounts that it recognises in its Historical Financial Information. The Group will adjust the amounts recognised in its Historical Financial Information to reflect any adjusting events after the Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the Relevant Periods, the Group will not change the amounts recognised in its Historical Financial Information, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved and declared by the shareholders in a general meeting. Proposed final dividends are disclosed in the note 11 to the Historical Financial Information.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of each of the Relevant Periods the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses carried forward of RMB9,242,000, RMB9,929,000 and RMB5,443,000 as at the end of each of the Relevant Periods. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB2,311,000, RMB2,234,000 and RMB849,000 during each of the Relevant Periods. Further details on deferred taxes are disclosed in note 32 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing of trade receivables for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At the end of each of the Relevant Periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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 20 to the Historical Financial Information.

Provision for inventories – work in progress

The Group’s work in progress is stated at the lower of carrying amount or the remaining amount of consideration less costs relate directly to providing those good or services. The Group’s provision for impairment of work in progress is based on management’s estimates of the remaining consideration incorporating assumptions about

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future costs directly linked to fulfilling obligations. These estimates are reviewed periodically, and adjustments are recognised when there are changes in circumstances or expectations. Further details of the work in progress are set out in note 19 to the Historical Financial information.

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group’s business which includes smart intralogistics solutions, sales of intralogistics equipment and others and after-sales services for the purpose of making decisions about resource allocation and performance assessment. Information reported to the Group’s chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

During each of the Relevant Periods, the Group operated within one geographical location as over 90% of its revenue during the Relevant Period was generated in Chinese Mainland and all of its non-current assets and capital expenditure were located/incurred in Chinese Mainland.

Revenue from external customers

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Chinese mainland	1,656,242	1,697,045	1,774,255
Other countries/regions.	38,412	100,760	107,426
Total revenue	<u>1,694,654</u>	<u>1,797,805</u>	<u>1,881,681</u>

The revenue information above is based on the locations of the customers.

Information about major customers

Revenue from major customers which accounted for 10% or more of the Group’s revenue during the Relevant Periods is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Client A	833,833	291,154	469,117
Client B	211,350	N/A*	N/A*
Client C	N/A*	473,519	292,576
Client D	N/A*	314,947	421,360
Client E	<u>N/A*</u>	<u>N/A*</u>	<u>284,169</u>

* Less than 10% of the Group’s revenue.

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5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers.	<u>1,694,654</u>	<u>1,797,805</u>	<u>1,881,681</u>

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<i>Types of good or Services</i>			
Smart intralogistics solutions	1,602,744	1,727,754	1,786,679
After-sales services	47,515	49,775	82,126
Sales of intralogistics equipment and others	<u>44,395</u>	<u>20,276</u>	<u>12,876</u>
Total	<u>1,694,654</u>	<u>1,797,805</u>	<u>1,881,681</u>
<i>Timing of revenue recognition</i>			
Goods transferred at a point in time	1,686,961	1,789,316	1,867,256
Services transferred over time	<u>7,693</u>	<u>8,489</u>	<u>14,425</u>
Total	<u>1,694,654</u>	<u>1,797,805</u>	<u>1,881,681</u>

The following table shows the amounts of revenue recognised in each of the Relevant Periods that were included in the contract liabilities at the beginning of each of those years:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at beginning of year	<u>912,972</u>	<u>1,067,143</u>	<u>944,105</u>

(b) Performance obligations

Information about the Group’s performance obligations is summarised below:

Smart intralogistics solutions

Revenue from smart intralogistics solutions is generally recognised upon the completion of the project acceptance.

According to sales contracts, payments shall be made by project milestone. Generally, the milestones are as follows: (i) 30% prepayment before commencement of construction; (ii) 30% payment after on-site delivery; (iii) 30% after customer inspects and accepts the delivery of solutions; and (iv) 10% is retained by customers until the end of the warranty period as the Group’s entitlement to the final payment is conditional on the satisfaction of the system operation quality by the customers over a certain period as stipulated in the contracts. The warranty terms set out the time after the completion of solutions during which the Group shall be responsible for providing repairs and compensation for any quality-related issues and losses.

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Contract liabilities are recognised when the advance payments are received but revenue has yet been recognised. Retention receivables are classified as contract assets and are transferred to trade receivables upon satisfaction of the system operation quality by the customers over the warranty periods.

Sales of intralogistics equipment and others

The performance obligation is satisfied upon delivery of the products and payments are generally due within 90 to 180 days from the completion of acceptance.

After-sales services

The performance obligation for maintenance and upkeep services is satisfied over time as services are rendered. The maintenance and upkeep services are billed based on certain milestones as stipulated in the contracts.

The performance obligation for technical upgrading services is satisfied upon completion of the services. According to contract terms, 30% prepayments are required upon signing of sales contracts and the rest of the contract amounts are paid upon completion of the service. The payments are generally due within 90 to 180 days from the date of invoices.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each of the Relevant Periods as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts expected to be recognised as revenue			
Within one year	1,640,965	1,937,292	1,961,912
After one year	2,102,851	906,329	744,864
Total	<u>3,743,816</u>	<u>2,843,621</u>	<u>2,706,776</u>

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<u>Other income</u>			
Bank interest income	1,794	1,600	1,175
Investment income from financial assets at fair value through profit or loss.	2,617	2,647	2,570
Government grants (<i>note 6</i>)	13,741	8,298	6,340
Others	922	684	460
Total other income	<u>19,074</u>	<u>13,229</u>	<u>10,545</u>
<u>Gains</u>			
Fair value gains on financial assets at fair value through profit or loss	22	2,014	1,907
Others	—	—	15
Total gains	<u>22</u>	<u>2,014</u>	<u>1,922</u>
Total other income and gains	<u>19,096</u>	<u>15,243</u>	<u>12,467</u>

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6. PROFIT BEFORE TAX

The Group’s profit before tax is arrived at after charging/(crediting):

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cost of inventories and services sold* . .		1,456,819	1,561,941	1,597,504
Depreciation of property, plant and equipment**	13	10,259	8,834	9,761
Depreciation of right-of-use assets** . . .	15	7,965	2,635	2,950
Amortisation of other intangible assets . .	16	477	2,310	3,068
Research and development expenses . . .		71,300	65,840	74,960
Auditor’s remuneration		144	597	277
Lease payments not included in the measurement of lease liabilities	15	5,017	5,238	3,441
Interest on lease liabilities	15	91	131	114
Government grants***		(13,741)	(8,298)	(6,340)
Bank interest income	5	(1,794)	(1,600)	(1,175)
Employee benefit expenses (excluding directors’ and chief executive’s remuneration) (note 8)****:				
Wages, salaries and other allowances . .		168,744	141,654	150,106
Pension scheme contributions and social welfare		14,773	15,909	16,416
Share-based payment expense		–	10	6,174
Total		183,517	157,573	172,696
Foreign exchanges loss		1,730	921	431
Loss on disposal of a subsidiary		–	–	2,073
Loss/(gain) on disposal of items of property, plant and equipment		3,097	4,240	(9)
Gain on disposal of items of right-of-use assets		–	–	(6)
Write-down of inventories to net realisable value		3,626	36,547	46,769
Impairment of financial and contract assets, net:				
Impairment/(reverse of impairment) of trade receivables		11,380	(3,286)	5,100
Impairment/(reverse of impairment) of contract assets		285	(3,157)	(587)
Impairment/(reverse of impairment) of other receivables		230	(1,446)	1,267
Total		11,895	(7,889)	5,780

* Cost of sales for the Relevant Periods included the write-down of inventories to net realisable value, the depreciation of property, plant and equipment and the depreciation of right-of-use assets which are also included in the respective total amounts disclosed separately in “write-down of inventories to net realisable value”, “depreciation of property, plant and equipment” and “depreciation of right-of-use assets”.

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** The depreciation of property, plant and equipment were included in “cost of sales”, “selling and distribution expenses”, “administrative expenses” and “research and development expenses”, and the depreciation of right-of-use assets for the Relevant Periods were included in “cost of sales”, “administrative expenses” and “research and development expenses”.

*** The government grants have been received from the PRC local government authorities to support the operating activities of the Group’s subsidiaries incorporated in Chinese Mainland. The grants related to assets were recognised in profit or loss over the period of the useful life. There are no unfulfilled eligibility requirements or conditions relating to these government grants.

**** Employee benefit expenses of RMB75,907,000, RMB85,557,000 and RMB124,033,000 of employee benefit expenses were included in cost of sales during the Relevant Periods, respectively.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest on bank and other borrowings	4,284	2,533	1,945
Interest on lease liabilities (note 15)	91	131	114
Total	<u>4,375</u>	<u>2,664</u>	<u>2,059</u>

8. DIRECTORS’ REMUNERATION

Directors’ remuneration for each of the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Fees	—	—	201
Other emoluments:			
Salaries, allowances and benefits in kind	4,143	4,365	4,967
Pension scheme contributions and social welfare	146	221	302
Equity-settled share-based payment expenses . .	—	52	4,591
Subtotal	<u>4,289</u>	<u>4,638</u>	<u>9,860</u>
Total	<u>4,289</u>	<u>4,638</u>	<u>10,061</u>

During the year ended 31 December 2024 and 2025, certain directors were granted restricted shares and share options, in respect of their services to the Group, under the share-based payment scheme of the Company, further details of which are set out in note 35 to the Historical Financial Information. The fair value of such restricted shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information is included in the above directors’ remuneration disclosures.

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	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023					
Executive directors:					
Mr. Ding Sheng (i)	–	–	–	–	–
Mr. Yang Tianbiao (ii)	–	751	650	3	1,404
Mr. Li Xiaobin (iii)	–	602	604	51	1,257
Mr. Chen Lisheng (iv)	–	605	412	49	1,066
Ms. Du Jing (v)	–	283	236	43	562
Total	–	2,241	1,902	146	4,289

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Share-based payment expenses	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024						
Executive directors:						
Mr. Ding Sheng (i)	–	–	–	–	–	–
Mr. Yang Tianbiao (ii)	–	832	583	–	10	1,425
Mr. Li Xiaobin (iii)	–	602	410	52	10	1,074
Mr. Chen Lisheng (iv)	–	604	378	52	22	1,056
Ms. Du Jing (v)	–	281	189	45	10	525
Mr. Su Tong (vi)	–	386	100	72	–	558
Total	–	2,705	1,660	221	52	4,638

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Share-based payment expenses	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025						
Executive directors:						
Mr. Ding Sheng (i)	–	–	–	–	–	–
Mr. Yang Tianbiao (ii)	–	750	683	–	1,191	2,624
Mr. Li Xiaobin (iii)	–	604	413	48	666	1,731
Mr. Chen Lisheng (iv)	–	727	296	66	1,893	2,982
Ms. Du Jing (v)	–	280	264	45	608	1,197
Mr. Su Tong (vi)	–	800	150	143	233	1,326
Total	–	3,161	1,806	302	4,591	9,860

Independent non-executive directors:						
Ms. Zhu Ying (vii)	67	–	–	–	–	67
Ms. Lam Fei Sui (viii)	67	–	–	–	–	67
Mr. Cong Runmin (ix)	67	–	–	–	–	67
Total	201	–	–	–	–	201

There was no arrangement under which directors waived or agreed to waive any remuneration during each of the Relevant Periods.

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Notes:

- (i) Mr. Ding Sheng was appointed as an executive director in February 2017.
- (ii) Mr. Yang Tianbiao was appointed as an executive director in January 2024.
- (iii) Mr. Li Xiaobin was appointed as an executive director in July 2021.
- (iv) Mr. Chen Lisheng was appointed as an executive director in July 2021.
- (v) Ms. Du Jing was appointed as an executive director in April 2025.
- (vi) Mr. Su Tong was appointed as an executive director in March 2025.
- (vii) Ms. Zhu Ying was appointed as an independent non-executive director in April 2025.
- (viii) Ms. Lam Fei Sui was appointed as an independent non-executive director in April 2025.
- (ix) Mr. Cong Runmin was appointed as an independent non-executive director in April 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2023, 2024 and 2025 included two directors, one director and two directors, respectively. Details of those directors’ remuneration are set out in note 8 above. Details of the remuneration for the remaining three, four and three highest paid employees who are neither directors nor the chief executive of the Company for each of the Relevant Periods of the highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, bonuses, allowances and benefits in kind	4,709	8,420	9,676
Social welfare and other benefits.	78	86	74
Share-based payment expenses	–	10	433
Total	<u>4,787</u>	<u>8,516</u>	<u>10,183</u>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
HK\$1,000,001 to HK\$1,500,000	1	1	–
HK\$1,500,001 to HK\$2,000,000	1	1	–
HK\$2,000,001 to HK\$2,500,000	1	1	–
HK\$3,000,001 to HK\$3,500,000	–	–	2
HK\$3,500,001 to HK\$4,000,000	–	1	–
HK\$4,500,001 to HK\$5,000,000	–	–	1
Total	<u>3</u>	<u>4</u>	<u>3</u>

During the year ended 31 December 2024, restricted shares were granted to a non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 35 to the Historical Financial Information.

During the year ended 31 December 2025, share options were granted to two non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 35 to the Historical Financial Information.

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The fair value of the share-based compensation, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the related period is included in the above non-director and non-chief executive highest paid employees’ remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operate.

Chinese Mainland

The subsidiaries registered in Chinese Mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the Law of the PRC on Enterprise Income Tax (the “EIT law”) which became effective on 1 January 2008, except for those subject to preferential tax set out below:

The Company was qualified as a High and New Technology Enterprise (“HNTE”) in 2022 and 2025. Therefore the Company was entitled to a preferential income tax rate of 15% during the Relevant Periods and leading up to 31 December 2027. Such qualification is subject to review by the relevant tax authority in the PRC every three years.

Pursuant to the EIT law and the respective regulations, the Company’s subsidiary Wuxi Zhongnuo which operates in Chinese Mainland was qualified as a small and micro enterprise during the Relevant Periods. The Company’s subsidiary Wuxi Liding which operates in Chinese Mainland was qualified as a small and micro enterprise during the years ended 31 December 2023 and 2024. During the Relevant Periods, the preferential income tax rate was 5% for the first RMB3,000,000 of assessable profits. Wuxi Liding was no longer qualified as small and micro enterprises and subject to tax at the statutory rate of 25% during the year ended 31 December 2025.

Singapore

The subsidiary incorporated in Singapore is subject to Singapore tax at the rate of 17%. No provision for Singapore profits tax has been made as the Group had no assessable profits derived from or earned in Singapore during each of the Relevant Periods.

Hungary

The subsidiary incorporated in Hungary is subject to Hungary tax at the rate of 9%. No provision for Hungary profits tax has been made as the Group had no assessable profits derived from or earned in Hungary during each of the Relevant Periods.

Malaysia

The subsidiary incorporated in Malaysia is subject to Malaysia tax at the rate of 24%. No provision for Malaysia profits tax has been made as the Group had no assessable profits derived from or earned in Malaysia during each of the Relevant Periods.

The major components of income tax expense of the Group during each of the Relevant Periods are analysed as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current – Chinese Mainland:			
Charge for the year	4,961	9,327	17,751
Deferred tax (<i>note 32</i>)	(1,777)	(2,851)	(3,752)
Total tax charge for the year	<u>3,184</u>	<u>6,476</u>	<u>13,999</u>

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A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the income tax expense at the effective income tax rate for each of the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before tax	81,366	95,102	111,373
Tax at the statutory tax rate	20,342	24,152	28,106
Effect of preferential tax rate	(6,435)	(9,045)	(10,084)
Expenses not deductible for tax*.	2,570	1,944	2,889
Tax losses not recognised	–	1,722	814
Tax losses utilised from previous periods	(2,044)	(1,798)	–
Effect of super deduction for research and development costs**.	(11,249)	(10,499)	(7,726)
Tax charge at the Group’s effective tax rate	3,184	6,476	13,999

* Expenses not deductible for tax mainly include non-deductible business entertainment expenses and penalties without compliant notes.

** Super deduction on research and development costs was for qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities were entitled to claim 200% of their qualified research and development costs as tax deductible expenses when determining their assessable profits for each of the Relevant Periods.

11. DIVIDENDS

On 2 November 2024, the Company declared dividends of RMB23,500,000 to its shareholders for which RMB23,500,000 were paid in December 2024.

There is no dividend declared or paid other than those mentioned above during the Relevant Periods.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the Relevant Periods.

The weighted average number of ordinary shares used in the calculation of diluted earnings per share is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise.

	Year ended 31 December		
	2023	2024	2025
Profit attributable to owners of the parent (RMB'000) .	78,182	88,626	97,374
Shares			
Weighted average number of ordinary shares outstanding ('000)	119,515	119,576	120,000
Effect of dilution-weighted average number of ordinary shares:			
Share options	–	–	5,474
Total	119,515	119,576	125,474

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13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023							
At 1 January 2023:							
Cost	47,212	24,209	9,040	5,534	11,936	4,069	102,000
Accumulated depreciation	(19,625)	(8,631)	(6,215)	(3,461)	(4,947)	–	(42,879)
Net carrying amount. . .	<u>27,587</u>	<u>15,578</u>	<u>2,825</u>	<u>2,073</u>	<u>6,989</u>	<u>4,069</u>	<u>59,121</u>
At 1 January 2023, net of accumulated depreciation	27,587	15,578	2,825	2,073	6,989	4,069	59,121
Additions	–	5,587	2,106	807	2,093	979	11,572
Transfers of property, plant and equipment .	–	2,055	–	–	2,252	(4,307)	–
Disposals	–	(208)	–	(26)	(3,182)	–	(3,416)
Depreciation provided during the year (note 6)	<u>(2,327)</u>	<u>(2,886)</u>	<u>(943)</u>	<u>(523)</u>	<u>(3,580)</u>	<u>–</u>	<u>(10,259)</u>
At 31 December 2023, net of accumulated depreciation	<u>25,260</u>	<u>20,126</u>	<u>3,988</u>	<u>2,331</u>	<u>4,572</u>	<u>741</u>	<u>57,018</u>
At 31 December 2023:							
Cost	47,212	31,006	11,146	5,813	11,364	741	107,282
Accumulated depreciation	(21,952)	(10,880)	(7,158)	(3,482)	(6,792)	–	(50,264)
Net carrying amount. . .	<u>25,260</u>	<u>20,126</u>	<u>3,988</u>	<u>2,331</u>	<u>4,572</u>	<u>741</u>	<u>57,018</u>
31 December 2024							
At 1 January 2024							
Cost	47,212	31,006	11,146	5,813	11,364	741	107,282
Accumulated depreciation	(21,952)	(10,880)	(7,158)	(3,482)	(6,792)	–	(50,264)
Net carrying amount. . .	<u>25,260</u>	<u>20,126</u>	<u>3,988</u>	<u>2,331</u>	<u>4,572</u>	<u>741</u>	<u>57,018</u>
At 1 January 2024, net of accumulated depreciation	25,260	20,126	3,988	2,331	4,572	741	57,018
Additions	–	242	514	1,516	269	7,041	9,582
Transfers of property, plant and equipment .	–	1,103	227	–	1,516	(2,846)	–
Disposals*	–	(340)	–	(1,348)	–	(3,601)	(5,289)
Depreciation provided during the year (note 6)	<u>(2,232)</u>	<u>(2,700)</u>	<u>(1,064)</u>	<u>(490)</u>	<u>(2,348)</u>	<u>–</u>	<u>(8,834)</u>
At 31 December 2024, net of accumulated depreciation	<u>23,028</u>	<u>18,431</u>	<u>3,665</u>	<u>2,009</u>	<u>4,009</u>	<u>1,335</u>	<u>52,477</u>
At 31 December 2024							
Cost	47,212	31,764	11,887	2,566	13,149	1,335	107,913
Accumulated depreciation	(24,184)	(13,333)	(8,222)	(557)	(9,140)	–	(55,436)
Net carrying amount. . .	<u>23,028</u>	<u>18,431</u>	<u>3,665</u>	<u>2,009</u>	<u>4,009</u>	<u>1,335</u>	<u>52,477</u>

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	Buildings	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025							
At 1 January 2025							
Cost	47,212	31,764	11,887	2,566	13,149	1,335	107,913
Accumulated depreciation	(24,184)	(13,333)	(8,222)	(557)	(9,140)	–	(55,436)
Net carrying amount. . .	<u>23,028</u>	<u>18,431</u>	<u>3,665</u>	<u>2,009</u>	<u>4,009</u>	<u>1,335</u>	<u>52,477</u>
At 1 January 2025, net of accumulated depreciation	23,028	18,431	3,665	2,009	4,009	1,335	52,477
Additions	3,316	1,528	657	2,286	353	1,339	9,479
Transfers of property, plant and equipment .	762	–	1,552	–	–	(2,314)	–
Disposals	–	(5)	(53)	–	–	–	(58)
Depreciation provided during the year (note 6)	<u>(2,393)</u>	<u>(2,670)</u>	<u>(1,071)</u>	<u>(688)</u>	<u>(2,939)</u>	<u>–</u>	<u>(9,761)</u>
At 31 December 2025, net of accumulated depreciation	<u>24,713</u>	<u>17,284</u>	<u>4,750</u>	<u>3,607</u>	<u>1,423</u>	<u>360</u>	<u>52,137</u>
At 31 December 2025							
Cost	51,290	33,218	12,713	4,852	13,502	360	115,935
Accumulated depreciation	(26,577)	(15,934)	(7,963)	(1,245)	(12,079)	–	(63,798)
Net carrying amount. . .	<u>24,713</u>	<u>17,284</u>	<u>4,750</u>	<u>3,607</u>	<u>1,423</u>	<u>360</u>	<u>52,137</u>

At the end of each of the Relevant Periods, none of the Group’s property, plant and equipment were pledged.

* The disposal of construction in progress mainly contains the costs of disposal of construction in progress of Wuxi Senheda, which were recognised in profit or loss. The Group terminated its self-constructed factory plant projects in the second half of 2024, with the expenses incurred to date primarily consisting of construction costs.

The Company

	Buildings	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023							
At 1 January 2023:							
Cost	47,211	17,826	8,912	5,534	7,851	4,069	91,403
Accumulated depreciation	(19,625)	(4,264)	(6,210)	(3,461)	(4,062)	–	(37,622)
Net carrying amount. . .	<u>27,586</u>	<u>13,562</u>	<u>2,702</u>	<u>2,073</u>	<u>3,789</u>	<u>4,069</u>	<u>53,781</u>
At 1 January 2023, net of accumulated depreciation	27,586	13,562	2,702	2,073	3,789	4,069	53,781
Additions	–	7,112	2,198	807	1,261	979	12,357
Transfers of property, plant and equipment .	–	2,055	–	–	2,252	(4,307)	–
Disposals	–	–	–	(26)	–	–	(26)
Depreciation provided during the year	<u>(2,327)</u>	<u>(2,594)</u>	<u>(931)</u>	<u>(523)</u>	<u>(2,730)</u>	<u>–</u>	<u>(9,105)</u>
At 31 December 2023, net of accumulated depreciation	<u>25,259</u>	<u>20,135</u>	<u>3,969</u>	<u>2,331</u>	<u>4,572</u>	<u>741</u>	<u>57,007</u>

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	Buildings	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023:							
Cost	47,211	26,993	11,110	5,807	11,364	741	103,226
Accumulated depreciation	(21,952)	(6,858)	(7,141)	(3,476)	(6,792)	–	(46,219)
Net carrying amount. . .	<u>25,259</u>	<u>20,135</u>	<u>3,969</u>	<u>2,331</u>	<u>4,572</u>	<u>741</u>	<u>57,007</u>
31 December 2024							
At 1 January 2024							
Cost	47,211	26,993	11,110	5,807	11,364	741	103,226
Accumulated depreciation	(21,952)	(6,858)	(7,141)	(3,476)	(6,792)	–	(46,219)
Net carrying amount. . .	<u>25,259</u>	<u>20,135</u>	<u>3,969</u>	<u>2,331</u>	<u>4,572</u>	<u>741</u>	<u>57,007</u>
At 1 January 2024, net of accumulated depreciation	25,259	20,135	3,969	2,331	4,572	741	57,007
Additions	–	242	497	1,516	269	3,440	5,964
Transfers of property, plant and equipment .	–	1,103	227	–	1,516	(2,846)	–
Disposals	–	(340)	–	(1,348)	–	–	(1,688)
Depreciation provided during the year	<u>(2,231)</u>	<u>(2,700)</u>	<u>(1,054)</u>	<u>(491)</u>	<u>(2,348)</u>	<u>–</u>	<u>(8,824)</u>
At 31 December 2024, net of accumulated depreciation	<u>23,028</u>	<u>18,440</u>	<u>3,639</u>	<u>2,008</u>	<u>4,009</u>	<u>1,335</u>	<u>52,459</u>
At 31 December 2024							
Cost	47,211	27,751	11,834	2,560	13,149	1,335	103,840
Accumulated depreciation	(24,183)	(9,311)	(8,195)	(552)	(9,140)	–	(51,381)
Net carrying amount. . .	<u>23,028</u>	<u>18,440</u>	<u>3,639</u>	<u>2,008</u>	<u>4,009</u>	<u>1,335</u>	<u>52,459</u>
31 December 2025							
At 1 January 2025							
Cost	47,211	27,751	11,834	2,560	13,149	1,335	103,840
Accumulated depreciation	(24,183)	(9,311)	(8,195)	(552)	(9,140)	–	(51,381)
Net carrying amount. . .	<u>23,028</u>	<u>18,440</u>	<u>3,639</u>	<u>2,008</u>	<u>4,009</u>	<u>1,335</u>	<u>52,459</u>
At 1 January 2025, net of accumulated depreciation	23,028	18,440	3,639	2,008	4,009	1,335	52,459
Additions	3,316	1,528	946	1,901	40	814	8,545
Transfers of property, plant and equipment .	762	–	1,241	–	–	(2,003)	–
Disposals	–	(5)	(31)	–	–	–	(36)
Depreciation provided during the year	<u>(2,393)</u>	<u>(2,670)</u>	<u>(1,067)</u>	<u>(681)</u>	<u>(2,913)</u>	<u>–</u>	<u>(9,724)</u>
At 31 December 2025, net of accumulated depreciation	<u>24,713</u>	<u>17,293</u>	<u>4,728</u>	<u>3,228</u>	<u>1,136</u>	<u>146</u>	<u>51,244</u>
At 31 December 2025							
Cost	51,289	29,204	12,683	4,461	13,189	146	110,972
Accumulated depreciation	(26,576)	(11,911)	(7,955)	(1,233)	(12,053)	–	(59,728)
Net carrying amount. . .	<u>24,713</u>	<u>17,293</u>	<u>4,728</u>	<u>3,228</u>	<u>1,136</u>	<u>146</u>	<u>51,244</u>

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14. INVESTMENTS IN AN ASSOCIATE

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Share of net assets	—	—	14,866
	=	=	=

Particulars of the associate are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Shengmo Intelligent Systems (Shanghai) Co., Ltd.	Ordinary shares	Chinese Mainland	33.3%	Manufacture and sale of intelligent equipment

The above investment is held by the Company.

The following table illustrates the aggregate financial information of the Group’s associates that is not individually material during the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Share of the associates’ loss for the year	—	—	(134)
Share of the associates’ total comprehensive loss	—	—	(134)
Aggregate carrying amount of the Group’s investments in the associates	—	—	14,866
	=	=	=

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold land and plant and properties used in its operations. Lease of leasehold land generally have lease terms of 50 years, while plant and properties generally have lease terms between 2 and 3 years. Other equipment generally has lease terms of 12 months or less.

(a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the Relevant Periods are as follows:

	Buildings	Leasehold land	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	6,766	6,871	13,637
Additions	6,007	—	6,007
Depreciation charge	(7,767)	(198)	(7,965)
As at 31 December 2023.	5,006	6,673	11,679

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	Buildings	Leasehold land	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2024	5,006	6,673	11,679
Additions	484	29,206	29,690
Depreciation charge	(2,096)	(539)	(2,635)
As at 31 December 2024.	<u>3,394</u>	<u>35,340</u>	<u>38,734</u>

	Buildings	Leasehold land	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2025	3,394	35,340	38,734
Additions	2,378	–	2,378
Depreciation charge	(2,459)	(491)	(2,950)
Disposal	(297)	–	(297)
Exchange differences	31	–	31
Disposal of a subsidiary (<i>note 36</i>)	–	(28,574)	(28,574)
As at 31 December 2025.	<u>3,047</u>	<u>6,275</u>	<u>9,322</u>

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year . . .	6,288	5,051	2,381
Additions	6,007	437	2,122
Accretion of interest recognised during the year . .	91	131	114
Exchange differences	–	–	31
Disposal	–	–	(303)
Payments	(7,335)	(3,238)	(1,396)
Carrying amount at the end of the year	<u>5,051</u>	<u>2,381</u>	<u>2,949</u>
Analysed into:			
Current portion.	1,969	1,175	1,827
Non-current portion	<u>3,082</u>	<u>1,206</u>	<u>1,122</u>

The maturity analysis of lease liabilities is disclosed in note 43 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities.	91	131	114
Depreciation charge of right-of-use assets	7,965	2,635	2,950
Expense related to short-term leases.	<u>5,017</u>	<u>5,238</u>	<u>3,441</u>
Total amount recognised in profit or loss.	<u>13,073</u>	<u>8,004</u>	<u>6,505</u>

The total cash outflow for leases relating to leases is disclosed in note 37 to the Historical Financial Information.

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The Company as a lessee

(a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the year are as follows:

	Buildings	Leasehold land	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	–	6,871	6,871
Addition in original value	6,007	–	6,007
Depreciation charge	(1,001)	(198)	(1,199)
As at 31 December 2023.	<u>5,006</u>	<u>6,673</u>	<u>11,679</u>
	Buildings	Leasehold land	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2024	5,006	6,673	11,679
Addition in original value	484	–	484
Depreciation charge	(2,096)	(199)	(2,295)
As at 31 December 2024.	<u>3,394</u>	<u>6,474</u>	<u>9,868</u>
	Buildings	Leasehold land	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025	3,394	6,474	9,868
Additions	590	–	590
Depreciation charge	(2,159)	(199)	(2,358)
Disposal	(297)	–	(297)
As at 31 December 2025.	<u>1,528</u>	<u>6,275</u>	<u>7,803</u>

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount at the beginning of the year . . .	–	5,051	2,381
Additions	6,007	437	387
Accretion of interest recognised during the year .	91	131	66
Disposal	–	–	(303)
Payments	(1,047)	(3,238)	(1,096)
Carrying amount at the end of the year	<u>5,051</u>	<u>2,381</u>	<u>1,435</u>
Analysed into:			
Current portion.	1,969	1,175	1,237
Non-current portion	<u>3,082</u>	<u>1,206</u>	<u>198</u>

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(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	91	131	66
Depreciation charge of right-of-use assets	1,199	2,295	2,358
Expense related to short-term leases	3,717	4,300	3,060
Total amount recognised in profit or loss	<u>5,007</u>	<u>6,726</u>	<u>5,484</u>

16. OTHER INTANGIBLE ASSETS

The Group

	Software	Licence	Total
	RMB'000	RMB'000	RMB'000
31 December 2023			
Cost at 1 January 2023, net of accumulated amortisation	3,341	—	3,341
Additions	21	—	21
Amortisation provided during the year	(477)	—	(477)
As at 31 December 2023.	<u>2,885</u>	<u>—</u>	<u>2,885</u>
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	2,885	—	2,885
Additions	42	6,595	6,637
Amortisation provided during the year	(478)	(1,832)	(2,310)
As at 31 December 2024.	<u>2,449</u>	<u>4,763</u>	<u>7,212</u>
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	2,449	4,763	7,212
Additions	5,545	—	5,545
Amortisation provided during the year	(870)	(2,198)	(3,068)
As at 31 December 2025.	<u>7,124</u>	<u>2,565</u>	<u>9,689</u>

The Company

	Software	Licence	Total
	RMB'000	RMB'000	RMB'000
31 December 2023			
Cost at 1 January 2023, net of accumulated amortisation	3,341	—	3,341
Additions	21	—	21
Amortisation provided during the year	(477)	—	(477)
As at 31 December 2023.	<u>2,885</u>	<u>—</u>	<u>2,885</u>
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	2,885	—	2,885
Additions	42	6,595	6,637
Amortisation provided during the year	(478)	(1,832)	(2,310)
As at 31 December 2024.	<u>2,449</u>	<u>4,763</u>	<u>7,212</u>

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ACCOUNTANTS’ REPORT

	Software	Licence	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	2,449	4,763	7,212
Additions	5,524	–	5,524
Amortisation provided during the year	(869)	(2,198)	(3,067)
As at 31 December 2025.	<u>7,104</u>	<u>2,565</u>	<u>9,669</u>

17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investments in subsidiaries – capital contribution			
Wuxi Liding	10,000	10,000	–
Wuxi Zhongnuo	10,000	10,000	–
Wuxi Senheda	–	10,000	–
Zhongding Hungary	–	2,112	2,112
Zhongding Singapore	–	719	5,219
Investments in subsidiaries	<u>20,000</u>	<u>32,831</u>	<u>7,331</u>

Particulars of the subsidiaries as at the end of each of the Relevant Periods are set out in note 1 to the Historical Financial Information.

The Company’s outstanding balances with the subsidiaries are disclosed in note 39.

18. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity investments at fair value through profit or loss			
Unlisted equity investments, at fair value	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

19. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	92,682	91,609	59,434
Work in progress	2,397,601	1,597,063	1,219,624
	2,490,283	1,688,672	1,279,058
Provision for impairment of inventories	(9,701)	(46,921)	(56,245)
Total	<u>2,480,582</u>	<u>1,641,751</u>	<u>1,222,813</u>

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	92,212	90,666	59,434
Work in progress	2,382,249	1,561,256	1,229,229
	2,474,461	1,651,922	1,288,663
Provision for impairment of inventories	(9,701)	(46,692)	(56,245)
Total	2,464,760	1,605,230	1,232,418

20. TRADE RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	464,687	467,389	626,029
Impairment	(128,784)	(125,226)	(130,326)
Net carrying amount	335,903	342,163	495,703

The Group’s trading terms with its customers are mainly on credit. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables of the Group as at the end of each of the Relevant Periods, based on recognition date and net of loss allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year.	155,212	240,631	343,464
1 to 2 years.	138,095	59,029	120,251
2 to 3 years.	26,928	34,889	20,009
3 to 4 years.	11,312	5,850	9,767
4 to 5 years.	4,356	1,764	2,212
Total	335,903	342,163	495,703

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	130,973	128,784	125,226
Impairment losses recognised/(reversed)	11,380	(3,286)	5,100
Amount written off as uncollectible	(13,569)	(272)	–
At end of year	128,784	125,226	130,326

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The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed as at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the age of the balance, existence of disputes, recent historical payment patterns, and any other available information concerning the creditworthiness of counterparties and influence from macro economy.

Set out below is the information about the credit risk exposure on the Group’s trade receivables:

As at 31 December 2023

	Current to one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis:							
Expected credit loss rate	5%	10%	30%	50%	80%	100%	20%
Gross carrying amount (RMB’000)	163,526	153,439	38,469	16,235	21,778	24,147	417,594
Expected credit losses (RMB’000)	8,314	15,344	11,541	8,118	17,422	24,147	84,886
On an individual basis:							
Expected credit loss rate	–	–	–	80%	100%	100%	93%
Gross carrying amount (RMB’000)	–	–	–	15,972	4,400	26,721	47,093
Expected credit losses (RMB’000)	–	–	–	12,777	4,400	26,721	43,898

As at 31 December 2024

	Current to one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis:							
Expected credit loss rate	5%	10%	30%	50%	80%	100%	18%
Gross carrying amount (RMB’000)	253,297	65,587	43,363	11,700	8,820	28,734	411,501
Expected credit losses (RMB’000)	12,666	6,558	13,009	5,850	7,056	28,734	73,873
On an individual basis:							
Expected credit loss rate	–	–	50%	100%	100%	100%	92%
Gross carrying amount (RMB’000)	–	–	9,069	1,825	15,884	29,110	55,888
Expected credit losses (RMB’000)	–	–	4,534	1,825	15,884	29,110	51,353

As at 31 December 2025

	Current to one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis:							
Expected credit loss rate	5%	10%	30%	50%	80%	100%	15%
Gross carrying amount (RMB’000)	361,541	133,612	28,584	15,866	11,058	33,130	583,791
Expected credit losses (RMB’000)	18,077	13,361	8,575	7,933	8,846	33,130	89,922
On an individual basis:							
Expected credit loss rate	–	–	–	66%	100%	100%	96%
Gross carrying amount (RMB’000)	–	–	–	5,353	140	36,745	42,238
Expected credit losses (RMB’000)	–	–	–	3,519	140	36,745	40,404

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	466,684	472,677	644,153
Impairment	(128,777)	(125,224)	(129,887)
Net carrying amount	<u>337,907</u>	<u>347,453</u>	<u>514,266</u>

An ageing analysis of the trade receivables of the Company as at the end of each of the Relevant Periods, based on recognition date and net of loss allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year.	157,216	245,921	362,027
1 to 2 years.	138,095	59,029	120,251
2 to 3 years.	26,928	34,889	20,009
3 to 4 years.	11,312	5,850	9,767
4 to 5 years.	<u>4,356</u>	<u>1,764</u>	<u>2,212</u>
Total	<u>337,907</u>	<u>347,453</u>	<u>514,266</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	130,972	128,777	125,224
Impairment losses recognised/(reversed)	11,374	(3,281)	4,663
Amount written off as uncollectible	<u>(13,569)</u>	<u>(272)</u>	<u>–</u>
At end of year	<u>128,777</u>	<u>125,224</u>	<u>129,887</u>

Set out below is the information about the credit risk exposure on the Company’s trade receivables:

As at 31 December 2023

	Current to one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis:							
Expected credit loss rate.	5%	10%	30%	50%	80%	100%	20%
Gross carrying amount (RMB'000)	165,523	153,439	38,469	16,235	21,778	24,147	419,591
Expected credit losses (RMB'000)	8,307	15,344	11,541	8,118	17,422	24,147	84,879
On an individual basis:							
Expected credit loss rate.	–	–	–	80%	100%	100%	93%
Gross carrying amount (RMB'000)	–	–	–	15,972	4,400	26,721	47,093
Expected credit losses (RMB'000)	–	–	–	12,777	4,400	26,721	43,898

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As at 31 December 2024

	Current to one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis:							
Expected credit loss rate . .	5%	10%	30%	50%	80%	100%	18%
Gross carrying amount (RMB’000)	258,585	65,587	43,363	11,700	8,820	28,734	416,789
Expected credit losses (RMB’000)	12,664	6,558	13,009	5,850	7,056	28,734	73,871
On an individual basis:							
Expected credit loss rate . .	–	–	50%	100%	100%	100%	92%
Gross carrying amount (RMB’000)	–	–	9,069	1,825	15,884	29,110	55,888
Expected credit losses (RMB’000)	–	–	4,534	1,825	15,884	29,110	51,353

As at 31 December 2025

	Current to one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis:							
Expected credit loss rate . .	5%	10%	30%	50%	80%	100%	15%
Gross carrying amount (RMB’000)	379,665	133,612	28,584	15,866	11,058	33,130	601,915
Expected credit losses (RMB’000)	17,638	13,361	8,575	7,933	8,846	33,130	89,483
On an individual basis:							
Expected credit loss rate . .	–	–	–	66%	100%	100%	96%
Gross carrying amount (RMB’000)	–	–	–	5,353	140	36,745	42,238
Expected credit losses (RMB’000)	–	–	–	3,519	140	36,745	40,404

21. CONTRACT ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Contract assets arising from:			
Smart intralogistics solutions	284,129	236,047	222,893
After-sales services – technical upgrading services	2,090	–	–
Sales of intralogistics equipment and others . .	3,248	2,035	1,460
Total	289,467	238,082	224,353
Impairment	(16,816)	(13,659)	(13,072)
Net carrying amount	272,651	224,423	211,281

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Contract assets are initially recognised for revenue earned from the smart intralogistics solutions, after-sales services and sales of intralogistics equipment and others as the receipt of consideration is conditional on the satisfaction of the system operation quality by customers.

Included in contract assets are retention receivables. Upon expiration of the warranty periods, the amounts recognised as contract assets are reclassified to trade receivables, provided that no warranty issues have arisen or that any identified issues have been satisfactorily resolved for the customer. The decrease in contract assets in 2024 and 2025 was the result of expiration of warranty periods for several contracts with no warranty issues arising or identified issues being satisfactorily resolved.

The expected timing of recovery or settlement for contract assets as at the end of each of the Relevant Periods is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	248,716	206,775	194,902
After one year	23,935	17,648	16,379
Total	<u>272,651</u>	<u>224,423</u>	<u>211,281</u>

The movements in the loss allowance for impairment of contract assets are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	16,531	16,816	13,659
Impairment losses recognised/(reversed)	285	(3,157)	(587)
At the end of the year	<u>16,816</u>	<u>13,659</u>	<u>13,072</u>

An impairment analysis is performed as at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available as at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group’s contract assets using a provision matrix:

	Year ended 31 December		
	2023	2024	2025
Expected credit loss rate	6%	6%	6%
Gross carrying amount (RMB'000)	289,467	238,082	224,353
Expected credit losses (RMB'000)	16,816	13,659	13,072

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22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current portion:			
Prepayments to suppliers	55,721	73,129	104,821
Deposits	16,225	14,292	14,349
Prepaid tax	5,548	2,161	–
Receivables from disposal of a subsidiary	–	–	8,460
Deferred [REDACTED] expense	[REDACTED]	[REDACTED]	15,821
Others	2,118	915	981
	79,612	90,497	144,432
Impairment allowance	(5,874)	(4,428)	(5,194)
Subtotal	73,738	86,069	139,238
Non-current portion:			
Rental deposits	235	317	438
Prepayments for long-term assets	1,000	1,821	21,190
Subtotal	1,235	2,138	21,628
Total	74,973	88,207	160,866

At the end of each of the Relevant Periods, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant Periods.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current portion:			
Prepayments to suppliers	56,312	75,183	104,470
Deposits	16,225	14,171	14,259
Prepaid tax	5,548	–	–
Due from subsidiaries	–	21,800	–
Receivables from disposal of a subsidiary	–	–	8,460
Deferred [REDACTED] expense	[REDACTED]	[REDACTED]	15,821
Others	1,436	912	945
	79,521	112,066	143,955
Impairment allowance	(5,841)	(4,421)	(5,189)
Subtotal	73,680	107,645	138,766
Non-current portion:			
Rental deposit	235	317	300
Prepayments for long-term assets	1,000	1,821	21,190
Subtotal	1,235	2,138	21,490
Total	74,915	109,783	160,256

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23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wealth management products	<u>50,001</u>	<u>237,688</u>	<u>421,870</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wealth management products	<u>50,000</u>	<u>237,687</u>	<u>421,870</u>

During each of the Relevant Periods, the financial assets at fair value through profit or loss represented wealth management products issued by banks, with expected return rates from 1.14% to 3.07% per annum.

The fair values are based on cash flows discounted using the expected yield rates and are within Level 2 of the fair value hierarchy.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills receivables	<u>169,204</u>	<u>26,044</u>	<u>105,342</u>

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills receivables	<u>168,904</u>	<u>25,548</u>	<u>105,342</u>

The loss allowance for bills receivables at financial assets at fair value through other comprehensive income as a result of applying the expected credit risk model is immaterial.

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25. CASH AND CASH EQUIVALENTS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	288,586	224,663	266,482
Less:			
Pledged deposits*	70,460	39,061	125,250
Restricted cash	–	35,807	37,044
Cash and cash equivalents	218,126	149,795	104,188
Denominated in:			
RMB	218,061	148,559	87,484
USD	65	441	2,408
EUR	–	795	333
SGD	–	–	5
MYR	–	–	13,957
HUF	–	–	1
Total	218,126	149,795	104,188

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	282,933	199,736	250,983
Less:			
Pledged deposits*	70,460	39,061	125,250
Restricted cash	–	35,807	37,044
Cash and cash equivalents	212,473	124,868	88,689
Denominated in:			
RMB	212,408	124,803	86,450
USD	65	65	2,239
Total	212,473	124,868	88,689

* Certain bank deposits are pledged for letters of guarantee and bills payables.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

The RMB is not freely convertible into other currencies, however, under Chinese Mainland’s Foreign Exchange Control Regulations and Administration of Settlement and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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26. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on recognition date, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year.	1,069,294	585,593	827,493
1 to 2 years.	127,641	198,403	97,768
2 to 3 years.	21,441	15,616	41,662
Over 3 years	16,327	25,844	26,497
Total	<u>1,234,703</u>	<u>825,456</u>	<u>993,420</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year.	1,067,141	588,851	826,697
1 to 2 years.	127,641	197,957	97,768
2 to 3 years.	21,441	15,616	41,662
Over 3 years	16,327	25,844	26,497
Total	<u>1,232,550</u>	<u>828,268</u>	<u>992,624</u>

Trade and bills payables are non-interest-bearing and are normally settled in 0 to 180 days upon acceptance of the invoices or settled on back-to-back terms.

As at the end of each of the Relevant Periods, the Group’s certain bills payables were secured by the pledged deposits amounting to RMB70,040,000, RMB37,889,000 and RMB122,623,000, respectively.

As at the end of each of the Relevant Periods, the Group’s certain bills payables were secured by the financial assets at fair value through other comprehensive income amounting to RMB194,731,000, nil and nil, respectively.

27. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deposits received	4,023	8,452	9,382
Payroll and welfare payable.	29,746	30,065	37,976
Other tax payables	43,755	16,650	12,929
Payables for purchase of property, plant and equipment	1,268	1,056	1,227
Due to related parties.	1,047	–	–
Other payables	2,177	5,831	1,731
Total	<u>82,016</u>	<u>62,054</u>	<u>63,245</u>

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deposits received	4,023	8,452	9,382
Payroll and welfare payable	23,522	24,061	37,855
Other tax payables	42,644	15,087	12,921
Payables for purchase of property, plant and equipment	1,268	1,052	1,227
Due to related parties	1,047	–	–
Due to subsidiaries	–	–	120
Other payables	2,127	1,879	1,722
Total	<u>74,631</u>	<u>50,531</u>	<u>63,227</u>

Other payables are non-interest-bearing, unsecured and have no fixed terms of settlement. The details of amounts due to related parties during the Relevant Periods were included in note 39.

28. CONTRACT LIABILITIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities	<u>1,930,459</u>	<u>1,473,419</u>	<u>1,318,591</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities	<u>1,929,007</u>	<u>1,454,114</u>	<u>1,318,591</u>

Contract liabilities represented advances received from customers. Contract liabilities that are expected to be settled within the Group’s and the Company’s normal operating cycle are classified as current liabilities based on the Group’s and Company’s earliest obligations to transfer goods to the customers.

29. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

	As at 31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank borrowings – secured	2.80%-3.20%	2024	<u>85,694</u>

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As at 31 December 2024			
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank borrowings – secured	2.30%-2.50%	2025	44,727
Bank borrowings – unsecured	2.50%	2025	1,199
Total			<u>45,926</u>

As at 31 December 2025			
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank borrowings – unsecured	2.15%	2026	<u>11,544</u>

As at 31 December			
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Analysed into:			
Within one year	<u>85,694</u>	<u>45,926</u>	<u>11,544</u>

As at the end of each of the Relevant Periods, the Group’s certain interest-bearing bank borrowings amounting to RMB85,694,000, RMB44,727,000 and nil were guaranteed by Noblelift Intelligent Equipment Co., Ltd., the controlling shareholder of the Group. The guarantee has been released during the year ended 31 December 2025.

All interest-bearing bank borrowings are denominated in RMB.

30. PROVISIONS

The Group and the Company

Year ended 31 December			
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	15,282	12,464	12,766
Additional provision	16,558	17,590	18,064
Amounts utilised during the year	<u>(19,376)</u>	<u>(17,288)</u>	<u>(15,769)</u>
At the end of the year	<u>12,464</u>	<u>12,766</u>	<u>15,061</u>

The Group’s products are generally subject to a one-year warranty period for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and revised when appropriate.

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31. DEFERRED INCOME

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants	3,692	3,052	2,453

The movements of deferred income for each of the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	4,351	3,692	3,052
Amounts released to profit or loss during the year	(659)	(640)	(599)
At the end of the year	3,692	3,052	2,453

32. DEFERRED TAX

The movements in deferred tax assets and liabilities during each of the Relevant Periods are as follows:

The Group

Deferred tax assets

	Impairment of financial and contract assets	Impairment of inventories	Unrealised profits on intragroup transactions	Provisions	Lease liabilities	Deferred income	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	22,949	1,316	–	2,292	–	653	27,210
Deferred tax (charged)/credited to profit or loss during the year	(234)	139	2,328	(422)	758	(99)	2,470
At 31 December 2023	22,715	1,455	2,328	1,870	758	554	29,680
At 1 January 2024	22,715	1,455	2,328	1,870	758	554	29,680
Deferred tax (charged)/credited to profit or loss during the year	(1,220)	5,549	(1,026)	45	(401)	(96)	2,851
At 31 December 2024	21,495	7,004	1,302	1,915	357	458	32,531
At 1 January 2025	21,495	7,004	1,302	1,915	357	458	32,531
Deferred tax credited/(charged) to profit or loss during the year	705	1,433	1,149	344	223	(90)	3,764
At 31 December 2025	22,200	8,437	2,451	2,259	580	368	36,295

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Deferred tax liabilities

	Right-of-use assets	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	–	362	362
Deferred tax charged/(credited) to profit or loss during the year	751	(58)	693
At 31 December 2023	<u>751</u>	<u>304</u>	<u>1,055</u>
At 1 January 2024	751	304	1,055
Deferred tax (credited)/charged to profit or loss during the year	(241)	241	–
At 31 December 2024	<u>510</u>	<u>545</u>	<u>1,055</u>
At 1 January 2025	510	545	1,055
Deferred tax charged/(credited) to profit or loss during the year	84	(72)	12
At 31 December 2025	<u>594</u>	<u>473</u>	<u>1,067</u>

The Company

Deferred tax assets

	Impairment of financial and contract assets	Impairment of inventories	Provisions	Lease liabilities	Deferred income	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	22,949	1,316	2,292	–	653	27,210
Deferred tax (charged)/credited to profit or loss during the year	(234)	139	(422)	758	(99)	142
At 31 December 2023	<u>22,715</u>	<u>1,455</u>	<u>1,870</u>	<u>758</u>	<u>554</u>	<u>27,352</u>
At 1 January 2024	22,715	1,455	1,870	758	554	27,352
Deferred tax (charged)/credited to profit or loss during the year	(1,220)	5,549	45	(401)	(96)	3,877
At 31 December 2024	<u>21,495</u>	<u>7,004</u>	<u>1,915</u>	<u>357</u>	<u>458</u>	<u>31,229</u>
At 1 January 2025	21,495	7,004	1,915	357	458	31,229
Deferred tax credited/(charged) to profit or loss during the year	705	1,433	344	(142)	(90)	2,250
At 31 December 2025	<u>22,200</u>	<u>8,437</u>	<u>2,259</u>	<u>215</u>	<u>368</u>	<u>33,479</u>

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Deferred tax liabilities

	Right-of-use assets	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023.	–	362	362
Deferred tax charged/(credited) to profit or loss during the year	751	(58)	693
At 31 December 2023	<u>751</u>	<u>304</u>	<u>1,055</u>
At 1 January 2024.	751	304	1,055
Deferred tax (credited)/charged to profit or loss during the year	(241)	241	–
At 31 December 2024	<u>510</u>	<u>545</u>	<u>1,055</u>
At 1 January 2025.	510	545	1,055
Deferred tax credited to profit or loss during the year	(281)	(72)	(353)
At 31 December 2025	<u>229</u>	<u>473</u>	<u>702</u>

There were no income tax or withholding tax consequences attaching to the payments of dividends by the Company to its shareholders during each of the Relevant Periods.

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position. . .	28,625	31,476	35,228
Net deferred tax liabilities recognised in the consolidated statement of financial position. . .	<u>–</u>	<u>–</u>	<u>–</u>

The Company

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the statement of financial position	26,297	30,174	32,777
Net deferred tax liabilities recognised in the statement of financial position	<u>–</u>	<u>–</u>	<u>–</u>

The Group has tax losses arising in Hungary of nil, RMB1,550,000 and RMB1,729,000 during each of the Relevant Periods, tax losses in Singapore of nil, RMB2,000 and RMB2,831,000 and tax losses in Malaysia of nil, nil and RMB883,000 during each of the Relevant Periods that will expire in five years for offsetting against future taxable profits of the companies in which the losses arose.

The Group has tax losses arising in Chinese Mainland of RMB9,242,000, RMB8,377,000 and nil during each of the Relevant periods that will expire in one to five years for offsetting against future taxable profits.

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Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets have not been recognised in respect of the following item:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	9,242	9,929	5,443

33. PAID-IN CAPITAL/SHARE CAPITAL

Paid-in capital

A summary of movements in the Company’s paid-in capital is as follows:

	Paid-in capital
	RMB'000
At 1 January 2023.	74,000
At 31 December 2023 and 1 January 2024.	74,000
Capital contribution from a shareholder (<i>note a</i>)	300
At 31 December 2024	74,300
Conversion into a joint stock company (<i>note b</i>).	(74,300)
At 31 December 2025	—

Share capital

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital
		RMB'000
At 1 January 2025.	—	—
Issue of ordinary shares upon conversion into a joint stock company of RMB1 each (<i>note b</i>)	120,000,000	120,000
At 31 December 2025	120,000,000	120,000

Notes:

- (a) Pursuant to a share purchase agreement approved by the Company’s controlling shareholder on 15 November 2024, Wuxi Dinghong Enterprise Management Partnership Enterprise (Limited Partnership) injected RMB1,914,000 into the Company, with RMB300,000, representing 300,000 ordinary shares of the Company, and RMB1,614,000 credited to the Company’s capital reserve.

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- (b) On 18 March 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion date, including paid-in capital and reserves amounting to approximately RMB483,952,068, were converted into 120,000,000 ordinary shares at RMB1 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company’s capital reserve.

34. RESERVES

The amounts of the Group’s reserves and the movements therein for each of the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Capital reserve

The capital reserve mainly represents the difference between the value of paid-in capital and the consideration received.

(b) Statutory surplus reserve

In accordance with the Company Law of the PRC, the companies in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of the company registered capital. The statutory surplus reserve may be used to offset any accumulated losses or increase the registered capital of such companies subject to approval from the relevant PRC authorities. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies.

(c) Exchange fluctuation reserve

The exchange fluctuation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group’s presentation currency.

(d) Special reserve

According to relevant PRC regulations, transfer of production and maintenance funds at fixed rates based on relevant bases to a specific reserve account is required. The amounts are generally expenses in nature and charged to profit or loss as incurred, and at the same time, the corresponding amounts of safety reserve fund were utilized and transferred back to retained profits until such special reserve was fully utilized.

The amounts of the Company’s reserves and the movements therein for each of the Relevant Periods are presented as follows:

	Capital Reserve	Share-based payment reserves	Special reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	RMB'000 (note 35)	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	17,266	—	—	37,980	238,554	293,800
Profit for the year	—	—	—	—	58,898	58,898
Total comprehensive income for the year	—	—	—	—	58,898	58,898
Retained profits of a subsidiary merged	—	—	—	—	2,151	2,151
Appropriation of safety fund .	—	—	4,267	—	(4,267)	—
Utilisation of safety fund . . .	—	—	(4,267)	—	4,267	—
As at 31 December 2023. . . .	17,266	—	—	37,980	299,603	354,849
As at 1 January 2024	17,266	—	—	37,980	299,603	354,849
Profit for the year	—	—	—	—	75,376	75,376
Total comprehensive income for the year	—	—	—	—	75,376	75,376

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	Capital Reserve	Share-based payment reserves	Special reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	RMB'000 (note 35)	RMB'000	RMB'000	RMB'000	RMB'000
Dividends paid to the shareholders	–	–	–	–	(23,500)	(23,500)
Capital contribution by a shareholder	1,614	–	–	–	–	1,614
Equity-settled share-based payments	–	62	–	–	–	62
Appropriation of safety fund	–	–	4,314	–	(4,314)	–
Utilisation of safety fund	–	–	(4,314)	–	4,314	–
As at 31 December 2024.	<u>18,880</u>	<u>62</u>	<u>–</u>	<u>37,980</u>	<u>351,479</u>	<u>408,401</u>
As at 1 January 2025	18,880	62	–	37,980	351,479	408,401
Profit for the year	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>110,586</u>	<u>110,586</u>
Total comprehensive income for the year	–	–	–	–	110,586	110,586
Retained profits of a subsidiary merged	–	–	–	–	5,260	5,260
Equity-settled share-based payments	–	10,765	–	–	–	10,765
Appropriation of safety fund	–	–	4,478	–	(4,478)	–
Utilisation of safety fund	–	–	(4,478)	–	4,478	–
Transferred from retained profits	–	–	–	11,059	(11,059)	–
Conversion into a joint stock company	<u>345,072</u>	<u>–</u>	<u>–</u>	<u>(37,980)</u>	<u>(352,792)</u>	<u>(45,700)</u>
As at 31 December 2025.	<u>363,952</u>	<u>10,827</u>	<u>–</u>	<u>11,059</u>	<u>103,474</u>	<u>489,312</u>

35. SHARE-BASED PAYMENTS

Share-based payment expenses relating to employees recognised for the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of sales	–	–	1,213
Selling and distribution expenses.	–	10	689
Administrative expenses	–	31	5,126
Research and development expenses.	–	21	3,737
Total	<u>–</u>	<u>62</u>	<u>10,765</u>

2024 Employee Incentive Scheme

A share incentive (“Employee Incentive Scheme”) was approved by the controlling shareholder of the Company on 30 October 2024 and became effective on the same day. Restricted shares under the Employee Incentive Scheme were granted to the employees who promote the success of the Group’s operations. Wuxi Dinghong Enterprise Management Partnership Enterprise (Limited Partnership) (無錫鼎泓企業管理合夥企業(有限合夥)) (“Wuxi Dinghong”) was used as a restricted share platform to facilitate the administration of the Employee Incentive Scheme. 300,000 shares of the Company held by Wuxi Dinghong were authorised and approved under the Employee Incentive Scheme. Pursuant to the Employee Incentive Scheme, the subscription price was RMB6.38 per restricted share.

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Subject to the terms and conditions as set out in the Employee Incentive Scheme, restricted shares are vested in the portions of 40%, 30% and 30% at the later of the date of initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited or 16 November 2025, 2026 and 2027, respectively.

The following restricted shares were outstanding under the Employee Incentive Scheme during each of the Relevant Periods:

	Number of restricted shares
As at 1 January 2024	–
Granted during the year	300,000
As at 31 December 2024 and 31 December 2025	300,000

The grant date fair value of the shares of the Employee Incentive Scheme was RMB8.29 per share, which was determined by the management of the Group using the discounted cash flows method which takes into account the terms and conditions upon which the restricted shares were granted. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding “share-based payment expenses” in profit or loss.

Fair value per share (RMB)	11.36
Fair value per restricted share unit (RMB)	8.29

2025 Share Option Scheme

To incentivise and reward eligible participants who contribute to the Group’s operations, the Company’s shareholders approved the 2025 Share Option scheme on 30 April 2025 which became effective on the same day. The maximum number of shares that may be issued under this option scheme shall be 18,000,000 ordinary shares.

The share option scheme shall vest in the portions of 40%, 20%, 20% and 20% at the seventh, nineteenth, thirty first and forty third month after the date of initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited under the condition that certain eligible participants attained the performance targets.

The share options granted shall be exercisable when the following conditions are met: (i) after the successful [REDACTED] of the Company’s shares; and (ii) the expiration of the corresponding vesting period.

The following shares were outstanding under the share option scheme during the Relevant Periods.

	Number of restricted shares
As at 1 January 2025	–
Granted during the year	18,000,000
As at 31 December 2025	18,000,000

During the years ended 31 December 2025, the Group recognised share-based expenses of RMB10,765,000.

The exercise prices and exercise periods of the share options outstanding as at the end of each of the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
Number of options	–	–	18,000,000
Exercise price	–	–	RMB5.83

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The fair value of options granted during the year ended 31 December 2025 is estimated on the dates of grant using the binomial model with the following assumptions used:

	As at 31 December 2025
Expected volatility	40%
Risk-free interest rate.	1.50%
Fair value per share (RMB)	5.84
Weighted average remaining contractual life.	4.2
Expected life of options	1.3-4.8

36. DISPOSAL OF A SUBSIDIARY

In June 2025, the Group decided to dispose of the entire interest in Wuxi Senheda (“Disposal Subsidiary”) to third parties. The disposal of above was completed on 27 June 2025.

Details of the assets of the Disposal Subsidiary are listed as follows:

	As at 27 June 2025
	<i>RMB’000</i>
Net assets disposed of:	
Cash and cash equivalents	1,170
Right-of-use assets	28,574
Prepayments, other receivables and other assets	529
Subtotal.	30,273
Loss on disposal of a subsidiary	(2,073)
Total consideration	28,200
Satisfied by:	
Cash.	28,200

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	Year ended 31 December 2025
	<i>RMB’000</i>
Cash consideration received.	19,740
Cash and bank balances disposed of.	(1,170)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	18,570

37. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2023, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB6,007,000 and RMB6,007,000, respectively.

During the year ended 31 December 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB484,000 and RMB437,000, respectively.

During the year ended 31 December 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,378,000 and RMB2,122,000, respectively.

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There were no other non-cash transactions except those mentioned above during the Relevant Periods.

(b) Changes in liabilities arising from financing activities

	Lease liabilities	Interest-bearing bank borrowings	Due to related parties	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023.	6,288	63,876	2,485	72,649
Additions	6,007	–	–	6,007
Changes from financing cash flows	(7,335)	17,534	(1,438)	8,761
Interest expense	91	4,284	–	4,375
At 31 December 2023	<u>5,051</u>	<u>85,694</u>	<u>1,047</u>	<u>91,792</u>

	Lease liabilities	Interest-bearing bank borrowings	Due to related parties	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024.	5,051	85,694	1,047	91,792
Additions	437	–	–	437
Changes from financing cash flows	(3,238)	(42,301)	(1,047)	(46,586)
Interest expense	131	2,533	–	2,664
At 31 December 2024	<u>2,381</u>	<u>45,926</u>	<u>–</u>	<u>48,307</u>

	Lease liabilities	Interest-bearing bank borrowings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025.	2,381	45,926	48,307
Additions	2,122	–	2,122
Changes from financing cash flows	(1,396)	(36,327)	(37,723)
Disposal	(303)	–	(303)
Exchange difference	31	–	31
Interest expense	114	1,945	2,059
At 31 December 2025	<u>2,949</u>	<u>11,544</u>	<u>14,493</u>

(c) Total cash outflow for leases

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities.	5,017	5,238	3,441
Within financing activities.	<u>7,335</u>	<u>3,238</u>	<u>1,396</u>
Total	<u>12,352</u>	<u>8,476</u>	<u>4,837</u>

38. PLEDGE OF ASSETS

Details of the Group’s assets pledged are included in notes 25 and 26 to the Historical Financial Information.

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39. RELATED PARTY TRANSACTIONS

(a) Name and relationships of the related parties:

Name	Relationship
Noblelift Intelligent Equipment Co., Ltd. (“Noblelift Intelligent Equipment”)	The controlling shareholder
Shengmo Intelligent Systems (Shanghai) Co., Ltd. (“Shanghai Shengmo”)	Associate
Suzhou Shunych System Technology Co., Ltd. (“Suzhou Shunych”)*	Company controlled by the controlling shareholder
Noblelift Sales Co., Ltd. (“Noblelift Sales”)	Company controlled by the controlling shareholder
Zhejiang Noblelift Logistics Technology Co., Ltd. (“Zhejiang Noblelift Logistics”)	Company controlled by the controlling shareholder
Zhejiang Noblelift Garage Equipment Manufacturing Co., Ltd. (“Zhejiang Noblelift Garage”)	Company controlled by the controlling shareholder
Hangzhou Noblelift Intelligent Machinery Co., Ltd. (“Hangzhou Noblelift Intelligent Machinery”)	Company controlled by the controlling shareholder
Noblelift Leasing Service Co., Ltd. (“Noblelift Leasing Service”)	Company controlled by the controlling shareholder
Shanghai Noblelift Intelligent Technology Co., Ltd. (“Shanghai Noblelift Intelligent Technology”)	Company controlled by the controlling shareholder
SAVOYE Asset Management	Company controlled by the controlling shareholder
SAVOYE Intelligent Logistics Technology	Company controlled by the controlling shareholder
Changxing Noblelift POWER Co., Ltd. (“Changxing Noblelift POWER”)	Company controlled by the ultimate controlling shareholders

* Suzhou Shunych was a subsidiary of the controlling shareholder of the Company before 28 December 2023. Suzhou Shunych was no longer the Group’s related party during the year ended 31 December 2024 and 2025.

(b) Transactions with related parties:

In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following transactions with related parties during each of the Relevant Periods.

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
The controlling shareholder			
Purchase of goods from			
Noblelift Intelligent Equipment	6	7	18
Sales of goods to			
Noblelift Intelligent Equipment	452	–	–
Provision of after-sales services to			
Noblelift Intelligent Equipment	483	327	131
Sales of property, plant and equipment to			
Noblelift Intelligent Equipment	–	–	426
Repayment loans from			
Noblelift Intelligent Equipment	1,438	1,047	–

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	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Companies controlled by the controlling shareholder			
Purchase of goods from			
Suzhou Shunych	31,259	—	—
Noblelift Sales	8,874	991	8,300
Hangzhou Noblelift Intelligent Machinery	419	13	—
Shanghai Noblelift Intelligent Technology	2,400	1,239	1,071
Noblelift Leasing Service	47	43	104
Total	<u>42,999</u>	<u>2,286</u>	<u>9,475</u>
Purchase of labour dispatch services from			
Zhejiang Noblelift Logistics	<u>382</u>	<u>—</u>	<u>—</u>
Purchase of license from			
SAVOYE Asset Management	<u>—</u>	<u>6,595</u>	<u>—</u>
Companies controlled by the controlling shareholder			
Sales of goods to			
SAVOYE Intelligent Logistics Technology	—	—	4,634
Shanghai Noblelift Intelligent Technology	—	—	<u>1,195</u>
Total	<u>—</u>	<u>—</u>	<u>5,829</u>
Company controlled by the ultimate controlling shareholder			
Loans to			
Changxing Noblelift POWER (Note 1)	<u>—</u>	<u>6,000</u>	<u>—</u>
Receipt of loans to			
Changxing Noblelift POWER (Note 1)	<u>—</u>	<u>6,000</u>	<u>—</u>
Interest income from			
Changxing Noblelift POWER	<u>—</u>	<u>57</u>	<u>—</u>
Associate			
Purchase of equity interest in an associate			
Shanghai Shengmo	<u>—</u>	<u>—</u>	<u>15,000</u>

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(c) Outstanding balances with related parties

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade related			
Companies controlled by the controlling shareholder			
Trade receivables			
Shanghai Noblelift Intelligent Technology	363	150	405
SAVOYE Intelligent Logistics Technology	—	—	1,119
Total	<u>363</u>	<u>150</u>	<u>1,524</u>
Contract assets			
Shanghai Noblelift Intelligent Technology	—	—	135
Prepayments, other receivables and other assets			
Shanghai Noblelift Intelligent Technology	—	259	855
Total	<u>—</u>	<u>259</u>	<u>855</u>

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade related			
Companies controlled by the controlling shareholder			
Trade and bills payables			
Hangzhou Noblelift Intelligent Machinery	97	—	—
Noblelift Sales	—	77	—
Shanghai Noblelift Intelligent Technology	935	—	—
Zhejiang Noblelift Logistics	124	106	106
Noblelift Leasing Service	22	9	2
Total	<u>1,178</u>	<u>192</u>	<u>108</u>
Contract liabilities			
Shanghai Noblelift Intelligent Technology	<u>1,010</u>	<u>2,343</u>	<u>968</u>
The controlling shareholder			
Prepayments, other receivables and other assets			
Noblelift Intelligent Equipment	<u>11,321</u>	<u>—</u>	<u>—</u>
Trade and bills payables			
Noblelift Intelligent Equipment	<u>549</u>	<u>310</u>	<u>330</u>
Contract liabilities			
Noblelift Intelligent Equipment	<u>186</u>	<u>—</u>	<u>4,846</u>
Non-trade related			
The controlling shareholder			
Other payables and accruals			
Noblelift Intelligent Equipment	<u>1,047</u>	<u>—</u>	<u>—</u>

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade related			
The controlling shareholder			
Prepayments, other receivables and other assets			
Noblelift Intelligent Equipment	11,321	—	—
Trade and bills payables			
Noblelift Intelligent Equipment	549	310	330
Contract liabilities			
Noblelift Intelligent Equipment	186	—	4,846

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade related			
Companies controlled by the controlling shareholder			
Trade receivables			
Shanghai Noblelift Intelligent Technology	363	150	405
SAVOYE Intelligent Logistics Technology	—	—	1,119
Total	363	150	1,524
Contract assets			
Shanghai Noblelift Intelligent Technology	—	—	135
Prepayments, other receivables and other assets			
Shanghai Noblelift Intelligent Technology	—	259	855
Trade and bills payables			
Hangzhou Noblelift Intelligent Machinery	97	—	—
Noblelift Sales	—	77	—
Shanghai Noblelift Intelligent Technology	935	—	—
Zhejiang Noblelift Logistics	124	106	106
Noblelift Leasing Service	22	9	2
Total	1,178	192	108
Contract liabilities			
Shanghai Noblelift Intelligent Technology	1,010	2,343	968

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	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade related			
Subsidiaries			
Trade receivables			
Zhongding Singapore	–	–	26,909
Wuxi Liding	2,147	5,306	–
Wuxi Zhongnuo	1	1	–
Total	<u>2,148</u>	<u>5,307</u>	<u>26,909</u>
Prepayments, other receivables and other assets			
Wuxi Zhongnuo	1,619	–	–
Wuxi Liding	–	4,075	–
Total	<u>1,619</u>	<u>4,075</u>	<u>–</u>
Trade and bills payables			
Wuxi Liding	4,801	8	–
Wuxi Zhongnuo	–	9,995	–
Total	<u>4,801</u>	<u>10,003</u>	<u>–</u>
Non-trade related			
Subsidiary			
Prepayments, other receivables and other assets			
Wuxi Senheda	–	21,800	–
Other payables and accruals			
Zhongding Singapore	–	–	120
The controlling shareholder			
Other payables and accruals			
Noblelift Intelligent Equipment	<u>1,047</u>	<u>–</u>	<u>–</u>

Note:

- (I) During the year ended 31 December 2024, the Group provided loans to Changxing Noblelift POWER Co., Ltd., which were unsecured and interest-bearing at a rate of 3.50% with a repayment term of 6 months. The loans were repaid in the same year.

Except for the balances mentioned above, other balances are unsecured, interest-free and have no fixed terms of repayment.

(d) Compensation of key management personnel of the Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and bonuses	5,083	6,295	7,592
Social welfare and other benefits.	168	244	334
Share-based payment expenses	–	62	4,967
Total	<u>5,251</u>	<u>6,601</u>	<u>12,893</u>

Further details of directors’ and the chief executive’s remuneration are included in note 8 to the Historical Financial Information.

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40. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment	4,519	391	1,150

41. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of each of the Relevant Periods were as follows:

Financial assets

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss:			
Wealth management products	50,001	237,688	421,870
Equity investment at fair value through profit or loss	2,000	2,000	2,000
Total	52,001	239,688	423,870
Financial assets at fair value through other comprehensive income:			
Bills receivables	169,204	26,044	105,342
Financial assets at amortised cost:			
Cash and cash equivalents	218,126	149,795	104,188
Pledged deposits	70,460	39,061	125,250
Restricted cash	–	35,807	37,044
Trade receivables	335,903	342,163	495,703
Financial assets included in prepayments, other receivables and other assets	12,704	11,096	19,034
Total	637,193	577,922	781,219

Financial liabilities

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial liabilities at amortised cost:			
Trade and bills payables	1,234,703	825,456	993,420
Financial liabilities included in other payables and accruals	8,515	15,339	12,340
Interest-bearing bank borrowings	85,694	45,926	11,544
Total	1,328,912	886,721	1,017,304

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The Group endorsed certain bills receivables accepted by banks in Chinese Mainland (the “Derecognised Bills”) to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB90,245,000, RMB141,598,000 and RMB228,119,000 at the end of each of the Relevant Periods. The Group also discounted certain bills receivables accepted by banks in Chinese Mainland (the “Derecognised Bills”) to creditworthy banks to manage the Group’s liquidity with carrying amounts in aggregate of RMB65,405,000, RMB121,503,000 and RMB239,541,000 as at the end of each of the Relevant Periods. The Derecognised Bills had a maturity of one to six months at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted cash, trade receivables, contract assets, financial assets included in prepayments, other receivables and other assets, trade and bills payables, other liabilities, interest-bearing bank borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The finance manager of the Group is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The Group’s finance manager reports directly to the chief financial officer. The Derecognised Bills had a maturity of one to six months at the end of each of the Relevant Periods. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the bills receivables classified as financial assets at fair value through other comprehensive income have been calculated by discounting the expected future cash flows. In addition, the bills receivables will mature within one year, and thus their fair values approximate to their carrying values.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of wealth management products based on the valuation report released by the wealth management product manager where available and consider liquidity discount where applicable.

For the fair value of the unlisted equity investments at fair value through profit or loss, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model. The carrying amounts of unlisted equity investments are the same as their fair values.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods. The Derecognised Bills had a maturity of one to six months at the end of each of the Relevant Periods.

	Valuation technique	Significant unobservable input	Value	Sensitivity of fair value to the input
Equity investments at fair value through profit or loss.	Valuation multiples	Average P/B multiple of peers	1.3	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB130,000

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Valuation technique	Significant unobservable input	Value	Sensitivity of fair value to the input
	Discount for lack of marketability	25.6%- 27.0%	5% increase/decrease in discount would result in increase/decrease in fair value by RMB25,600 to RMB27,000

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable	
	Level 1	Level 2	Level 3	
	RMB’000	RMB’000	RMB’000	RMB’000
Equity investments at fair value through profit or loss	–	–	2,000	2,000
Financial assets at fair value through other comprehensive income	–	169,204	–	169,204
Financial assets at fair value through profit or loss.	–	50,001	–	50,001
Total	–	219,205	2,000	221,205

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable	
	Level 1	Level 2	Level 3	
	RMB’000	RMB’000	RMB’000	RMB’000
Equity investments at fair value through profit or loss	–	–	2,000	2,000
Financial assets at fair value through other comprehensive income	–	26,044	–	26,044
Financial assets at fair value through profit or loss.	–	237,688	–	237,688
Total	–	263,732	2,000	265,732

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As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable	
	Level 1	Level 2	Level 3	
	RMB’000	RMB’000	RMB’000	RMB’000
Equity investments at fair value through profit or loss	–	–	2,000	2,000
Financial assets at fair value through other comprehensive income	–	105,342	–	105,342
Financial assets at fair value through profit or loss.	–	<u>421,870</u>	<u>–</u>	<u>421,870</u>
Total	<u>–</u>	<u>527,212</u>	<u>2,000</u>	<u>529,212</u>

The Group did not have any financial liabilities measured at fair value as at the end of each of the Relevant Periods.

During the Relevant Periods, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise interest-bearing bank borrowings, cash and cash equivalents and wealth management products. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

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The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	–	–	–	464,687	464,687
Contract assets*	–	–	–	289,467	289,467
Financial assets at fair value through other comprehensive income.	–	–	–	169,204	169,204
Financial assets included in prepayments, other receivables and other assets					
– Normal**	8,007	–	–	–	8,007
– Doubtful**	–	9,868	703	–	10,571
Pledged deposits					
– Not yet past due	70,460	–	–	–	70,460
Cash and cash equivalents					
– Not yet past due	218,126	–	–	–	218,126
Total	<u>296,593</u>	<u>9,868</u>	<u>703</u>	<u>923,358</u>	<u>1,230,522</u>

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	–	–	–	467,389	467,389
Contract assets*	–	–	–	238,082	238,082
Financial assets at fair value through other comprehensive income.	–	–	–	26,044	26,044
Financial assets included in prepayments, other receivables and other assets					
– Normal**	5,772	–	–	–	5,772
– Doubtful**	–	6,761	2,991	–	9,752
Pledged deposits					
– Not yet past due	39,061	–	–	–	39,061
Restricted cash					
– Not yet past due	35,807	–	–	–	35,807
Cash and cash equivalents					
– Not yet past due	149,795	–	–	–	149,795
Total	<u>230,435</u>	<u>6,761</u>	<u>2,991</u>	<u>731,515</u>	<u>971,702</u>

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ACCOUNTANTS’ REPORT

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	–	–	–	626,029	626,029
Contract assets*	–	–	–	224,353	224,353
Financial assets at fair value through other comprehensive income.	–	–	–	105,342	105,342
Financial assets included in prepayments, other receivables and other assets					
– Normal**	15,476	–	–	–	15,476
– Doubtful**	–	6,061	2,691	–	8,752
Pledged deposits					
– Not yet past due	125,250	–	–	–	125,250
Restricted cash					
– Not yet past due	37,044	–	–	–	37,044
Cash and cash equivalents					
– Not yet past due	104,188	–	–	–	104,188
Total	<u>281,958</u>	<u>6,061</u>	<u>2,691</u>	<u>955,724</u>	<u>1,246,434</u>

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 20 and 21 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables and contract assets are disclosed in notes 20 and 21 to the Historical Financial Information.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and by industry sector.

At the end of each of the Relevant Periods, the Group had certain concentrations of credit as 21.32%, 18.27% and 14.62% of the Group’s trade receivables were due from the Group’s largest customer in each year during the Relevant Periods, respectively, and 50.30%, 52.25% and 63.32% of the Group’s trade receivables were due from the Group’s five largest customers in each year during the Relevant Periods, respectively.

Liquidity risk

The Group monitors its exposure to liquidity risk by monitoring the current ratio, which is calculated by comparing the current assets with the current liabilities.

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings. The Group’s policy is that all the borrowings should be approved by the chief financial officer.

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The maturity profile of the Group’s financial liabilities as at the end of the Relevant Period, based on the contractual undiscounted payments, is as follows:

31 December 2023

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Interests-bearing bank borrowings . .	88,602	–	–	88,602
Trade and bills payables	1,234,703	–	–	1,234,703
Lease liabilities	2,095	2,095	1,048	5,238
Financial liabilities included in other payables and accruals	8,515	–	–	8,515
Total	<u>1,333,915</u>	<u>2,095</u>	<u>1,048</u>	<u>1,337,058</u>

31 December 2024

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Interests-bearing bank borrowings . .	46,027	–	–	46,027
Trade and bills payables	825,456	–	–	825,456
Lease liabilities	1,239	1,211	–	2,450
Financial liabilities included in other payables and accruals	15,339	–	–	15,339
Total	<u>888,061</u>	<u>1,211</u>	<u>–</u>	<u>889,272</u>

31 December 2025

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Interests-bearing bank borrowings . .	11,747	–	–	11,747
Trade and bills payables	993,420	–	–	993,420
Lease liabilities	1,912	1,168	–	3,080
Financial liabilities included in other payables and accruals	12,340	–	–	12,340
Total	<u>1,019,419</u>	<u>1,168</u>	<u>–</u>	<u>1,020,587</u>

Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during each of the Relevant Periods.

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The Group monitors capital using a gearing ratio, which is total debt, mainly interest-bearing bank borrowings divided by the total equity. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total debt	85,694	45,926	11,544
Total equity	420,028	487,040	595,259
Gearing ratio	20.4%	9.4%	1.9%

44. EVENT AFTER THE RELEVANT PERIODS

The Company and the Group had no significant subsequent events after 31 December 2025 and up to the date of this report.

45. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

This information set forth in this Appendix II does not form part of the accountants’ report prepared by Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I in this Document, and is included herein for information only.

The unaudited [REDACTED] financial information should be read in conjunction with the section headed “Financial Information” in this Document and the accountants’ report set forth in Appendix I in the document.

A. UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited [REDACTED] adjusted consolidated net tangible assets attributable to Shareholders of the Company has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the [REDACTED] on our consolidated net tangible assets attributable to Shareholders of the Company as at 31 December 2025, as if the [REDACTED] had taken place on 31 December 2025.

The statement of unaudited [REDACTED] adjusted consolidated net tangible assets 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 our Group had the [REDACTED] been completed as of 31 December 2025 or at any future date.

	Consolidated net tangible assets attributable to Shareholders of the Company as of 31 December 2025 ⁽¹⁾	Estimated [REDACTED] from the [REDACTED] ⁽²⁾	Unaudited [REDACTED] adjusted consolidated net tangible assets attributable to the Shareholders of our Company	Unaudited [REDACTED] adjusted consolidated net tangible assets attributable to Shareholders of the Company per Share
	RMB'000	RMB'000	RMB'000	RMB ⁽³⁾ HK\$ ⁽⁴⁾
Based on an [REDACTED] of HK\$[REDACTED] per Share	585,570	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]
Based on an [REDACTED] of HK\$[REDACTED] per Share	585,570	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]

Note:

- (1) The consolidated net tangible assets attributable to the Shareholders of the Company as of 31 December 2025 is extracted from the Accountants’ Report set out in Appendix I in this document, which is based on the consolidated net assets attributable to the Shareholders of the Company as of 31 December 2025 of RMB595,259 in thousands after deducting intangible assets of RMB9,689 in thousands.

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UNAUDITED [REDACTED] FINANCIAL INFORMATION

- (2) The estimated [REDACTED] from the [REDACTED] are based on an [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED] after deduction of the [REDACTED] and other related expenses payable by the Company (excluding the [REDACTED] expense that have been charged to profit or loss during the Track Record Period) and does not take into account of any Shares which may be issued upon the exercise of the [REDACTED]. The estimated [REDACTED] from the [REDACTED] are converted into Renminbi at the PBOC rate of HK\$1.00 = RMB0.8746 prevailing on 8 May 2026. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.
- (3) The unaudited [REDACTED] adjusted consolidated net tangible assets have taken into account the effect of the Joint Stock Reform on 7 March 2025, which would not change the amounts of consolidated net tangible assets. The unaudited [REDACTED] adjusted consolidated net tangible assets attributable to the Shareholders of the Company per Share are calculated based on [REDACTED] Shares in issue immediately following the completion of the Joint Stock Reform and [REDACTED] without taking into account any Shares which may be issued upon exercise of the [REDACTED].
- (4) The unaudited [REDACTED] adjusted consolidated net tangible assets attributable to Shareholders of the Company per Share amounts in RMB are converted into Hong Kong dollars at HK\$1.00 = RMB0.8746 prevailing on 8 May 2026. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.
- (5) No other adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

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UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

1. TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which is subject to change or adjustment and may have retrospective effect. No issues on PRC or Hong Kong taxation other than income tax, capital tax, VAT, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

A. PRC Taxation

Taxation on Dividends

– Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was last amended on August 31, 2018 and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was last amended on 18 December 2018 (the “IIT Law”), dividends paid by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from a PRC enterprise is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by a relevant tax treaty.

According to the Notice on Certain Policies Regarding Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》) (財稅字[1994]020號)) issued on May 13, 1994 by the MOF and the SAT, overseas individuals are, as an interim measure, exempted from the individual income tax for the dividends and bonuses received from foreign-invested enterprises.

According to the Notice on Issues Concerning the Administration of Individual Income Tax Collection Following the Annulment of Document 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)) issued on June 28, 2011 by the SAT, as for the income from dividends and bonuses obtained by foreign resident individual shareholders from the shares issued in Hong Kong by domestic non-foreign invested enterprises, the individual income tax

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shall be withheld by withholding agents according to the item of “income from interest, dividends and bonuses”. Where a domestic non-foreign invested enterprise issues shares in Hong Kong, its foreign resident individual shareholders can enjoy relevant tax incentives in accordance with tax treaties signed between their countries of residence and China as well as the provisions of tax arrangements between Mainland and Hong Kong (Macau). A domestic non-foreign invested enterprise that issues shares in Hong Kong may, for the purpose of distributing dividends and bonuses, withhold individual income tax at the rate of 10% in general, and the application procedure is not required. For situations where the tax rate for dividend is not 10%, the following regulations shall apply: where an individual who has earned the dividends is the resident of a country with which the conventional tax rate is lower than 10%, such individual can apply for refund according to the Announcement of the SAT on Issuing the Measures for Non-resident Taxpayers’ Enjoyment of Treaty Benefits (Announcement No. 35, 2019 of the SAT) (《國家稅務總局關於發佈(非居民納稅人)享受協定待遇管理辦法的公告》); where an individual who has earned the dividends is the resident of a country with which the conventional tax rate is higher than 10% and lower than 20%, the withholding agent shall withhold the individual income tax in accordance with the actual conventional tax rate when distributing dividends and bonuses, and the application procedure is not required; where an individual who has earned the dividends is the resident of a country which has not signed a tax treaty with China or is under other situations, the withholding agent shall withhold the individual income tax at the rate of 20% when distributing dividends and bonuses.

According to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed on August 21, 2006, the Chinese Government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company if the Hong Kong resident is the beneficial owner of the equity and certain other conditions are met.

In addition, according to the Notice on Issues Concerning the Implementation of Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued on 7 September 2015, where an individual acquires the stocks of a listed company from public offering of the company or from the stock market, if the stock holding period is more than 1 year, the income from dividends and bonuses shall be exempted from individual income tax; where an individual acquires the stocks of a listed company from public offering of the company or from the stock market, if the stock holding period is 1 month or less, the income from dividends and bonuses shall be included into the taxable incomes in full amount; if the stock holding period is more than 1 month and up to 1 year, 50% of the income from dividends and bonuses shall be temporarily included into the taxable incomes. The individual income tax rate on the aforesaid income is levied at a flat rate of 20%.

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– Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated by the NPC on 16 March 2007, came into effect on 1 January 2008 and was subsequently amended on 24 February 2017 and 29 December 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council on 6 December 2007, came into effect on 1 January 2008 and was amended in 2019 (the "EIT Law"), a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends and bonuses received from a PRC resident enterprise), if such non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income is not connected with such establishment or premise in the PRC. Such withholding tax for non-resident enterprises are deducted at source, where the payer of the income shall be the withholding agent, and is required to withhold the income tax from the payment or due payment every time it is paid or due.

The Circular of the STA on Issues Relating to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《國家稅務總局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代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897), which was issued by the STA and implemented on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate flat of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) (Guo Shui Han [2009] No. 394) which was issued by the STA and implemented on 24 July 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further changed pursuant to the tax treaty or agreement that China has concluded with relevant jurisdictions, where applicable. Accordingly, dividends paid to non-PRC resident enterprise (including HKSCC Nominees) shall be subject to withholding enterprise income tax at a rate of 10%.

Pursuant to the Arrangement between Mainland China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed on 21 August 2006, the PRC government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company if the Hong Kong resident is the beneficial owner of the equity and certain other conditions are met. The Fifth Protocol of the Arrangement between Mainland China and Hong

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Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止漏稅的安排第五議定書》), which came into effect on 6 December 2019, adds criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted for relevant gains in the circumstance where relevant treaty benefits, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under the Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements shall be subject to the requirements of PRC tax laws and regulations, such as the Circular of the SAT on Relevant Issues Concerning the Implementation of Dividend Clauses in Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

– Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or arrangements for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Taxation on Share Transfer

– Value-Added Tax and Local Surcharges

According to the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》) which was promulgated by the State Council on December 13, 1993, and amended on November 10, 2008, February 6, 2016 and November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-Added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was promulgated by the MOF on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011, all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, sales of service, intangible assets and real estate and the importation of goods within the territory of the PRC shall pay value-added tax at the rate of 0%, 6%, 11% and 17% for the different goods it sells and different services it provides, except when specified otherwise.

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Pursuant to the Notice on the Full Implementation of Pilot Program for Transition from Business Tax to VAT (《關於全面推開營業稅改徵增值稅試點的通知》) (Cai Shui [2016] No. 36) (the "Circular 36"), which was implemented on 1 May 2016 and amended on 11 July 2017, 25 December 2017 and 20 March 2019, respectively, entities and individuals engaged in sales of services within the PRC shall be subject to VAT and "sales of services within the PRC" refers to the situation where either the seller or the buyer of a taxable service is located within the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable income (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals are exempt from VAT upon transfer of financial products.

According to the provisions above, upon the sale or disposal of H shares, the holders are exempt from VAT in the PRC if they are non-resident individuals; in case the holders are non-resident enterprises, they may not be subject to the VAT in the PRC if the purchasers of the H shares are individuals or entities located outside of the PRC whereas the holders may be subject to the VAT in the PRC if the purchasers of the H shares are individuals or entities located in the PRC. However, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

Income Taxes

– Individual investors

According to the IIT Law, gains from the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. According to the Circular of the MOF and STA on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《財政部國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and STA on 30 March 1998, since 1 January 1997, gains of individuals from the transfer of shares of listed companies continue to be temporarily exempted from individual income tax.

However, on 31 December 2009, the MOF, the STA and CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167), which became effective on 1 January 2010, states that individuals' income from the transfer of listed shares obtained from the public offering and transfer of the stock market of the listed company on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得(徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70) jointly issued by the above three departments and came into effect on 10 November 2010). As

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of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise investors

In accordance with the EIT Law and the Implementation Rules of the Enterprise Income Tax Law of the PRC, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premises in the PRC but its PRC-sourced income is not connected in reality with such establishment or premise. Such withholding tax for non-resident enterprises are deducted at source, where the payer of the income shall be the withholding agent, and is required to withhold the income tax from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》) promulgated by the SCNPC on 10 June 2021 and came into effect on 1 July 2022 (the "Stamp Duty Law"), all entities and individuals engaged in securities transactions within the PRC are subject to stamp duty as stamp duty payers in accordance with the provisions of the Stamp Duty Law, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the transfer and disposal of H Shares by non-PRC investors outside the PRC.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC Laws.

Taxation Policy of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

On October 31, 2014 and November 5, 2016, the MOF, the SAT and the CSRC jointly issued the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transaction in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) and the Notice on the Relevant Taxation Policies for the Pilot Program of the Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》). According to such Notices, Mainland enterprise investors' income from transfer price difference, dividends and bonuses of investment in stocks listed on the HKEx through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect shall be included into the total income and shall be subject to the enterprise income tax. Income of mainland resident enterprises obtained from

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dividends and bonuses by holding H shares for over twelve months consecutively shall be exempted from enterprise income tax according to the law. Enterprises of H shares shall not withhold income tax of dividends and bonuses for mainland enterprise investors. The taxes payable shall be declared and paid by enterprises on their own.

For dividends and bonuses obtained by individual mainland investors from investment in H shares listed on the HKEX through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, enterprises of H shares shall submit applications to China Securities Depository and Clearing Corporation Limited (“CSDC”) so as to get the register of individual mainland investors and withhold the individual income tax at the tax rate of 20%. For taxes withheld abroad, individual investors may apply to competent taxation authorities of the CSDC for tax credit upon the strength of valid tax withholding vouchers. For dividends and bonuses obtained by mainland securities investment funds from investment in stocks listed on the HKEx through the Shanghai-Hong Kong Stock Connect and Shenzhen Hong Kong Stock Connect, individual income tax shall be calculated and levied in accordance with the above provisions.

On December 4, 2019, the MOF, the SAT and the CSRC jointly issued the Announcement on the Continued Implementation of the Individual Income Tax Policies on the Interconnection Mechanisms for Transactions in the Shanghai and Hong Kong Stock Markets and for Transactions in the Shenzhen and Hong Kong Stock Markets (Announcement 93, 2019 of the MOF) (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》), which stipulates that from December 5, 2019 to December 31, 2022, the transfer price difference income that an individual investor from mainland China obtains by investing in stocks listed on the Stock Exchange of Hong Kong through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and by trading in Hong Kong fund shares through mutual recognition of funds will continue to be temporarily exempted from individual income tax.

B. Taxation in Hong Kong

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains

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rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes. Trading gains from sales of H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on 11 February 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable, and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after 11 February 2006.

2. MAJOR TAXES ON THE COMPANY IN THE PRC

Please refer to the section headed “Regulatory Overview” in this document.

3. TAXATION OF THE COMPANY IN HONG KONG

The Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (“IRO”) is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees and bodies of persons, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business.

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of a group entity not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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As our Group carries on certain trade and business in Hong Kong, our Group may be subject to the profits tax regime under the IRO.

4. FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations of the PRC on the Management of Foreign Exchange (《中華人民共和國外匯管理條例》), the “Regulations on the Management of Foreign Exchange”, which was promulgated by the State Council on 29 January 1996 and effective on 1 April 1996, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administrative authorities, while capital items are subject to the approval of foreign exchange administrative authorities. According to the Regulations on the Management of Foreign Exchange as amended on 14 January 1997 and 5 August 2008, the PRC will not impose any restriction on international current payments and transfers.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) (the “Settlement Regulations”), which was promulgated by the PBOC on 20 June 1996 and effective on 1 July 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), which was issued by the PBOC on 21 July 2005 and effective on the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies from 21 July 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

On 5 August 2008, the State Council promulgated the revised Regulation on the Management of Foreign Exchange, which has made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and

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foreign exchange administrative authorities; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to the SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment from foreign exchange accounts opened at the designated foreign exchange banks, on the strength of valid transaction receipt or proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders’ meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange banks or effect exchange and payment at the designated foreign exchange banks.

On 23 October 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

On 26 December 2014, the SAFE promulgated and implemented the Circular of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54), pursuant to which, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the PRC or deposited overseas, but the use of the proceeds shall be consistent with the contents as specified in the document and other disclosure documents.

According to the Circular on Further Simplifying and Improving Policies for Foreign Exchange Administration for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), the “Circular 13”) (Hui Fa [2015] No. 13) promulgated by the SAFE on 13 February 2015 and took effect on 1 June 2015, and further revised in 2019, two of the administrative examination and approval items, being the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment have been canceled, the foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

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According to the Circular of the SAFE on the Policies for Reforming and Standardizing Management of Foreign Exchange Settlement under the 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》 Hui Fa [2016] No. 16), which was issued by the SAFE and came into effect on 9 June 2016, and was partially amended on 4 December 2023, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.

On 26 January 2017, the SAFE issued the Circular of the SAFE on Further Advancing Foreign Exchange Administration Reform to Enhance Authenticity and Compliance Reviews (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No. 3) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On 23 October 2019, the SAFE issued the Circular of the SAFE 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》) (Hui Fa [2019] No. 28), which was partially amended on 4 December 2023, which stipulated that on the basis that investing foreign-funded enterprises may make domestic equity investments with their capital funds in accordance with laws and regulations, non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the premise that the existing Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施負面清單》) are not violated and domestic invested projects are true and compliant.

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SUMMARY OF THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (中華人民共和國憲法) (the "Constitution") and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is the signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (中華人民共和國立法法), the NPC and its Standing Committee are empowered to exercise the legislative power of the State. The NPC shall develop and amend the basic laws on state authorities, civil matters, criminal matters, and others matters. The Standing Committee of the NPC shall develop and amend laws other than those developed by the NPC; and when the NPC is not in session, partially supplement and amend laws developed by the NPC, provided that the basic principles in such laws are not violated.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congress and its standing committee of a province, autonomous region, and municipality directly under the Central Government may, according to the specific circumstances and actual needs of the administrative region, develop local regulations, provided that such regulations do not contravene the Constitution, laws, and administrative regulations.

The people's congress and its standing committee of a districted city may, according to the city's specific circumstances and actual needs, develop local regulations on urban and rural development and administration, environmental protection, and historical culture protection, among others, provided that they do not contravene the Constitution, laws, administrative regulations, and the local regulations of the province or autonomous region where the city is located, unless a law provides otherwise for the development of local regulations by a districted city.

The people's congress of an ethnic autonomous area shall have the power to develop autonomous regulations and separate regulations based on the political, economic, and cultural characteristics of the local ethnicities.

The ministries and commissions of the State Council, the People's Bank of China, the National Audit Office, and other divisions with administrative functions directly under the State Council may, in accordance with the laws and the administrative regulations, decisions, and orders of the State Council, develop rules within their respective power. The matters prescribed in State Council departmental rules shall be matters for the enforcement of laws or

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the administrative regulations, decisions, and orders of the State Council. The people's government of a province, an autonomous region, a municipality directly under the Central Government, a districted city, and an autonomous prefecture may develop rules in accordance with laws, administrative regulations, and the local regulations of the province, autonomous region, and municipality directly under the Central Government.

Pursuant to the Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law (全國人民代表大會常務委員會關於加強法律解釋工作的決議) passed on June 10, 1981. In cases where the limits of articles of laws and decrees need to be further defined or additional stipulations need to be made, the Standing Committee of the NPC shall provide interpretations or make stipulations by means of decrees. Interpretation of questions involving the specific application of laws and decrees in court trials shall be provided by the Supreme People's Court. Interpretation of questions involving the specific application of laws and decrees in the procuratorial work of the procuratorates shall be provided by the Supreme People's Procuratorate. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be provided by the State Council and the competent departments. In cases where the limits of locally enacted rules and regulations need to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of the provinces, autonomous regions, and municipalities directly under the Central Government which have formulated these rules and regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local rules and regulations shall be provided by the competent departments under the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government.

THE PRC JUDICIAL SYSTEM

Under the Constitution, the Organic Law of the People's Courts of the PRC (中華人民共和國人民法院組織法) and the Organic Law of the People's Procuratorates of the PRC (中華人民共和國人民檢察院組織法), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at all levels, and special people's courts. The local people's courts at all levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court is the highest judicial organ and shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels. The people's procuratorates of the PRC are classified into the Supreme People's Procuratorate, local people's procuratorates at all levels, and special people's procuratorates such as the military procuratorates. The Supreme People's Procuratorate is the highest organ of legal supervision. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and special people's procuratorates, and people's procuratorates at higher levels shall direct the work of people's procuratorates at lower levels.

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The people’s courts employ a two-tier appellate system, i.e., judgments or rulings of the second instance at the people’s courts are final. A party may appeal against the judgment or ruling of the first instance of a local people’s courts. The people’s procuratorate may present a protest to the people’s courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people’s procuratorate within the stipulated period, the judgments or rulings of the people’s courts are final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court and those of the first instance of the Supreme People’s Court are final. However, if the Supreme People’s Court or the people’s courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people’s court at a lower level, or if the chief judge of a people’s court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of the PRC (中華人民共和國民事訴訟法) (the “PRC Civil Procedure Law”) prescribes the conditions for instituting a civil action, the jurisdiction of the people’s court, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant’s place of domicile, and Parties to a contract may, by a written agreement, choose the people’s court at the place of domicile of the defendant, at the place where the contract is performed or signed, at the place of domicile of the plaintiff, at the place where the subject matter is located or at any other place actually connected to the dispute to have jurisdiction over the dispute, but the provisions of this Law regarding hierarchical jurisdiction and exclusive jurisdiction shall not be violated.

A foreign individual, a person without nationality, a foreign enterprise and a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a people’s court. Should a foreign court limit the litigation rights of PRC citizens, the legal person and other organizations, the PRC court may apply the same limitations to the citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a people’s court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people’s court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people’s court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

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All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people’s court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people’s court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment against such party.

Where a party requests for enforcement of an effective judgment or ruling made by a people’s court, but the opposite party or his property is not within the territory of the PRC, the party may directly apply to the foreign court with jurisdiction for recognition and enforcement of the judgment or ruling, or the people’s court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or according to the principle of reciprocity, request for recognition and enforcement by the foreign court. Similarly, for an effective judgment or ruling made by a foreign court that requires recognition and enforcement by a people’s court of the PRC, a party may directly apply to an intermediate people’s court of the PRC with jurisdiction for recognition and enforcement of the judgment or ruling, or the foreign court may, in accordance with the provisions of international treaties to which its country and the PRC are signatories or in which its country is a participant or according to the principle of reciprocity, request for recognition and enforcement by the people’s court. If the judgment or ruling violates the basic principles of the laws of the PRC or the sovereignty, security or public interest of the PRC, the people’s court shall not grant recognition and enforcement.

THE PRC COMPANY LAW AND THE TRIAL ADMINISTRATIVE MEASURES

The Company Law of the People’s Republic of China (the “PRC Company Law”) was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018. The newly revised PRC Company Law has been implemented since October 26, 2018.

On February 17, 2023, CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the “Trial Administrative Measures”), which came into effect on March 31, 2023. The Trial Administrative Measures are designated in accordance with the Securities Law and other laws and are applicable to domestic enterprises that issue securities overseas or list their securities overseas for trading. On February 17, 2023, CSRC promulgated the Guidelines for the Application of Regulatory Rules – Overseas Issuance and Listing Category No. 1, stipulating that direct issuance and listing by domestic companies shall abide by the relevant provisions of the Trial Administrative Measures and refer to the Guidelines for Articles of Association of Listed Companies and other relevant provisions of CSRC on corporate governance to formulate its articles of association and standardize corporate governance.

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Set out below is a summary of the major provisions of the PRC Company Law and the Trial Administrative Measures.

General

A “joint stock limited company” refers to a corporate legal person incorporated in PRC under the Company Law with independent legal person properties and entitlements to such legal person properties. The liability of the company for its own debts is limited to all the properties it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

Incorporation

A company may be established by promotion or subscription. A company shall have a minimum of two but no more than 200 people as its promoters, and over half of the promoters must be resident within the PRC. For companies established by promotion, the registered capital is the total share capital subscribed for by all the promoters registered with the company’s registration authorities. No share offering shall be made before the shares subscribed for by the promoters are fully paid up. For companies established by subscription, the registered capital is the total paid-up share capital as registered with the company’s registration authorities. If laws, administrative regulations and State Council decisions provide otherwise on paid-in registered capital and the minimum registered capital, the company should follow such provisions.

For companies incorporated by promotion, the promoters shall subscribe in writing for the shares required to be subscribed for by them and pay up their capital contributions under the articles of association. Procedures relating to the transfer of titles to non-monetary assets shall be duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions in accordance with the foregoing provisions shall assume default liabilities in accordance with the covenants set out in the promoters’ agreement. After the promoters have subscribed for the capital contribution under the articles of association, a board of directors and a supervisory board shall be elected and the board of directors shall apply for registration of establishment by filing the articles of association with relevant company registration authorities, and other documents as required by the law or administrative regulations.

For companies incorporated by subscription, not less than 35% of their total number of shares must be subscribed for by the promoters, unless otherwise provided by the laws or administrative regulations. A promoter offering shares to the public must publish a prospectus and prepare a subscription letter. Such promoter shall be underwritten by security companies established under PRC law and underwriting agreements shall be entered into. Such promoter shall also enter into agreements with banks in relation to the receipt of subscription monies. After the subscription monies for the share issue have been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and

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furnish a certificate thereof. The promoters shall preside over and convene an inauguration meeting within 30 days from the date of the full payment of subscription monies. The inauguration meeting shall be formed by the promoters and subscribers. Where the shares issued remain undersubscribed by the deadline stipulated in the prospectus, or where the promoter fails to convene an inauguration meeting within 30 days of the subscription monies for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription monies so paid together with the interest at bank rates of a deposit for the same period. Within 30 days after the conclusion of the inauguration meeting, the board of directors shall apply to the company registration authority for registration of the establishment of the company.

A company's promoter shall assume the following liabilities: (1) the debts and expenses incurred in the incorporation process jointly and severally if the company cannot be incorporated; (2) the subscription monies paid by the subscribers together with interest at bank rates of deposit for the same period jointly and severally if the company cannot be incorporated; and (3) the compensation of any damages suffered by the company in the course of its establishment as a result of the promoters' fault.

Share Capital

Shareholders may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation on the value of the assets should be carried out; the assets should be verified; and the value shall not be overestimated or underestimated.

The issuance of shares shall be conducted in a fair and equitable manner. The same class of shares shall carry equal rights. For shares issued at the same time and within the same class, the conditions and price per share must be the same; for the shares subscribed for by an entity or an individual, the price per share paid must be the same. The share offering price may be equal to or greater than the nominal value of the share, but may not be less than the nominal value.

A company that seek to offer and list securities in overseas markets, are required to fulfill the filing procedure with the CSRC and report relevant information. Where an issuer submits an application for initial public offering to competent overseas regulators, filing application with the CSRC shall be submitted within three business days thereafter. Subsequent securities offering of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Subsequent securities offering and listing of an issuer in other overseas markets shall be filed as initial public offering.

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Pursuant to the requirements under the Company Law, a company issuing registered shares shall prepare a register of shareholders which sets forth the following matters: (1) the name and domicile of each shareholder; (2) the number of shares held by each shareholder; (3) the serial numbers of shares held by each shareholder; and (4) the date on which each shareholder acquired the shares.

Increase in Share Capital

Where a company is issuing new shares, resolutions shall be passed at shareholder's general meeting in respect of the class and amount of the new shares, the issue price of the new shares, the commencement and end dates for the issue of the new shares and the class and amount of the new shares proposed to be issued to existing shareholders.

When a company launches a public issue of new shares to the public upon the approval by the CSRC, a new prospectus and a financial accounting report must be published and a subscription form must be prepared. After the new share issued by the company has been paid up, the change must be registered with the company registration authorities and a public announcement must be made accordingly. Where an increase in registered capital of a company is made by means of an issue of new shares, the subscription of new shares by shareholders shall be made in accordance with the relevant provisions on the payment of subscription monies for the establishment of a company.

Reduction of Share Capital

A company may reduce share capital in accordance with the following procedures prescribed by the Company Law: (1) the company shall prepare balance sheet and inventory of assets; (2) the reduction of registered capital must be approved by shareholders in general meeting; (3) the company shall inform its creditors of the reduction in registered capital within 10 days and publish an announcement of the reduction in the newspaper within 30 days after the resolution approving the reduction has been passed; (4) the creditors of the company shall, within 30 days from the date they receive the written notice, or within 45 days from the date the announcement is made in the case of those who have not received such written notice, have the right to claim full repayment of their debts or provision of a corresponding guarantee from the company; and (5) the company must register with the company registration authority for such alteration.

Repurchase of Shares

According to the Company Law, a company shall not repurchase its own shares except under any of the following circumstances: (1) reducing the registered capital of the company; (2) merging with another company holding shares of this company; (3) using for employee stock ownership plan or equity incentives; (4) purchasing the company's own shares upon request of its shareholders who vote against the resolution regarding the merger or division of the company in a general meeting; (5) utilizing the shares for conversion of listed corporate

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bonds which are convertible into shares; and (6) where it is necessary for the listed company to safeguard the value of the company and the interests of its shareholders. The acquisition by a company of its own shares in circumstances as set out in items (1) and (2) above shall be subject to a resolution of the general meeting; the acquisition by a company of its own shares in circumstances as set out in items (3), (5) and (6) above may be approved by way of a resolution at a board meeting with two-third or more of the directors present in accordance with the provisions of the company’s articles of association or the authorization of the shareholders’ general meeting.

After acquiring its own shares pursuant to the provisions above, a company shall, under the circumstance set forth in item (1), cancel them within 10 days after the purchase; while under the circumstance set forth in either item (2) or (4), transfer or cancel them within six months; and while under the circumstance set forth in item (3), (5) or (6), aggregately hold not more than 10% of the total shares that have been issued by the company, and transfer or cancel them within three years.

A listed company acquiring its own shares shall perform the obligation of information disclosure in accordance with the Securities Law of the PRC (“the Securities Law”). A listed company purchasing its own shares under any of the circumstances set forth in items (3), (5) and (6) shall carry out trading in a public and centralized manner.

A company shall not accept its own shares as the subject of pledge.

Transfer of Shares

Shares held by shareholders may be transferred legally. Pursuant to the PRC Company Law, a shareholder should effect a transfer of his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Registered shares may be transferred after the shareholders endorse the back of the share certificates or in other manner specified by laws and administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its share register. No changes of registration in the share register described above shall be effected during a period of 20 days prior to convening a shareholders’ general meeting or 5 days prior to the record date for the purpose of determining entitlements to dividend distributions, unless otherwise stipulated by laws on the registration of changes in the share register of listed companies. The transfer of bearer share certificates shall become effective upon the delivery of the certificates to the transferee by the shareholder.

Pursuant to the PRC Company Law, shares held by promoters may not be transferred within one year of the establishment of the company. Shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company’s listing on a stock exchange. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and changes in such shareholdings. The shares transferable by them during each year of their term of office shall not exceed 25 percent

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of their total shareholdings in the company. They shall not transfer the shares they hold within one year from the date of the company's listing on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Shareholders

Under the Company Law, the rights of a shareholder include: (1) to receive a return on assets, participate in significant decision-making and select management personnel; (2) to request the people's court to revoke any resolution passed on a shareholders' general meeting or a meeting of the board of directors that has been convened or whose voting has been conducted in violation of the laws, regulations or the articles of association, or any resolution the contents of which is in violation of the articles of association, provided that such petition shall be submitted within 60 days of the passing of such resolution; (3) to transfer the shares of the shareholders in accordance with the law; (4) to attend or appoint a proxy to attend shareholders' general meetings and exercise the voting rights thereat; (5) to inspect the articles of association, share register, counterfoil of company debentures, minutes of shareholders' general meetings, board resolutions, resolutions of the board of supervisors and financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations; (6) to receive dividends in respect of the number of shares held; (7) to participate in distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and (8) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the articles of association.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription monies agreed to be paid in respect of the shares taken up by them and any other shareholder obligation specified in the articles of association.

Shareholders' General Meetings

The shareholders' general meeting is the organ of authority of a company, which exercises the following powers: (1) to decide on the company's operational policies and investment plans; (2) to elect or replace the directors, supervisors who are not representatives of the employees and decide on matters relating to the remuneration of directors and supervisors; (3) to consider and approve reports of the board of directors; (4) to consider and approve reports of the board of supervisors; (5) to consider and approve the company's proposed annual financial budget and final accounts; (6) to consider and approve the company's proposals for profit distribution and for recovery of losses; (7) to decide on any increase or reduction in the company's registered capital; (8) to decide on the issue of bonds by the company; (9) to decide

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on issues regarding to merger, division, dissolution, liquidation or change of the form of the company and other matters; (10) to amend the articles of association of the company; and (11) other powers specified in the articles of association of the company.

The shareholders' general meeting shall be held once a year within six months after the end of the previous financial year. An extraordinary shareholders' general meeting shall be held within two months after the occurrence of any of the following circumstances: (1) when the number of directors is less than the number provided for in the Company Law or less than two-thirds of the number specified in the company's articles of association; (2) when the losses of the company which are not made up reach one-third of the company's total paid up share capital; (3) when shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an extraordinary general meeting; (4) when deemed necessary by the board of directors; (5) when the board of supervisors proposes convening it; or (6) other matters as required by the company's articles of association.

A shareholders' general meeting shall be convened by the board of directors, and presided over by the chairman of the board of directors. If the chairman is incapable of performing or not performing his duties, the meeting shall be presided over by the vice-chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by half or more than half of directors shall preside over the meeting. Where the board of directors is incapable of performing or not performing its duties to convene the general meeting, the supervisory board shall convene and preside over shareholders' general meeting in a timely manner. If the supervisory board fails to convene and preside over shareholders' general meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over shareholders' general meeting.

In accordance with the Company Law, a notice of the general meeting stating the date and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days prior to the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting. For the issuance of bearer share certificates, the time and venue of and matters to be considered at the meeting shall be announced 30 days prior to the meeting. A single shareholder who holds, or several shareholders who jointly hold, more than three percent of the shares of the company may submit an interim proposal in writing to the board of directors within 10 days before the general meeting. The board of directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the general meeting for deliberation. The contents of the interim proposal shall fall within the scope of powers of the general meeting, and the proposal shall provide clear agenda and specific matters for a resolution is to be made. A general meeting shall not make any resolution in respect of any matter not set out in the notices. Holders of bearer share certificates who intend to attend a general meeting shall deposit their share certificates with the company during the time from five days before the meeting to the conclusion of the meeting.

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Under the Company Law, shareholders present at a shareholders' general meeting have one vote for each share they hold, save that the company's shares held by the company are not entitled to any voting rights.

An accumulative voting system may be adopted for the election of directors and supervisors at the general meeting pursuant to the provisions of the articles of association or a resolution of the general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the shareholder's general meeting, and shareholders may consolidate their votes when casting a vote.

Under the Company Law, resolutions of the general meeting must be passed by more than half of the voting rights held by shareholders present at the meeting, with the exception of matters relating to merger, division or dissolution of a company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, which in each case must be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. Where the Company Law and the articles of association provide that the transfer or acquisition of significant assets or the provision of external guarantees by a company and the other matters must be approved by way of resolution of the shareholder's general meeting, the board of directors shall convene a shareholder's general meeting promptly to vote on such matters by the shareholder's general meeting.

Minutes shall be prepared in respect of matters considered at the shareholder's general meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

A company shall have a board of directors, which shall consist of 5 to 19 members. Members of the board of directors may include staff representatives, who shall be democratically elected by a company's staff at a staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected after his expiration of term. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, and the articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors' results in the number of directors being less than the quorum.

Under the Company Law, the board of directors shall be responsible for the shareholders' general meeting and exercises the following powers: (1) to convene the shareholders' general meeting and report on its work to the shareholders' general meetings; (2) to implement the resolution of the shareholders' general meeting; (3) to decide on a company's operational plans

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and investment proposals; (4) to formulate the company's proposed annual financial budget and final accounts; (5) to formulate the company's proposals for profit distribution and for recovery of losses; (6) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds; (7) to prepare plans for the merger, division, dissolution or change of the form of a company; (8) to decide on the company's internal management structure; (9) to decide to appoint or dismiss the company's manager, and based on the manager's recommendation, to decide to appoint or dismiss deputy manager and financial officers of a company and to decide on their remuneration; (10) to formulate a company's basic management system; and (11) any other power given under the articles of association.

Meetings of the board of directors shall be convened at least twice each year, and the notice of each meeting shall be given to all directors and supervisors at least 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the board meeting. The board of directors may otherwise determine the means and the period of notice for convening an interim board meeting.

Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors require the approval of more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director to attend the meeting on his behalf by a written power of attorney specifying the scope of the authorization.

The board of directors shall keep minutes of resolutions passed at board meetings. The minutes shall be signed by the directors present at the meeting. The directors shall be responsible for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations, the company's articles of association or resolutions of the general meeting as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objections were recorded in the minutes of the meeting, such director may be relieved of that liability.

According to the provisions of the Company Law, the following persons shall not serve as a director of a company: (1) persons without civil capacity or with restricted civil capacity; (2) persons who have committed the offense of corruption, bribery, taking of property, misappropriation of property or destruction of the socialist market economic order, and have been sentenced to criminal punishment, where less than five years have elapsed since the date of completion of the sentence; or persons who have been deprived of their political rights due to criminal offense, where less than five years have elapsed since the date of the completion of implementation; (3) persons who are former directors, factory managers or managers of a

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company or enterprise which has become bankrupt and been liquidated and who are personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise; (4) persons who were legal representatives of a company or enterprise which had its business license revoked or business operation shut down due to violation of the law and who are personally liable, where less than three years have elapsed since the date of the revocation of the business license; and (5) persons who have a relatively large amount of debt due and outstanding. Where a company elects or appoints a director to which any of the above circumstances applies, such election or appointment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

Pursuant to the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of Board resolutions. The vice chairman shall assist the chairman to perform his/her duties.

Supervisory Board

A company shall have a supervisory board composed of not less than three members. The supervisory board shall consist of representatives of the shareholders and an appropriate proportion of representatives of the company's staff, of which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the articles of association. Representatives of the company's staff at the supervisory board shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise.

The supervisory board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory board shall be elected by more than half of all the supervisors. Directors and senior management members shall not act concurrently as supervisors.

The chairman of the supervisory board shall convene and preside over supervisory board meetings; where the chairman of the supervisory board is unable or fails to perform his/her duties, the vice chairman of the supervisory board shall convene and preside over supervisory board meetings; where the vice chairman of the supervisory board is unable or fails to perform his/her duties, a supervisor elected by more than half of the supervisors shall convene and preside over the meetings of the supervisory board.

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Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisor results in the number of supervisors being less than the quorum.

The supervisory board shall exercise the following powers: (1) to examine the company's financial affairs; (2) to supervise the directors and senior management in their performance of duties and to propose the removal of any director or senior management who violates the laws, administrative regulations, articles of association or the resolutions of the shareholders' general meeting; (3) to require any director or senior management whose act is detrimental to the company's interests to rectify such act; (4) to propose the convening of extraordinary shareholders' general meetings and, in the event that the board of directors fails to perform the duties of convening and presiding general meetings, to convene and preside over general meetings; (5) to propose any bills to shareholders' general meetings; (6) to bring proceedings against any directors or senior management personnel in accordance with the relevant provisions of the Company Law; and (7) other powers specified in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The supervisory board may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

Managers and Other Senior Management

Pursuant to the relevant provisions of the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. Meanwhile, pursuant to the relevant provisions of the Guidelines for Articles of Association of Listed Companies, the manager shall be accountable to the Board of Directors and exercise the following powers: (1) taking charge of the management of the production and business operations of the company, organizing the implementation of resolutions of the board of directors; (2) organizing the implementation of the company's annual business and investment plans; (3) drafting plans for the establishment of the company's internal management structure; (4) drafting the basic administration system of the company; (5) formulating the company's basic regulations and rules; (6) proposing to hire or dismiss the company's vice manager(s) and the person in charge of finance; (7) deciding on the hiring or dismissal of the persons-in-charge other than those who shall be decided by the board of directors; and (8) other powers conferred by the articles of association and the board of directors.

The manager shall be present at meetings of the board of directors. However, the manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

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According to the Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the board of a listed company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management are required under the Company Law to comply with the relevant laws, administrative regulations and the articles of association, and carry out their duties of loyalty and diligence. Directors, supervisors and senior management are prohibited from abusing their power in accepting bribes or other unlawful income and from misappropriating the company's property.

Meanwhile, directors and senior management are prohibited from: (1) misappropriation of company funds; (2) deposit of company funds into accounts under their own name or the name of other individuals; (3) loaning company funds to others or providing guarantees in favor of others supported by the company properties in violation of the articles of association or without prior approval of the shareholders' general meeting or board of directors; (4) entering into contracts or deals with the company in violation of the articles of association or without prior approval of the shareholders' general meeting; (5) using their position to procure business opportunities for themselves or others that should have otherwise been available to the company or operating for their own benefit or managing on behalf of others businesses similar to that of the company without prior approval of the shareholders' general meeting; (6) accepting for their own benefit commissions from other parties dealing with the company; (7) unauthorized divulgence of confidential information of the company; or (8) other acts in violation of their duty of loyalty to the company. Income generated by directors or senior management in violation of aforementioned regulations shall be returned to the company.

A director, supervisor or senior management who contravenes law, administrative regulation or articles of association in the performance of his/her duties resulting in any loss to the company shall be personally liable to the company.

Where the attendance of a director, supervisor, or senior management is requested by the shareholders' general meeting, such director, supervisor, or other senior management shall attend the meeting as requested and answer enquiries of shareholders. Directors and senior management shall furnish with all truthfulness facts and information to the supervisory board without obstructing the discharge of duties by the supervisory board.

Where a director or senior management contravenes law, administrative regulation or articles of association in the performance of his/her duties resulting in any loss to the company, shareholder(s) holding individually or in aggregate no less than 1% of the company's shares consecutively for at least 180 days may request in writing that the supervisory board institute litigation at a people's court on its behalf. Where the supervisor violates the laws or administrative regulations or the articles of association in the discharge of its duties resulting in any loss to the company, such shareholder(s) may request in writing that the board of

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directors institute litigation at a people's court on its behalf. If the supervisory board or the board of directors refuses to institute litigation after receiving the abovementioned written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the company's interests, such shareholder(s) shall have the power to institute litigation directly at a people's court in its own name for the company's benefit. For other parties who infringe the lawful interests of the company resulting in loss to the company, such shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where a director or senior management contravenes any laws, administrative regulations or the articles of association in infringement of shareholders' interests, a shareholder may also institute litigation at a people's court.

Pursuant to the Guidelines for the Articles of Association of Listed Companies, senior management personnel of a company shall faithfully perform their duties and safeguard the best interests of the company and all its shareholders. Senior management of a company shall be liable for compensation in accordance with the law if they fail to faithfully perform their duties or breach their duty of good faith and cause damage to the interests of the company and holders of public shares.

Finance and Accounting

According to the Company Law, a company shall establish its own financial and accounting systems in accordance with laws, administrative regulations and the provisions of the financial department in charge under the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws. The company's financial reports shall be made available for shareholders' inspection at the company 20 days before the convening of an annual shareholders' general meeting. A company incorporated by public subscription must publish its financial statements.

When distributing current year's after-tax profits, the company shall set aside 10% of its profits for the company's statutory common reserve, except where the reserve has reached 50% of the company's registered capital. When the company's statutory common reserve is not sufficient to make up for the company's losses of the previous years, current year profits shall be used to make up for the losses before allocations are set aside for the statutory surplus reserve. After a company has made an allocation to its statutory common reserve from its after-tax profits, subject to a resolution of the shareholders' meeting or shareholders' general meeting, the company may make an allocation to a discretionary common reserve from its after-tax profits. After the company has made up for its losses and make allocations to its statutory common reserve, the remaining profits could be available for distribution to shareholder in proportion to the number of shares held by the shareholders except as otherwise provided in the articles of association of such company limited by shares.

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Profits distributed to shareholders by a resolution of a shareholders' general meeting or the board of directors before losses have been made good and allocations have been made to the statutory common reserve fund in violation of the requirements described above must be returned to the company. The company shall not be entitled to any distribution of profits in respect of shares held by it.

The premium of a company from the issuance of stocks at a price above the par value of the stocks, and other incomes listed in the capital reserve under provisions of the treasury department of the State Council shall be listed as the company's capital reserve. The company's common reserves shall be used for making up losses, expanding the production and business scale or increasing the capital of the company, but the capital common reserve shall not be used for making up the company's losses. When the statutory common reserve is changed to capital, the remainder of the common reserve shall not be less than 25% of the registered capital prior to the increase.

The company shall have no accounting books other than the statutory accounting books. The company's assets shall not be deposited in any accounts opened in the name of an individual.

Appointment and Retirement of Accounting Firm

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by shareholders' meeting or shareholders' general meeting or the board of directors in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting or the board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of data.

Pursuant to the Guidelines for the Articles of Association of Listed Companies, the company engages an accounting firm that complies with the provisions of the Securities Law to carry out audit of accounting statements, verification of net assets and other related advisory services for a period of one year, which is renewable.

Profit Distribution

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

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Amendments to the Articles of Association

Pursuant to PRC Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the articles of association approved by the resolution of the general meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registration shall be handled according to law. Where the amendments to the articles of association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved in any of the following events: (1) the term of its operation set down in its articles of association has expired or events of dissolution specified in its articles of association have occurred; (2) the shareholders have resolved at a shareholders' general meeting to dissolve the company; (3) the company is dissolved by reason of its merger or division; (4) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or (5) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders.

In the event of paragraph (1) above, the company may carry on its existence by amending its articles of association. The amendments to the articles of association in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting. Where the company is dissolved under the circumstances set forth in paragraph (1), (2), (4) or (5) above, it should establish a liquidation committee within 15 days of the date on which the dissolution matter occurs. The liquidation committee shall be composed of directors or any other person determined by a shareholders' general meeting. If a liquidation committee is not established within the prescribed period, the company's creditors may file an application with a people's court to appoint relevant personnel to form a liquidation committee to administer the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise the following powers during the liquidation period: (1) to handle the company's assets and to prepare the balance sheet and inventory of assets; (2) to notify creditors through notice or issue public announcement; (3) to deal with the outstanding business related to the liquidation; (4) to pay any tax overdue as well as tax

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expenses arising from the liquidation process; (5) to settle the company's claims and liabilities; (6) to handle the company's remaining assets after its debts have been paid off; and (7) to represent the company in civil lawsuits.

The liquidation committee shall notify the creditors within 10 days of its establishment and publish an announcement on newspapers within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification. A creditor shall report all matters relevant to his claimed creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company's property and preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or a people's court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue to exist during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration by the people's court, the liquidation committee shall hand over the administration of the liquidation to the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' general meeting or the people's court for verification, and to the company registration authority for the cancellation of company registration, and an announcement of its termination shall be published. Members of the liquidation committee shall be faithful in the discharge of their duties and shall perform their liquidation duties in compliance with laws. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's properties. Members of the liquidation committee who have caused the company or its creditors to suffer from any loss due to intentional fault or gross negligence, should be liable for making compensations to the company or its creditors.

In addition, liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

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Overseas Listing

According to the Trial Administrative Measures, overseas listing of a company shall be filed with CSRC. Where an issuer conducts an overseas initial public offering or listing, it shall file with CSRC within 3 working days after submitting the issuance and listing application documents overseas. The remittance and cross-border flow of funds related to overseas issuance and listing of domestic enterprises shall comply with national regulations on cross-border investment and financing, foreign exchange management and cross-border RMB management.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Merger and Division

According to the Company Law, in the event of merger, the parties to the merger shall enter into a merger agreement and prepare balance sheet and inventory of assets. The companies shall, within ten days as of making the decision of merger, notify the creditors, and shall make a public announcement in a newspaper within thirty days. The creditors may, within thirty days as of the receipt of the notice or within forty-five days as of the issuance of the public announcement if it fails to receive a notice, require the company to clear off its debts or to provide corresponding guarantees. In the case of a merger, the credits and debts of the parties involved shall be succeeded by the company that survives the merger or by the newly established company.

In a division, the asset of the company shall be split in an appropriate manner. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless it is otherwise prescribed by the company and the creditors before the division with regard to the clearance of debts in written agreement.

Where the merger or division of the company involves changes in its registered particulars, such changes shall be filed with competent company registration authorities pursuant to the law. Where the company is dissolved, the company shall apply for cancellation of its registration in accordance with the laws. Where a new company is established, the company shall apply for registration of incorporation in accordance with the laws.

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THE SECURITY LAWS AND REGULATIONS AND REGULATORY REGIMES

The PRC has promulgated a series of regulations that relate to the issue and trading of the Shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities related institutions in the PRC and administering CSRC. CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the Securities Committee and CSRC and reformed CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (股票發行與交易管理暫行條例) governing the application and approval procedures for public offerings of shares, issuing of and trading of shares, takeovers by listed companies, deposit, clearing and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

On December 25, 1995, the State Council promulgated the Provisions of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (國務院關於股份有限公司境內上市外資股的規定). These regulations principally govern the issue, subscription, trading and declaration of dividends and other distributions of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

The PRC Securities Law (中華人民共和國證券法) (the “Securities Law”) took effect on July 1, 1999 and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The latest Securities Law came into force on March 1, 2020. It was the first national securities law in the PRC, and is divided into 14 chapters and 226 articles comprehensively regulating activities in the PRC securities market, including the issue and trading of securities, takeovers by listed companies and the duties and responsibilities of the securities exchanges, securities companies, securities clearing institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises shall satisfy the relevant requirements of the State Council when it issues shares or lists shares outside the PRC directly or indirectly. Currently, the issue and trading of foreign issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

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SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (2017 Revised) (中華人民共和國仲裁法(2017修正)) (the “PRC Arbitration Law”) was enacted by the Standing Committee of the NPC on August 31, 1994, which became effective on September 1, 1995 and the latest version was amended on September 1, 2017. It is applicable to contract disputes and other property disputes where the parties have entered into a written agreement to refer the matter to arbitrate before an arbitration committee constituted in accordance with the PRC Arbitration Law. An arbitration committee may, before the promulgation of arbitration rules by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the Arbitration Law and the PRC Civil Procedure Law. Where the parties have reached the arbitration agreement, a People’s Court will refuse to handle a legal proceeding initiated by one of the parties at such People’s Court, unless the arbitration agreement is invalid.

The Hong Kong Listing Rules requires an arbitration clause to be included in the articles of association of a company listed in Hong Kong and, in the case of the Hong Kong Listing Rules, also in contracts between the company and each of the director and supervisor, to the effect that whenever any disputes or claims arises from any right or obligation provided in the articles of association, the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between (1) holders of H Shares and the Company; (2) holders of H Shares and holders of domestic shares; or (3) holders of H Shares and the Company’s directors, supervisors or other management personnel, such disputes or claims shall be referred to arbitration.

Each of the relevant parties may elect to refer such dispute or claim to arbitration at either the China International Economic and Trade Arbitration Commission or the Hong Kong International Arbitration Centre. Disputes in respect of the definition of shareholder and disputes in relation to the company’s shareholder registry need not be resolved by arbitration. If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

Pursuant to the Arbitration Law and the PRC Civil Procedure Law, a system of a single and final award shall be practiced for arbitration. The arbitration commission shall not accept any application for arbitration, nor shall a people’s court accept any action submitted by the party in respect of the same dispute after an arbitral award has already been given in relation to that matter. If any party fails to comply with the arbitral awards, the other party to the award may apply to a people’s court for its enforcement. However, a people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement).

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If a party applies for enforcement of a legally effective arbitration award made by a foreign-related arbitration commission and if the party against whom the enforcement is sought or such party's property is not within the territory of the PRC, he shall directly apply to a competent foreign court for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (承認及執行外國仲裁裁決公約) (the "New York Convention") adopted on June 10, 1958 pursuant to a resolution passed by the Standing Committee of the NPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties to the New York Convention, subject to their rights to refuse recognition and enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (1) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity; and (2) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

In June 1999, an arrangement for mutual enforcement of arbitral awards between Hong Kong and the Supreme People's Court of the PRC was reached. This new arrangement was approved by the Supreme People's Court of the PRC and the Hong Kong Legislative Council, and became effective on February 1, 2000. This arrangement is made in accordance with the spirit of the New York Convention. Under the arrangement, the awards made by PRC arbitral bodies pursuant to the Arbitration Law can be enforced in Hong Kong and the Hong Kong arbitral awards made pursuant to the Hong Kong Arbitration Ordinance can also be enforced in the Mainland. Where a court of Mainland court finds that the enforcement of awards made by the Hong Kong arbitral bodies in the Mainland will be against social public interests of the Mainland, the awards may not be enforced.

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The Articles of Association of the Company shall come into force and be implemented on the date when they are approved by the Shareholders' Meeting of the Company and the initial [REDACTED] of overseas [REDACTED] foreign shares by the Company are [REDACTED] and traded on SEHK.

GENERAL PROVISIONS

The Company is a joint stock limited company in perpetual existence.

All the assets of the Company are divided into shares of equal value. The Shareholders are responsible for the Company to the extent of their subscribed shares, and the Company is responsible for the Company's debts with all of its assets.

The Articles of Association shall, from the date on which they take effect, be the legally binding document that regulates the organisation and activities of the Company and the relationship of rights and obligations between the Company and the Shareholders and among the Shareholders, and shall be legally binding on the Company, the Shareholders, the Directors, and the senior management. Based on the Articles of Association, any Shareholder may bring a lawsuit against another Shareholder, a Director and a senior management of the Company. Any Shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against any Shareholder, Director, and senior management.

SHARES

Issuance of Shares

The shares of the Company shall be in the form of registered share certificates.

The issuance of the shares of the Company shall be conducted in the principle of fairness and justness, and each share of the same class shall be entitled to equal rights.

For shares issued at the same time and within the same class, it shall be issued in the same conditions and price; and any entity or individual shall pay the same price for each share they subscribe.

INCREASE/DECREASE AND REPURCHASE OF SHARES

Capital Increase

According to the needs for operation and development of the Company, and subject to applicable laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed, and requirements by relevant regulatory authorities, upon respective resolution by a Shareholders' Meeting, the Company may increase its registered capital by any of the following means:

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- (1) issuance of shares to unspecified parties;
- (2) issuance of shares to specified parties;
- (3) distribution of bonus shares to existing Shareholders;
- (4) converting the reserved funds into share capital;
- (5) other means stipulated under laws, administrative regulations, and the rules of the China Securities Regulatory Commission (CSRC) and the securities regulatory authority in the jurisdiction where the Company's shares are listed.

Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders do not have any pre-emptive right unless otherwise provided for in the Articles of Association or among the shareholders or the shareholders' general meeting resolves that the shareholders shall have pre-emptive right.

The Company's increase of its registered capital shall, after being approved in accordance with the provisions of the Articles of Association and the place where the shares of the Company are listed, be conducted in accordance with the procedures stipulated in relevant laws and regulations.

Capital Decrease

The Company may reduce its registered capital. To reduce its registered capital, the Company shall proceed it in compliance with the procedures prescribed by the Company Law, the Hong Kong Listing Rules, the securities regulatory authority in the jurisdiction where the Company's shares are listed, other relevant regulations, and the Articles of Association.

Repurchase of Share Capital

The Company shall not repurchase its shares. Provided, however, that the following circumstances shall be excluded:

- (1) reducing the registered capital of the Company;
- (2) merging with another company holding shares of the Company;
- (3) using shares for stock incentive plans and employee stock plans;
- (4) acquiring the shares of Shareholders who vote against any resolution adopted at the Shareholders' Meeting on the merger or demerger of the Company and request the Company to acquire their shares;
- (5) using shares for converting corporate bonds into shares issued by the Company;

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- (6) as required for the Company to maintain corporate value and Shareholders' interests;
- (7) other circumstances permitted under laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

In compliance with applicable laws, administrative regulations, and departmental rules, the Company may acquire its own shares through open and centralised trading or other ways recognised by laws, administrative regulations, CSRC, and the securities regulatory authority in the jurisdiction where the Company's shares are listed.

A resolution of a Shareholders' Meeting is required for acquisition by the Company of its own shares under circumstances (1) or (2). In accordance with the provisions of the Articles of Association or the authorisation of the Shareholders' Meeting, acquisition by the Company of its own shares under circumstances (3), (5) or (6) may be resolved by a resolution of a meeting of the Board with a quorum of more than two-thirds of Directors.

The shares of the Company acquired by its own under circumstance (1) in the preceding paragraph shall be deregistered within 10 days from the date of repurchase; the shares acquired under circumstances (2) or (4) shall be transferred or deregistered within 6 months.

The shares of the Company acquired by its own under the above circumstance (3), (5) or (6) shall not exceed 10% of total shares issued by the Company and shall be transferred or deregistered within three years.

Where relevant laws and regulations, normative documents, and the securities regulatory rules of the place where the Company's shares are listed provide otherwise regarding the relevant matters involved in the aforementioned share repurchase, those provisions shall prevail, provided that they do not contravene the Company Law, the Securities Law or the Hong Kong Listing Rules.

Transfer of Shares

The shares of the Company shall be transferred according to laws.

The Company shall not accept its own shares as the subject matter of a pledge.

Shares issued by the Company prior to the public offering shall not be transferred within one year from the date the Company's shares are listed and traded on the stock exchange. Where laws, administrative regulations, the Hong Kong Listing Rules, or the securities regulatory authorities of the State Council otherwise provide for the transfer of shares of the Company held by shareholders or de facto controllers of the Company, such provisions shall apply. The Directors and the senior management of the Company shall report their shareholding in the Company and changes thereof to the Company, and during their tenure determined at the time of taking office, the shares transferred each year shall not exceed 25%

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of the total number of the Company shares held by them. The Company shares held by them shall not be transferred within one year from the date when the shares of the Company are listed and traded. Within half a year from departure from the Company, such persons shall not transfer the Company shares held by them. Where the securities regulatory rules of the place where the Company's shares are listed impose additional restrictions on the transfer of overseas listed shares, such restrictions shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall maintain a register of shareholders in accordance with the Company Law, the securities regulatory rules of the place where the Company's shares are listed, and other relevant regulations, as well as the Articles of Association. The register of Shareholders shall be the sufficient evidence for the Shareholders' shareholding in the Company.

Shareholders enjoy rights and assume obligations according to the class of shares they hold; Shareholders holding shares of the same class shall enjoy the same rights and assume identical obligations.

When the Company convenes the Shareholders' Meeting, distributes dividends, conducts liquidation or engages in other acts requiring the identification of Shareholders, the Board or the convener of the Shareholders' Meeting should determine the record date. The Shareholders whose names appear on the register of Shareholders after the trading hours on the record date shall be those entitled to the relevant rights and interests.

Rights and Obligations of Shareholders

The Shareholders of the Company shall be entitled to the following rights:

- (1) receiving dividends and other form of interest distribution in proportion to their shareholdings;
- (2) requiring, convening, chairing, attending in person or by proxy a Shareholders' Meeting pursuant to the laws, and exercising the speaking right and voting right at the meeting (except where the securities regulatory rules of the place where the Company's shares are listed require abstention from voting on relevant matters);
- (3) supervising, presenting suggestions on or making inquiries about the business operation of the Company;
- (4) transferring, gifting or pledging the shares held by them, in accordance with laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and other relevant regulations;

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- (5) accessing the Articles of Association, the register of Shareholders, minutes of Shareholders' Meeting, resolutions of the Board, and disclosed financial and accounting reports;
- (6) participating in the distribution of residual assets of the Company in proportion to their shareholdings, upon termination or liquidation of the Company;
- (7) for Shareholders who vote against any resolution adopted at the Shareholders' Meeting on the merger or demerger of the Company, requesting the Company to acquire its shares;
- (8) any other rights stipulated 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.

In the event that any resolution by the Shareholders' Meeting or the Board meeting violates laws and administrative regulations, the Shareholders may request the people's court to invalidate such resolution.

In the event that the convening procedures or voting means of the Shareholders' Meeting or the Board meeting violate the laws, administrative regulations or the Articles of Association, or any resolution violates the Articles of Association, Shareholders may request the people's court to withdraw such resolution within sixty (60) days from the date of resolution, unless there are only minor defects in the convening procedures or voting means of the Shareholders' Meeting or the Board meeting, which do not have a material impact on the resolutions.

Shareholders who have not been notified to attend a shareholders' Meeting may, within sixty (60) days from the date on which such shareholders become aware or should have become aware of the resolution adopted at the meeting, petition the people's court to revoke the resolution. Such revocation right shall be extinguished if not exercised within one year from the date the resolution is adopted.

Where the People's Court makes a judgement or ruling on a relevant matter, the Company shall fulfil its obligation to disclose the information in accordance with the laws, administrative regulations, the requirements of securities regulatory authorities, fully explain the impact, and actively co-operate with the enforcement of the judgement or ruling after it has come into effect. Where corrections to prior events are involved, they will be handled in a timely manner and the corresponding information disclosure obligations will be fulfilled.

Where any director or senior management other than a member of the Audit Committee violates laws, administrative regulations or the Articles of Association when performing their duties for the Company, thereby causing losses to the Company, shareholders individually or collectively holding 1% or more of the shares of the Company for 180 or more consecutive days are entitled to request the Audit Committee in writing to file a lawsuit with the people's

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court; where a member of the Audit Committee violates laws, administrative regulations or the Articles of Association when performing their duties for the Company, thereby causing losses to the Company, the aforementioned shareholders may request the Board in writing to file a lawsuit with the people's court.

If the Audit Committee or the Board refuses to file lawsuits after a written request under the preceding paragraph has been received from any Shareholder, or fails to file such lawsuit within 30 days from the date when the request has been received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable losses to the Company, any Shareholder under the previous paragraph is entitled to file a lawsuit directly with the people's court in their own name, for the interests of the Company.

If any person infringes on any lawful interests of the Company resulting in any losses to the Company, any Shareholder under the first paragraph of this Article may file a lawsuit with the people's court in accordance with the provisions of two preceding paragraphs.

Where the Directors, Supervisors or senior management of a wholly-owned subsidiary of the Company violates laws, administrative regulations or the Articles of Association when performing their duties, thereby causing losses to the Company, or where any person infringes upon any lawful interests of such wholly-owned subsidiary resulting in any losses, shareholders individually or collectively holding 1% or more of the shares of the Company for 180 or more consecutive days may, in accordance with the first three paragraphs of Article 189 of the Company Law, request in writing the Board of Supervisors or the Board of Directors of such wholly-owned subsidiary to file a lawsuit with the people's court, or may directly file a lawsuit in their own name.

In the event of violation of laws, administrative regulations or the provisions under the Articles of Association by a Director or senior management causing damage to the Shareholders' interests, the Shareholders may initiate legal proceedings with the people's court.

The Shareholders of the Company shall undertake the following obligations:

- (1) abiding by laws, administrative regulations, and the Articles of Association;
- (2) making payment according to the number of shares subscribed for and the manners of subscription;
- (3) not withdrawing their share capital, unless otherwise stipulated by laws and administrative regulations;
- (4) not abusing Shareholder's rights to harm the interests of the Company or other Shareholders; not abusing the independent legal person status of the Company and the limited liability of Shareholders to harm the interests of the Company's creditors;

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- (5) maintaining strict confidentiality of the trade secrets of the Company;
- (6) any other obligations stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Any Shareholder who abuses Shareholder's rights causing losses to the Company or other Shareholders shall be liable for compensation pursuant to the laws; any Shareholder who abuses the independent legal person status of the Company and the limited liability of Shareholders to evade debts and severely infringe upon the interests of the Company's creditors shall be held jointly and severally liable for the Company's debts.

Where a Shareholder engages in any acts prescribed in the preceding paragraph through two or more companies he/she controls, each of such companies shall be held jointly and severally liable for the debts of any of them.

Where a Shareholder holding more than 5% of voting shares of the Company pledges any of his/her shares, he/she shall make a written report to the Company on the date on which he/she pledges his/her shares.

General Rules for Shareholders' Meetings

The Shareholders' Meeting is the organ of authority of the Company, and shall duly exercise the following functions and powers:

- (1) to elect and remove any Director (not including employee representative(s)), and to determine the remuneration of the relevant Directors;
- (2) to review and approve the reports of the Board;
- (3) to review and approve the Company's profit distribution plans and loss recovery plans;
- (4) to resolve on the Company's increase/decrease of registered capital;
- (5) to resolve on the issuance of bonds or corporate bonds and plan of listing by the Company;
- (6) to resolve on the Company's merger, division, dissolution, liquidation or change of its corporate form;
- (7) to modify the Articles of Association;
- (8) to decide on the engagement or dismissal of the accounting firm responsible for auditing the Company's business;

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- (9) to review and approve guarantee matters as specifically provided in the following paragraph;
- (10) to review the Company's purchase or disposals of material assets accumulated within one year in the amount exceeding 30% of latest audited total assets of the Company;
- (11) to review and approve the change in the use of raised proceeds;
- (12) to review the stock incentive plans and employee stock plans;
- (13) to review and approve the plan for the Company's initial public offering and listing of shares;
- (14) to approve the Company's listing plan, including the listing venue, timeline and valuation;
- (15) to review and approve the Company's annual financial budgets and final accounts plans;
- (16) other matters to be decided by Shareholders' Meeting under laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The aforementioned functions and powers of the Shareholders' Meeting shall not be exercised by the Board or other institutions or individuals on behalf of the Shareholders' Meeting by way of authorisation, except that the Shareholders' Meeting may authorise the Board to resolve on the issuance of corporate bonds by the Company.

The following external guarantees to be given by the Company shall be considered and approved by the Shareholders' Meeting:

- (1) Any external guarantee provided by the Company and its controlling subsidiaries after their total external guarantees exceed 50% of the latest audited net assets of the Company;
- (2) Any external guarantee provided by the Company after their total external guarantees exceed 30% of the latest audited total assets of the Company;
- (3) Any guarantee provided to any person of which the total amount guaranteed by the Company within one year exceeds 30% of the latest audited total assets of the Company;
- (4) Any guarantee provided to guarantee recipients with a gearing ratio of more than 70%;

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- (5) Any single guarantee whose amount exceeds 10% of the latest audited net assets;
- (6) Any guarantee provided to the Shareholders, the actual controller and their connected parties;
- (7) Other external guarantees that are required to be adopted by the Shareholders' Meeting under relevant laws and regulations.

The deliberation procedures for external guarantees set forth in the preceding paragraph shall not apply to guarantees provided by the Company for its subsidiaries, by subsidiaries for the Company, or between subsidiaries.

Where a director, general manager, other senior management member or other personnel of the Company fails to perform the procedures for reviewing external guarantees as required and signs a guarantee contract without authorization, the parties concerned shall be held accountable.

There are two types of Shareholders' Meetings: annual Shareholders' Meeting and extraordinary Shareholders' Meeting. The annual Shareholders' Meeting shall be convened once a year, and shall be held within six months from the end of last accounting year.

The extraordinary Shareholders' Meeting shall be convened within two months from the date of occurrence of any of the following events:

- (1) the number of Directors is less than the minimum required by the Company Law, or less than two-thirds of the number prescribed in the Articles of Association;
- (2) the outstanding losses of the Company account for one-third of the Company's total paid-in share capital;
- (3) Shareholder(s) individually or jointly holding more than 10% of the Company's shares send(s) a request for meeting;
- (4) the Board deems necessary;
- (5) the Audit Committee proposes to convene the meeting;
- (6) other circumstances under laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

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Convening of Shareholders' Meetings

The Board shall convene the Shareholders' Meeting within the prescribed time limits. Independent non-executive Directors may propose to convene an extraordinary Shareholders' Meeting to the Board upon obtaining the consent of a majority of all independent non-executive directors. Upon receipt of a proposal from the independent non-executive directors to convene an extraordinary Shareholders' Meeting, the Board shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree or disagree with the proposal to convene such extraordinary Shareholders' Meeting within 10 days after receiving the proposal. In the event the Board agrees to convene an extraordinary Shareholders' Meeting, the Board shall issue an extraordinary Shareholders' Meeting notice within five days of making its resolutions.

The Audit Committee may propose to the Board the convening of an extraordinary Shareholders' Meeting, and such proposal shall be submitted to the Board in writing. In accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, the Board shall provide written feedback on whether to agree or disagree with the proposal to convene such extraordinary Shareholders' Meeting within 10 days after receiving the proposal.

In the event the Board agrees to convene an extraordinary Shareholders' Meeting, the Board shall issue an extraordinary Shareholders' Meeting notice within five days of making its resolutions. Any changes to the original proposal in such notice shall be agreed upon by the Audit Committee.

In the event that the Board declines to convene an extraordinary Shareholders' Meeting or fails to respond within 10 days after receiving the request, it shall be deemed to be unable or to fail to fulfill its duty to convene a Shareholders' Meeting and then the Audit Committee may convene and preside over the meeting on its own.

Shareholder(s) individually or jointly holding 10% or more of the Company's shares may request in writing to convene an extraordinary Shareholders' Meeting to the Board. Such written request shall specify the subject of the meeting and contain a substantively complete proposal. In accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, the Board shall provide written feedback on whether to agree or disagree with the request to convene such extraordinary Shareholders' Meeting within 10 days after receiving the request.

In the event the Board agrees to convene an extraordinary Shareholders' Meeting, the Board shall issue an extraordinary Shareholders' Meeting notice within five days of making its resolutions, and any changes to the original request in such notice shall be agreed upon by the requesting Shareholder(s). Where otherwise provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, the provisions herein shall prevail.

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In the event that the Board declines to convene an extraordinary Shareholders' Meeting or fails to respond in writing within 10 days after receiving the request, Shareholder(s) individually or jointly holding 10% or more of shares may request in writing to convene an extraordinary Shareholders' Meeting to the Audit Committee.

In the event the Audit Committee agrees to convene an extraordinary Shareholders' Meeting, the Audit Committee shall issue an extraordinary Shareholders' Meeting notice within five days of receiving such request, and any changes to the original request in such notice shall be agreed upon by the requesting Shareholder(s). Where otherwise provided by laws, administrative regulations, and departmental rules, the provisions herein shall prevail.

In the event that the Audit Committee fails to issue the notice within the time limit, it shall be deemed to fail to convene and chair a Shareholders' Meeting, and then the Shareholder(s) individually or collectively holding 10% or more of shares for at least 90 consecutive days may convene and chair the meeting on its/their own.

If the Audit Committee or Shareholders decide to convene a Shareholders' Meeting on its/their own, they shall notify the Board in writing. If the securities regulatory rules of the place where the Company's shares are listed have other provisions, such provisions shall prevail to the extent that they do not violate domestic laws, administrative regulations and the Articles of Association.

Prior to the adoption of the Shareholders' Meeting's resolution, the shareholding ratio of the convening Shareholders shall not be less than 10%.

Proposals of Shareholders' Meetings

When the Company convenes a Shareholders' Meeting, the Board of Directors, the Audit Committee and Shareholders who individually or together hold 1% or more of the shares of the Company are entitled to put forward proposals to the Company.

Shareholders individually or together holding 1% or more of the shares of the Company may put forward interim proposals 10 days before the Shareholders' Meeting is held and submit the proposals to the convener of the meeting in writing. The convener shall issue a supplemental notice of the Shareholders' Meeting within two days upon receiving the proposals, announce the content of such extraordinary proposal, and submit such extraordinary proposal to the Shareholders' Meeting for consideration. As regards the publication of the supplementary notice of the Shareholders' Meeting, if there are special provisions in the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail provided they do not violate the "Company Law" and the "Securities Law". Provided, however, that no such extraordinary proposals shall be considered if it violates laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or falls outside the scope of duties of the Shareholders' Meeting. The Company shall not increase the shareholding of Shareholders who submit the extraordinary proposal.

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If the Shareholders' Meeting must be postponed due to the issuance of a supplementary notice of the Shareholders' Meeting in accordance with the securities regulatory rules of the place where the Shares of the Company are listed, the convening of the Shareholders' Meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the Shares of the Company are listed.

Save as otherwise provided in the preceding paragraph or under laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, the convener shall not modify the proposals specified in the notice of the Shareholders' Meeting or add new proposals after issuing the notice of the Shareholders' Meeting.

The Shareholders' Meeting shall not vote or resolve on proposals not contained in the notice of the Shareholders' Meeting or not in compliance with the Articles of Association.

Notice of Shareholders' Meetings

The convener shall notify all shareholders at least 20 days prior to the convening of the annual Shareholders' Meeting, at least 15 days prior to the convening of the extraordinary Shareholders' Meeting.

Regarding the calculation of the minimum notice period, the date of the meeting shall not be included.

If the laws, regulations and the securities regulatory authorities of the place where the Company's shares are listed have other provisions, such provisions shall prevail.

Convening of Shareholders' Meetings

All shareholders registered in the Company's share register on the record date or their proxies shall be entitled to attend the Shareholders' Meeting and exercise their rights to speak and vote in accordance with applicable laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association. Shareholders may attend the Shareholders' Meeting in person or by proxy to speak and vote on their behalf. Each shareholder shall be entitled to appoint one or more proxies or representatives, but such proxy need not be a shareholder of the Company. Shareholders shall have the right to speak and vote at the Shareholders' Meeting, unless individual shareholders are required by the securities regulatory rules applicable to the place where the Company's stocks are listed to abstain from voting on specific matters.

Where an individual shareholder attends the meeting in person, he/she shall present his/her identity card or other valid documents or certificates that can prove his/her identity, as well as the shareholding certificate; where a proxy attends the meeting on behalf of the shareholder, the proxy shall also present his/her own valid identity card and the power of attorney issued by the shareholder. A corporate shareholder shall be represented at the meeting by its legal representative or designated representative thereof, or by its legal representative or

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a proxy authorised by such legal representative. Where the legal representative attends the meeting, he/she shall present his/her identity card and valid documents proving his/her capacity as the legal representative; where a proxy attends the meeting, the proxy shall present his/her identity card and the written power of attorney issued by the legal representative of the corporate shareholder in accordance with the law. Except where the shareholder is a recognized clearing house (or its nominee) as defined by the relevant ordinances from time to time in force in Hong Kong. If the shareholder is a corporate legal person, it may appoint one or more proxies or representatives to attend and vote at any Shareholders' Meeting of the Company, and if such corporate shareholder is present at any meeting by proxy or representative, it shall be deemed to be present in person. The proxy(ies) or representative(s) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (1) the right which the shareholder has to speak at the Shareholders' Meeting;
- (2) the right to demand a poll alone or jointly with others;
- (3) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy or representative is appointed, the proxies or representatives may only exercise such voting rights on a poll.

A form of proxy may be executed by a duly authorized officer of the Company.

A partner of a partnership enterprise shall be represented at the meeting by his/her executive managing partner or designated representative thereof, or by a proxy authorised by such executive managing partner. Where the executive managing partner or designated representative thereof attends the meeting, he/she shall present his/her identity card and valid documents proving his/her capacity as the executive managing partner or designated representative thereof; where a proxy attends the meeting, the proxy shall present his/her identity card and the written power of attorney issued by the executive managing partner or designated representative thereof in accordance with the law. Except where the shareholder is a recognised clearing house (or its nominee) as defined by the relevant ordinances from time to time in force in Hong Kong.

If the shareholder is a recognised clearing house (or its nominee) as defined by the relevant ordinances from time to time in force in Hong Kong, such shareholder may authorise one or more persons it deems appropriate to act as its proxy or representative at any Shareholders' Meeting (and/or Creditors' Meeting); provided that where more than one person is authorised, the power of attorney or proxy instrument shall specify the number and class of shares represented by each authorised person, and such power of attorney or proxy instrument must be executed by an authorised signatory of the recognised clearing house. The person(s) so authorised may attend the meeting on behalf of the recognised clearing house (or its nominee) (without producing evidence of shareholding, provided that their duly notarised authorisation and/or further evidence confirms their formal authorisation), speak at the

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meeting, and exercise rights as if such person(s) were individual shareholders of the Company. Such authorised person(s) shall enjoy statutory rights equivalent to those of other shareholders, including, but not limited to, speaking and voting rights.

Shareholders' Meeting Voting and Resolutions

The following matters shall be passed by the Shareholders' Meeting through ordinary resolutions:

- (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, removal, remuneration, and payment methods for members of the Board of Directors who are not assumed by staff representatives;
- (4) The Company's annual report;
- (5) The appointment or dismissal of accounting firms that undertake the Company's auditing business;
- (6) Matters other than those required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or these Articles of Association to be passed by special resolution.

The following matters shall be passed by the Shareholders' Meeting through special resolutions:

- (1) Any increase or decrease in the Company's registered capital;
- (2) The division, spin-off, merger, dissolution, liquidation, or alteration of legal form of the Company;
- (3) The amendment to these Articles of Association;
- (4) In the event that the Company purchases or sells significant assets or provides guarantees in an amount exceeding 30% of the Company's most recently audited total assets within one year, the aforementioned provision shall not apply to guarantees provided by the Company for its subsidiaries, by subsidiaries for the Company, or among subsidiaries;
- (5) The equity incentive plan;

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- (6) Other matters required by laws, administrative regulations, the securities regulations of the securities regulatory rules of the place where the Company's shares are listed, or these Articles of Association to be passed by special resolution, as well as any other matters that the Shareholders' Meeting determines by ordinary resolution to have a material impact on the Company and thus require a special resolution.

Shareholders (including their proxies) shall exercise their voting rights based on the number of voting shares they represent, with each share carrying one vote.

Pursuant to applicable laws, administrative regulations, departmental rules, normative documents, the *Hong Kong Listing Rules* and the securities regulations of the securities regulatory rules of the place where the Company's shares are listed, if any shareholder is required to abstain from voting or is restricted to voting only in favor or only against on any particular resolution, any vote cast by such shareholder (or its proxy) in violation of such provisions or restrictions shall be disregarded in the voting results.

Where material issues affecting the interests of minority shareholders are considered at the Shareholders' Meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

Shares held by the Company itself shall not carry voting rights, and such shares shall not be included in the total number of voting shares of shareholders present at the Shareholders' Meeting.

When the Shareholders' Meeting considers matters relating to connected transactions (as defined in the *Hong Kong Listing Rules*), the connected shareholders and their close associates (as defined in the *Hong Kong Listing Rules*) shall not vote on such resolutions, and the voting shares represented by them shall not be counted in the total number of valid votes. The announcement of the Shareholders' Meeting resolution shall fully disclose the voting results of non-connected persons.

Resolutions on connected transactions passed by the Shareholders' Meeting shall only be valid if approved by more than half of the votes cast by non-connected shareholders present at the Shareholders' Meeting. However, if such connected transaction involves matters requiring a special resolution under these Articles of Association, the resolution of the Shareholders' Meeting shall only be effective if passed by a two-thirds majority vote of the non-connected persons present at the meeting.

When proposals are reviewed at a Shareholders' Meeting, no amendments shall be permitted. Any modification to a proposal shall be treated as a new proposal and may not be voted upon during the current meeting.

Each voting right may only be exercised through one method: either on-site, by correspondence, or through other approved voting means. In case of duplicate voting for the same voting right, the first submitted vote shall prevail.

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Voting at a Shareholders' Meeting shall be conducted by way of registered ballot. Prior to voting on any proposal, the meeting shall appoint two shareholder representatives to supervise the vote counting process. When reviewing matters involving connected transactions, relevant shareholders and their proxies shall be prohibited from participating in the vote-counting or vote-supervising process.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors shall possess the qualifications required by laws, administrative regulations and rules. Company directors shall be natural persons. Individuals falling under any of the following circumstances shall not serve as directors of the Company:

- (1) Lacking civil capacity or having limited civil capacity;
- (2) Having been sentenced to criminal punishment for embezzlement, bribery, property encroachment, property misappropriation, or disruption of the socialist market economic order, with less than five years elapsed since the completion of the sentence, or having been deprived of political rights due to a criminal conviction, with less than five years elapsed since the completion of the sentence (including two years from the expiration of the probation period if probation is declared);
- (3) Having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation, and bearing personal responsibility for said bankruptcy, with less than three years elapsed since the completion of the bankruptcy liquidation;
- (4) Having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close due to violations of laws, and bearing personal responsibility, with less than three years elapsed since the date of license revocation or closure;
- (5) Being listed as a dishonest person subject to enforcement by a people's court due to failure to repay a significant amount of personal debt upon maturity;
- (6) Being subject to securities market entry restrictions imposed by the China Securities Regulatory Commission (CSRC), with the restriction period not yet expired;
- (7) Other circumstances stipulated by laws, administrative regulations, departmental rules, or securities regulatory rules of the place where the Company's shares are listed.

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Electing or appointing directors in violation of this provision shall render such election, appointment, or hiring invalid. If a director falls under any of the circumstances listed in the first paragraph of this article during his/her term of office, the Company shall relieve him/her of his/her duties and terminate his/her performance.

Non-employee representative Directors shall be elected or replaced by the Shareholders' Meeting in accordance with the law and may be removed from office by the Shareholders' Meeting before the expiration of their term, without prejudice to claims made by the Directors pursuant to any contract. Each term of the Board of Directors is three years. Directors may be re-elected for consecutive terms upon expiration of their term. Exceptions apply where otherwise stipulated by relevant laws, regulations, securities regulatory rules of the place where the Company's shares are listed.

The term of office of a director shall commence on the date of assumption of office and expire at the end of the current Board of Directors' term. If a director's term expires without timely re-election, the original director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association, until the newly elected director assumes office.

Directors shall abide by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association, and shall owe the following fiduciary duties to the Company and take measures to avoid conflicts between their own interests and the Company's interests, and must not use their powers to seek improper benefits:

- (1) Shall take measures to avoid conflicts between their own interests and the Company's interests, and must not use their powers to seek improper benefits;
- (2) Shall not misappropriate corporate or customer properties, and shall not misappropriate company or customer assets or funds;
- (3) Shall not open accounts in their own names or in the names of other individuals to deposit company assets or funds;
- (4) Shall not, in violation of the provisions of the Articles of Association and without the consent of the Shareholders' Meeting or the Board of Directors, lend the company funds to others or use the company properties to provide guarantee for others;
- (5) Shall not directly or indirectly enter into contracts or conduct transactions with the Company in violation of the Articles of Association or without the consent of the Shareholders' Meeting or the Board of Directors;

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- (6) Shall not take advantage of their positions to seek for themselves or others any business opportunities that should belong to the Company;
- (7) Shall not carry on a business of the same kind as that of the Company for himself or for others, without reporting to the Board of Directors or Shareholders' Meeting and without being approved by the Shareholders' Meeting through resolution;
- (8) Shall not use their positions to engage in bribery or accept other illegal income;
- (9) Shall not appropriate commissions received from transactions with the Company for personal gain;
- (10) Shall not disclose company secrets without authorisation;
- (11) Shall not exploit their connected relationships to the detriment of the Company's interests;
- (12) Shall comply with other fiduciary duties as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

Any income obtained by a director in violation of these Articles of Association shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

Directors shall abide by laws, administrative regulations, and these Articles of Association, and owe the following duty of care to the Company. When performing their duties, they shall exercise the reasonable attention ordinarily expected of managers in the best interests of the Company.

- (1) Shall exercise the rights granted by the Company with prudence, diligence, and care to ensure that the Company's business activities comply with national laws, administrative regulations, and national economic policies, and that business activities do not exceed the scope of business specified in the business license;
- (2) Shall treat all shareholders fairly;
- (3) Shall promptly understand the business operation and management situation of the Company;
- (4) Shall sign written confirmation opinions on the Company's periodic reports, and ensure that the information disclosed by the Company is true, accurate, and complete;

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- (5) Shall provide relevant information and documents to the Audit Committee truthfully and shall not impede the Audit Committee from exercising its powers;
- (6) Shall comply with other duties of care as stipulated by laws, administrative regulations, departmental rules, and these Articles of Association.

Directors (including independent non-executive directors) shall actively participate in relevant training, including training on listing rules and related risk training, and regularly participate in external training organised by the Stock Exchange or other regulatory authorities to understand their rights, obligations, and responsibilities as directors, become familiar with relevant laws and regulations, and master the knowledge required as directors.

If a director fails to attend a meeting of the Board of Directors in person for two consecutive times and does not entrust another director to attend on behalf, he/she shall be deemed unable to perform his/her duties, and the Board of Directors shall recommend to the Shareholders' Meeting that he/she be replaced. Subject to the securities regulatory rules of the place where the Company's shares are listed, any director attending the meeting of the Board of Directors by internet, video, telephone or other equivalent means, shall also be deemed to be present in person thereat.

If a director or a senior management enters into a contract or conducts transactions with the Company directly or indirectly, he/she shall report matters related to the contract or transaction to the Board of Directors or the Shareholders' Meeting and obtain a resolution from the Board of Directors or the Shareholders' Meeting in accordance with laws, regulations, and securities regulatory rules of the place where the Company's shares are listed.

The close relatives of directors and senior management, enterprises directly or indirectly controlled by a director and a senior management or his/her close relatives, and connected persons who have other affiliations with the director and the senior management shall be subject to the provisions of the preceding paragraph when entering into contracts or transactions with the Company.

Directors shall not use their positions to seek business opportunities belonging to the Company for themselves or others. However, the following circumstances are exceptions:

- (1) Reporting to the Board of Directors or the Shareholders' Meeting and obtaining a resolution from the Board of Directors or the Shareholders' Meeting in accordance with laws, regulations, and securities regulatory rules of the place where the Company's shares are listed;
- (2) The Company shall not utilise the business opportunity in accordance with laws, administrative regulations, or these Articles of Association.

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Directors shall not engage in the same or similar business as the Company for their own account or on behalf of others without reporting to the Board of Directors or the Shareholders' Meeting and obtaining a resolution from the Board of Directors or the Shareholders' Meeting in accordance with laws, regulations, and securities regulatory rules of the place where the Company's shares are listed.

Board of Directors

The Company shall establish a Board of Directors, which is accountable to the Shareholders' Meeting. The Board of Directors shall consist of 9 directors, including 1 employee representative. The directors of the Company are classified into executive directors and independent non-executive directors, among whom the number of independent non-executive directors shall account for at least one-third of the total number of board members and shall be no less than 3. At least one of the independent directors shall have the appropriate professional qualifications or accounting or related financial management expertise and at least one of the independent directors shall ordinarily reside in Hong Kong.

The Board of Directors shall exercise the following functions and powers:

- (1) Convene the Shareholders' Meeting and report on its work to the Shareholders' Meeting;
- (2) Implement the resolutions of the Shareholders' Meeting;
- (3) Decide on the Company's business plans and investment proposals;
- (4) Work out the Company's profit distribution plan and loss recovery plan;
- (5) Formulate plans for the Company to increase or reduce its registered capital, issue bonds or other securities, and listing on a stock exchange;
- (6) Formulate plans for the Company's merger, division, dissolution, or change of corporate form;
- (7) On the premise that compliance with the securities regulatory rules of the place where the Company's shares are listed and within the scope of authorisation by the Shareholders' Meeting, decide on matters such as the Company's outward investment, acquisition or disposal of assets, asset mortgage, provision of guarantees to entities other than subsidiaries, entrusted wealth management, connected transactions, and external donations;
- (8) Determine the establishment of the Company's internal management organisation;

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- (9) Decide on the appointment or dismissal of the Company's General Manager and matters related to his/her remuneration, and based on the nomination by the General Manager, decide on the appointment or dismissal of other senior management personnel of the Company, as well as matters related to their remuneration and rewards and punishments;
- (10) Formulate and amend the Company's basic management systems;
- (11) Formulate proposals for amendments to the Articles of Association;
- (12) Manage information disclosure of the Company;
- (13) Submit proposals to the Shareholders' Meeting for the appointment or replacement of the accounting firm responsible for auditing of the Company;
- (14) Listen to work reports from the Company's General Manager and inspect his/her work.

Other functions and powers granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, or the Shareholders' Meeting.

The Board of Directors shall have one Chairman appointed. The Chairman shall be elected by a majority vote of all directors of the Board of Directors.

The Chairman shall exercise the following functions and powers:

- (1) Preside over the Shareholders' Meeting and convene and preside over meetings of the Board of Directors;
- (2) Supervise and inspect the implementation of resolutions of the Board of Directors;
- (3) Other functions and powers granted by the Board of Directors.

Meetings of the Board of Directors are classified into regular meetings and interim meetings. The Board of Directors shall hold at least four regular meetings each year. The Chairman shall convene the meetings, and notices shall be issued 14 days prior to the convening of a regular meeting.

In any of the following circumstances, the Chairman shall convene and preside over an interim meeting of the Board of Directors within 10 days of receiving the proposal:

- (1) When a proposal is made by shareholders representing more than one-tenth of the voting rights;

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- (2) When a proposal is made jointly by more than one-third of the directors;
- (3) When a proposal is made by the Audit Committee;
- (4) When the Chairman deems it necessary;
- (5) Other circumstances specified in the Articles of Association.

A meeting of the Board of Directors shall only be held if more than half of the directors are present. Resolutions of the Board of Directors must be passed by a majority vote of all directors. Voting on resolutions of the Board of Directors shall be conducted according to the one-vote-per-director principle.

If a director has a connected relationship with the enterprise or individual involved in the matter under consideration at the meeting of the Board of Directors, such director shall promptly report in writing to the Board of Directors. A director with a connected relationship shall not exercise voting rights on such resolution, nor shall he/she act as a proxy for other directors in exercising voting rights.

The meeting of the Board of Directors may be held with the attendance of more than half of the directors without a connected relationship, and resolutions made at the meeting of the Board of Directors must be passed by a majority vote of the directors without a connected relationship.

If the number of directors without a connected relationship attending the meeting of the Board of Directors is less than three, the matter shall be submitted to the Shareholders' Meeting for review. If there are any additional restrictions on directors' participation in and voting at meetings of the Board of Directors as stipulated by laws, regulations, or securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Meetings of the Board of Directors shall be attended by the directors in person; if a director is unable to attend for any reason, he/she may entrust another director in writing to attend on his/her behalf, and the letter of entrustment shall specify the name of the proxy, the matters to be represented, the scope of authorisation, and the period of validity, and shall be signed or sealed by the entrusting party. The director attending the meeting on behalf of another shall exercise the rights of the director within the scope of authorisation. Where a director neither attends the meeting of the Board of Directors nor entrusts a representative to attend, he/she shall be deemed to have waived the right to vote at that meeting.

Special Committees of the Board of Directors

The Board of Directors of the Company shall establish an Audit Committee, which shall exercise the powers of the Board of Supervisors as stipulated in the *Company Law*. The Audit Committee shall consist of three directors and can only be comprised of non-executive directors, and shall consist of at least three members, a majority of whom shall be independent

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directors, a majority of whom shall not hold any position in the Company other than that of director, and at least one of whom is an independent director with appropriate qualifications or accounting or related financial management expertise as required under the securities regulatory rules of the place where the Company's shares are listed, and the convener (chairperson) of the committee shall be an accounting professional from among the independent non-executive directors.

The Board of Directors of the Company shall establish a Remuneration Committee. The Remuneration Committee shall consist of three directors, with more than half being independent non-executive directors, and the convener (chairperson) shall be an independent non-executive director.

The Board of Directors of the Company shall establish a Nomination Committee. The Nomination Committee shall consist of three directors, with more than half being independent non-executive directors.

SENIOR MANAGEMENT

The Company shall have one General Manager, one Finance Chief, and one Secretary to the Board of Directors, who shall be appointed or removed by the Board of Directors. The Company may decide to appoint other senior management personnel based on its actual operational and developmental needs. The General Manager, Finance Chief, Secretary to the Board of Directors, and other senior management personnel appointed by the Board of Directors shall be deemed as the senior management of the Company.

The term of office of the General Manager is three years, and the General Manager may be reappointed for consecutive terms upon appointment by the Board of Directors.

The term of office of the General Manager shall commence from the date of approval by the resolution of the Board of Directors and shall end upon the expiration of the term of the current Board of Directors.

The General Manager shall be responsible for the Board of Directors and shall exercise the following functions and powers:

- (1) Preside over the production, operation, and management work of the Company, implement the resolutions of the Board of Directors, and report work to the Board of Directors;
- (2) Implement the Company's annual operating plans and investment plans;
- (3) Propose plans for the establishment of the Company's internal management organisation;
- (4) Propose the Company's basic management system;

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- (5) Formulate the Company's specific rules and regulations;
- (6) Propose to the Board of Directors the appointment or removal of other senior management personnel of the Company;
- (7) Determine the appointment or removal of management personnel other than those whose appointment or removal shall be determined by the Board of Directors;
- (8) Approve the transactions and related transactions other than those transactions that must be considered and approved by the Shareholders' Meeting or the Board of Directors, but if there are relevant provisions of laws, regulations and regulatory authorities, such provisions shall prevail;
- (9) Propose the Company's salary, welfare, and reward and punishment systems for employees, and determine the appointment and dismissal of the Company's employees;
- (10) Review and approve the purchase and disposal matters of fixed assets within the scope authorised by the Board of Directors;
- (11) Review and approve investment matters within the scope of authorisation by the Board of Directors;
- (12) Determine matters related to operating loans for the Company and its subsidiaries;
- (13) Other functions and powers granted by the Articles of Association or the Board of Directors.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION, AND AUDIT

Financial and Accounting Systems

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations, and the provisions of relevant authorities. If there are additional provisions by the securities regulatory authority of the place where the Company's shares are listed, those provisions shall prevail.

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's funds shall not be deposited in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, further allocation may be waived.

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Where the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall first use the current year's profits to cover the losses before allocating to the statutory reserve fund in accordance with the preceding paragraph.

After setting aside the statutory reserve fund from the after-tax profits, the Company may, upon resolution of the Shareholders' Meeting, also set aside a discretionary reserve fund from the after-tax profits.

After the losses are covered and the statutory reserve fund is set aside, the remaining after-tax profits of the company shall be distributed among the shareholders according to the proportion of shares held by shareholders, unless otherwise provided in the Articles of Association.

The Company's own shares held by the Company shall not participate in the profit distribution.

The Company's reserve fund shall be used to cover the Company's losses, expand the Company's production and business operations, or be converted into an increase in the Company's registered capital. When the reserve fund is used to cover the Company's losses, the discretionary reserve fund and statutory reserve fund shall be used first; if they are still insufficient, the capital reserve fund may be used in accordance with the regulations.

When the statutory reserve fund is converted into an increase in registered capital, the retained amount of such reserve fund shall not be less than 25% of the Company's registered capital prior to the increase.

Appointment of Accounting Firms

The Company shall appoint an independent accounting firm that complies with the provisions of laws and regulations and the regulatory rules of the place where the shares of the Company are listed to conduct accounting statement audits, net asset verification, and other related consulting services, with a term of one year, which may be renewed.

The appointment, dismissal and remuneration (or the way to confirm the remuneration) of the accounting firm by the Company must be determined by the Shareholders' Meeting through ordinary resolutions, and the Board of Directors shall not appoint an accounting firm before the Shareholders' Meeting makes a decision.

When the Company dismisses or does not renew the appointment of an accounting firm, it shall notify the accounting firm 15 days in advance. When the Shareholders' Meeting of the Company votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

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NOTIFICATION

Notifications from the Company shall be issued in the following forms:

- (1) Delivery by a designated person;
- (2) Transmission via fax, email, or postal mail;
- (3) Notification via telephone;
- (4) Public announcement (including posting on designated websites and the Company's official website in accordance with laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed);
- (5) Other forms recognised by the relevant regulatory authorities of the place where the Company's shares are listed or as stipulated in the Company's Articles of Association.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION, AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

In the event of a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution and make a public announcement in accordance with regulations within 30 days. Creditors may, within 30 days from the date of receipt of the notification, or within 45 days from the date of the public announcement provided that they have not received the notification, request the Company to settle its debts or provide corresponding guarantees.

In the event of a company division, the Company's assets shall be divided accordingly. The Company shall prepare a balance sheet and inventory of assets in the event of division. The Company shall notify its creditors within 10 days from the date of the division resolution and make a public announcement in accordance with regulations within 30 days.

When the Company needs to reduce its registered capital, it shall prepare a balance sheet and inventory of assets. The Company shall notify its creditors within 10 days from the date of the resolution to reduce the registered capital and make a public announcement in accordance with regulations within 30 days. Creditors have the right, within 30 days from the date of receipt of the notification, or within 45 days from the date of the public announcement provided that they have not received the notification, to request the Company to settle its debts or provide corresponding guarantees.

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In the event of a company merger or division, where changes occur to the registered items, the Company shall complete the modification registration with the company registration authority in accordance with the law; in the event of dissolution, the Company shall complete company deregistration in accordance with the law; in the event of the establishment of a new company, the Company shall complete company establishment registration in accordance with the law.

Where the Company increases or reduces its registered capital, it shall apply to the company registration authority for modification registration in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (1) The business term specified in these Articles of Association expires, or any other dissolution cause stipulated herein arises;
- (2) The Shareholders' Meeting resolves to dissolve the Company;
- (3) Dissolution is required due to a merger or division of the Company;
- (4) The Company's business license is revoked in accordance with the law, it is ordered to close down, or it is administratively revoked;
- (5) Where severe difficulties arise in the Company's operations and management, and its continued existence would cause material detriment to shareholders' interests, and such difficulties cannot be resolved through other means, shareholders holding 10% or more of the total voting rights of the Company may petition the people's court for dissolution of the Company.

Where the Company falls under any of the dissolution causes specified in the preceding paragraph, it shall publicise the dissolution cause(s) via the National Enterprise Credit Information Publicity System within 10 days.

Where the Company falls under circumstances (1) or (2) above and has not yet distributed assets to shareholders, it may continue to exist by amending these Articles of Association or through a resolution of the Shareholders' Meeting.

Amendments to these Articles of Association or resolutions of the Shareholders' Meeting in accordance with the preceding paragraph shall be approved by more than two-thirds of the voting rights held by the shareholders attending the Shareholders' Meeting.

If the Company is dissolved due to the causes specified in items (1), (2), (4), and (5) above, it shall undergo liquidation. Directors are the liquidation obligors of the Company and shall form a liquidation committee to conduct liquidation within 15 days from the date when

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the dissolution cause arises. The liquidation committee shall be composed of directors or personnel determined by the Shareholders' Meeting. If the liquidation committee is not formed within the prescribed time limit for liquidation, creditors may apply to the people's court for the appointment of relevant personnel to form a liquidation committee to carry out liquidation. If the liquidation obligors fail to perform their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (1) Liquidate the Company's assets, and prepare a balance sheet and inventory of assets respectively;
- (2) Notify and announce to creditors;
- (3) Handle the Company's outstanding business related to liquidation;
- (4) Settle outstanding taxes and taxes incurred during the liquidation process;
- (5) Clear up the creditor's rights and debts;
- (6) Dispose of the Company's residual assets after debt repayment;
- (7) Represent the Company in civil litigation activities.

The liquidation committee shall notify creditors within 10 days from the date of its establishment and make a public announcement in accordance with regulations within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notification, or within 45 days from the date of the public announcement provided that they have not received the notification.

When declaring their claims, creditors shall provide relevant information of claims and supporting documents. The liquidation committee shall register the claims.

During the period of claim declaration, the liquidation committee shall not make any debt repayments to creditors.

After liquidating the Company's assets and preparing the balance sheet and inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the Shareholders' Meeting or the people's court for confirmation.

After applying of the Company's assets to pay liquidation expenses, employees' wages, social insurance contributions, statutory compensations, outstanding taxes, and company debts in sequence, any residual assets shall be distributed among shareholders in proportion to their respective shareholdings.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. No distribution of assets shall be made to shareholders until all the Company's assets have been liquidated in accordance with the preceding paragraph.

After liquidating of the Company's assets and preparing the balance sheet and inventory of assets, if the liquidation committee finds that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report, submit it to the Shareholders' Meeting or the people's court for confirmation, and report it to the company registration authority to apply for cancellation of the Company's registration.

Where the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend its Articles of Association under any of the following circumstances:

- (1) After the *Company Law* or relevant laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed are amended, the provisions of the Articles of Association conflict with the provisions of the amended laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed;
- (2) The Company's situation has changed and is inconsistent with the matters recorded in the Articles of Association;
- (3) The Shareholders' Meeting decides to amend the Articles of Association.

Any amendments to the Articles of Association approved by a resolution of the Shareholders' Meeting that require approval from the competent authority shall be submitted to the competent authority for approval; where the amendments involve company registration matters, the changes shall be registered in accordance with the law.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

1. FURTHER INFORMATION ABOUT OUR GROUP

A. Establishment of our Company

Our Company was established in the PRC on February 9, 2009 with an initial registered capital of RMB5 million. On March 18, 2025, our Company was converted into a joint stock company with limited liability under the PRC Company Law. Accordingly, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. The relevant PRC laws and regulatory provisions and a summary of our Articles of Association are set out in Appendices IV and V to this document, respectively.

Our principal place of business in Hong Kong is at Room 1917, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. We were registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance on May 12, 2025. Ms. Zhao Na and Ms. Chan Sau Ling have been appointed as our authorized representatives for the acceptance of service of process and notices in Hong Kong.

B. Changes in the Share Capital of our Company

Save as disclosed in “History, Development and Corporate Structure”, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

C. Changes in the Share Capital of our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants’ Report as set out in Appendix I.

Save as disclosed above, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this document.

D. Resolutions of the Shareholders of our Company

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on April 30, 2025, it was resolved, among others, and the following was approved:

- (a) the issuance by our Company of H Shares with a nominal value of RMB1.00 each and the [REDACTED] of such H Shares on the Stock Exchange;
- (b) subject to the completion of the [REDACTED], the Articles of Association have been approved and adopted, which shall become effective on the [REDACTED], and the Board has been authorized to amend the Articles of Association in accordance with any comments from the relevant regulatory authorities; and

APPENDIX VI STATUTORY AND GENERAL INFORMATION

- (c) our Board and its authorized persons have been authorised to handle all relevant matters relating to, among other things, the implementation of issuance of H Shares and the [REDACTED].

E. Restrictions on Repurchase

For details, see Appendix IV in this document.

2. FURTHER INFORMATION ABOUT THE BUSINESS OF THE COMPANY

A. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Group within the two years preceding the date of this document and are or may be material:

- (1) the [REDACTED].

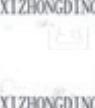
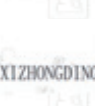
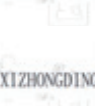
B. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Expiry date
1.	锡中鼎	PRC	The Company	10824386	6	August 6, 2033
2.	锡中鼎	PRC	The Company	10824387	7	August 6, 2033
3.	锡中鼎	PRC	The Company	10824388	9	August 13, 2033
4.	锡中鼎	PRC	The Company	10824389	12	August 13, 2033
5.	锡中鼎	PRC	The Company	10824390	35	August 13, 2033
6.	锡中鼎	PRC	The Company	10824391	37	August 13, 2033
7.	锡中鼎	PRC	The Company	10824392	39	August 13, 2033

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No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Expiry date
8.		PRC	The Company	10824393	42	August 13, 2033
9.		PRC	The Company	10824406	39	July 27, 2033
10.		PRC	The Company	10824407	42	July 27, 2033
11.		PRC	The Company	10824408	6	August 13, 2033
12.		PRC	The Company	10824409	7	August 13, 2033
13.		PRC	The Company	10824410	9	August 13, 2033
14.		PRC	The Company	10824411	12	August 13, 2033
15.		PRC	The Company	10824412	35	August 13, 2033
16.		PRC	The Company	10824413	37	August 13, 2033
17.		PRC	The Company	10824414	39	August 13, 2033
18.		PRC	The Company	10824415	42	August 13, 2033
19.		PRC	The Company	10824440	6	July 27, 2033
20.		PRC	The Company	10824441	7	July 27, 2033
21.		PRC	The Company	10824442	9	July 27, 2033
22.		PRC	The Company	10824443	12	July 27, 2033

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Expiry date
23.		PRC	The Company	10824445	37	July 27, 2033

As of the Latest Practicable Date, we had applied for the registration of the following trademark in Hong Kong which we consider to be or may be material to our business:

No.	Trademark	Applicant	Class	Place of registration	Application Date	Trade mark number
1. . .		The Company	6,7,9,16,35,39,41,42	Hong Kong	March 18, 2025	306839812
2. . .		The Company	6,7,9,16,35,39,41,42	Hong Kong	March 18, 2025	306839821

(b) Patents

As of the Latest Practicable Date, we had registered the following patents in the PRC which we consider to be or may be material to our business:

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
1.	An anti-shaft rotation stacker gap adjustment mechanism (一種防軸轉動的堆垛機間隙調整機構)	The Company	Invention	2012101865616	June 7, 2012	Valid
2.	Variable Section Aisle Stacker (變截面巷道堆垛機)	The Company	Invention	2012101863220	June 7, 2012	Valid
3.	An oil catching device for stacker reel ropes (一種用於堆垛機卷筒鋼絲繩的接油裝置)	The Company	Invention	2012101864435	June 7, 2012	Valid
4.	Stacker forks for easy inspection (便於檢測的堆垛機貨叉)	The Company	Invention	2012101875514	June 7, 2012	Valid

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
5.	Stacker column structure (堆垛機立柱結構)	The Company	Invention	2012101866017	June 7, 2012	Valid
6.	A compact chain conveyor (一種緊湊型鏈式輸送機)	The Company	Invention	2013105522465	November 8, 2013	Valid
7.	A kind of stacker cranes with safety shutter door (一種配 安全卷簾門的堆垛機)	The Company	Invention	2013106385963	December 2, 2013	Valid
8.	A kind of hollow insulation tray (一種空心隔熱托盤)	The Company	Invention	2013106757580	December 11, 2013	Valid
9.	A flip-type sand cleaning structure for sand transportation (一種用於砂 型運輸的翻轉式清砂結構)	The Company	Invention	2013106747517	December 11, 2013	Valid
10.	A kind of telescopic mobile cargo platform structure (一種伸縮式移動貨台結構)	The Company	Invention	201310673939X	December 11, 2013	Valid
11.	A horizontal guide wheelset holder for stacker cranes (一種用於堆垛機的水平導 向輪組支架)	The Company	Invention	2014107277547	December 3, 2014	Valid
12.	A kind of fork type shuttle car control device with door opening mechanism (一種帶開門機構的貨叉式 穿梭車控制裝置)	The Company	Invention	2015100076132	January 7, 2015	Valid
13.	A kind of fork clamping machine (一種貨叉夾抱機)	The Company	Invention	2015100075727	January 7, 2015	Valid
14.	A kind of stacker crane fork chain automatic tensioning device (一種堆垛機貨叉鏈 條自動張緊裝置)	The Company	Invention	2015102595497	May 20, 2015	Valid
15.	A kind of fast holding mechanism for stacker cranes (一種堆垛機快速夾 抱機構)	The Company	Invention	2015104394416	July 23, 2015	Valid
16.	A kind of automated three- dimensional warehouse with wheel cage car (一種 帶輪籠車自動化立體倉庫)	The Company	Invention	2017104815630	June 22, 2017	Valid

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
17.	A drawer-type shelf sortation system for multi-storey shuttle warehouse (一種用於多層穿梭庫的抽屜式貨架分揀系統)	The Company	Invention	2017104804373	June 22, 2017	Valid
18.	A kind of high-speed stacker crane overhead brake structure (一種高速堆垛機天軌制動結構)	The Company	Invention	2017109467412	October 12, 2017	Valid
19.	A three-dimensional electrical cabinet mounting structure for stacker cranes (一種用於堆垛機的立體電櫃安裝結構)	The Company	Invention	2017112238349	November 29, 2017	Valid
20.	A safety protection device for stacker cranes (一種堆垛機用安全保護裝置)	The Company	Invention	2017112243648	November 29, 2017	Valid
21.	A load table brake mechanism for stacker cranes (一種用於堆垛機的載貨台制車機構)	The Company	Invention	2017112243811	November 29, 2017	Valid
22.	A kind of column stacker (一種立柱式堆垛機)	The Company	Invention	2017112251790	November 29, 2017	Valid
23.	A carrier table for stacker cranes with floating adjustable running gap (一種堆垛機用能浮動調節運行間隙的載貨台)	The Company	Invention	2017112251362	November 29, 2017	Valid
24.	A kind of fireproof catch tray for lithium-ion battery storage (一種用於鋰電池倉儲的防火接液盤)	The Company	Invention	2018103200652	April 11, 2018	Valid
25.	An air-cooled shelf (一種風冷式貨架)	The Company	Invention	2018103198173	April 11, 2018	Valid
26.	A kind of wire rope automatic winding device (一種鋼絲繩自動卷繞裝置)	The Company	Invention	2018103201000	April 11, 2018	Valid

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
27.	A kind of manual loading and unloading emergency trolley for warehouse logistics (一種用於倉儲物流的手動式上下料應急小車)	The Company	Invention	2018103198188	April 11, 2018	Valid
28.	A sprocket-assisted press-in device (一種鏈輪輔助壓入裝置)	The Company	Invention	201810833857X	July 26, 2018	Valid
29.	A movable stopper drive for the interface between hoist and conveyor (一種用於提升機與輸送機接口的活動擋塊驅動裝置)	The Company	Invention	2018116104865	December 27, 2018	Valid
30.	An access mechanism for automated three-dimensional warehouse (一種用於自動化立體倉庫的存取機構)	The Company	Invention	201811609589X	December 27, 2018	Valid
31.	A kind of horizontal drive mechanism for preventing skidding of walking wheels of stacker cranes (一種防堆垛機走輪打滑的水平驅動機構)	The Company	Invention	2019103535256	April 29, 2019	Valid
32.	An adaptive pick-and-place device for warehousing and logistics boxed goods (一種用於倉儲物流箱式貨物的自適應取放貨裝置)	The Company	Invention	2019107561616	August 16, 2019	Valid
33.	A rotary head for chain conveyor equipment (一種用於鏈條輸送設備的回轉頭)	The Company	Invention	2019107561476	August 16, 2019	Valid
34.	A kind of frog-type fork moving structure (一種蛙式貨叉移動結構)	The Company	Invention	2019110580985	November 1, 2019	Valid
35.	A kind of adjustable shelf (一種可調式貨架)	The Company	Utility Model	202220113662X	January 17, 2022	Valid
36.	Stacker Flat Cable Follower Mechanism (堆垛機扁電纜隨行機構)	The Company	Utility Model	2022201130021	January 17, 2022	Valid

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No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
37.	A kind of pallet in-line air shower device (一種托盤在線風淋裝置)	The Company	Utility Model	2022201500279	January 19, 2022	Valid
38.	A kind of woven bag whole tray online shaping machine (一種編織袋整托在線整形機)	The Company	Utility Model	2022201449249	January 19, 2022	Valid
39.	An industrial lifting safety gate (一種工業升降安全門)	The Company	Utility Model	2022202543708	February 8, 2022	Valid
40.	Stacker drag chain units (堆垛機拖鏈裝置)	The Company	Utility Model	2022204863077	March 8, 2022	Valid
41.	Thrust roller bearings and guide pulleys (推力滾子軸承及導輪)	The Company	Utility Model	2022206433162	March 23, 2022	Valid
42.	Reversible stand for stacker touch-side switches (堆垛機觸邊開關用可翻轉支架)	The Company	Utility Model	2022218042494	July 13, 2022	Valid
43.	Supports for stacker carriers (堆垛機載貨台用支撐裝置)	The Company	Utility Model	2022218051192	July 13, 2022	Valid
44.	A new energy high-speed stacker rail anti-swaying device (一種新能源高速堆垛機天軌防搖擺裝置)	The Company	Utility Model	2022223916489	September 8, 2022	Valid
45.	High Level Palletizer (高位碼垛機)	The Company	Utility Model	2022224186680	September 13, 2022	Valid
46.	High-position palletizing line for woven bags (編織袋高位碼垛生產線)	The Company	Utility Model	2022226855025	October 12, 2022	Valid
47.	Two-Face Insertion Type Closing Machine (兩面對插型合盤機)	The Company	Invention	2022112747693	October 18, 2022	Valid
48.	A kind of stacker loading table with fireproof function (一種具有防火功能的堆垛機載貨台)	The Company	Utility Model	2022227585324	October 19, 2022	Valid
49.	Limiters for stacker cranes (用於堆垛機的限位裝置)	The Company	Utility Model	2022229099335	November 2, 2022	Valid
50.	Hoist (提升機)	The Company	Utility Model	2022229553417	November 7, 2022	Valid

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
51.	A kind of special positioning tooling for rail laying for the ground rail of the roadway stacking machine (一種巷道堆棧機地軌用鋼軌鋪裝專用定位工装)	The Company	Utility Model	2022230510408	November 16, 2022	Valid
52.	A kind of centering scale for three-dimensional warehouse lane measurement (一種立體倉庫巷道測量用對中標尺)	The Company	Utility Model	2022230787232	November 21, 2022	Valid
53.	Vertical loaders and stackers (立式載貨裝置及堆棧機)	The Company	Utility Model	2022232613555	December 6, 2022	Valid
54.	Beams and lower travel units of stacker cranes (橫梁及堆棧機下部行進裝置)	The Company	Utility Model	2022232616074	December 6, 2022	Valid
55.	Vertical beams and stackers (豎梁及堆棧機)	The Company	Utility Model	2022232652210	December 6, 2022	Valid
56.	Light duty stacker cranes (輕載型堆棧機)	The Company	Invention	2022115585258	December 6, 2022	Valid
57.	Cargo lifting devices and stacker cranes (載貨升降裝置及堆棧機)	The Company	Utility Model	2022232648272	December 6, 2022	Valid
58.	A kind of double cylinder type fire extinguishing box (一種雙氣缸式滅火箱)	The Company	Utility Model	2022235043977	December 26, 2022	Valid
59.	A kind of roll-up door type fire extinguishing box (一種卷簾門式滅火箱)	The Company	Utility Model	2022235043996	December 26, 2022	Valid
60.	Light duty stacker cranes for warehousing (倉儲用輕型堆棧機)	The Company	Invention	2022117212651	December 30, 2022	Valid
61.	Linkage limit stacker cranes (聯動限位式堆棧機)	The Company	Utility Model	2022235939956	December 30, 2022	Valid
62.	Variable size carriers and stacker cranes (可變規格載貨台及堆棧機)	The Company	Utility Model	2022235952255	December 30, 2022	Valid
63.	A kind of safety clamp test device (一種安全鉗測試裝置)	The Company	Utility Model	202320332638X	February 28, 2023	Valid

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
64.	Intelligent warehouse with auxiliary top-supporting stacker cranes in collaboration with jacking mobile robots (輔助上支撐堆垛機與頂升移動機器人協作的智能倉庫)	The Company	Invention	2023101981210	March 3, 2023	Valid
65.	A kind of transfer rotary table (一種移載旋轉台)	The Company	Utility Model	2023204421023	March 7, 2023	Valid
66.	A lifting and blocking mechanism with a force relief device (一種帶洩力裝置的升降阻擋機構)	The Company	Utility Model	2023205603616	March 21, 2023	Valid
67.	An operator's desk that combines assembly and storage (一種集裝配和存儲一體的操作台)	The Company	Utility Model	2023205754226	March 22, 2023	Valid
68.	A kind of multi-station movable sweeping bracket (一種多工位可移動掃碼支架)	The Company	Utility Model	2023206151813	March 24, 2023	Valid
69.	A kind of lower crossbeam for stacker cranes (一種堆垛機下橫梁)	The Company	Utility Model	2023207494384	April 7, 2023	Valid
70.	A kind of stacker upper crossbeam (一種堆垛機上橫梁)	The Company	Utility Model	2023207494346	April 7, 2023	Valid
71.	A foldable suction cup spreader (一種可折疊吸盤吊具)	The Company	Utility Model	2023207494327	April 7, 2023	Valid
72.	A kind of quick release device for traveling wheel (一種行走輪的快拆裝置)	The Company	Utility Model	2023209463130	April 24, 2023	Valid
73.	A kind of layer-changing elevator for lithium-ion battery empty tray reflow (一種鋰離子電池空托盤回流的換層提升機)	The Company	Utility Model	202320946354X	April 24, 2023	Valid
74.	Low Frequency Vibration Test System (低頻振動測試系統)	The Company	Utility Model	2023211211087	May 10, 2023	Valid

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
75.	A kind of stacker broken rope and loose rope protection device (一種堆垛機斷繩、鬆繩保護裝置)	The Company	Invention	2023105550346	May 17, 2023	Valid
76.	A sectional fire shutter device for stacker carriers (一種適用於堆垛機載貨台的分段式防火卷簾裝置)	The Company	Utility Model	2023211861121	May 17, 2023	Valid
77.	A kind of flexible flame retardant protective door (一種柔性阻燃防護門)	The Company	Utility Model	2023213132126	May 26, 2023	Valid
78.	A kind of anti-shaking device for stacker cranes (一種堆垛機防搖裝置)	The Company	Utility Model	2023216438063	June 27, 2023	Valid
79.	Double-trigger stacker crane fall protection (雙觸發堆垛機防墜保護裝置)	The Company	Utility Model	2023217754528	July 7, 2023	Valid
80.	A segmented roller conveyor for transporting work trucks (一種運輸工裝車的分段式輾道輸送機)	The Company	Utility Model	2023217754532	July 7, 2023	Valid
81.	Fall arrest linkage for stacker carriers (堆垛機載貨台的防墜聯動裝置)	The Company	Utility Model	2023217752965	July 7, 2023	Valid
82.	An anti-torsion device for electric motors (一種電機抗扭轉裝置)	The Company	Utility Model	2023221141945	August 8, 2023	Valid
83.	A kind of lower crossbeam for strong and weak cable separate alignment (一種強弱電纜分離走線的下橫梁)	The Company	Utility Model	2023222525497	August 21, 2023	Valid
84.	A safety device for use in an alleyway (一種巷道內使用的安全裝置)	The Company	Utility Model	2023222785526	August 23, 2023	Valid
85.	A stacker crane with a spray foam fire extinguishing device against the cargo space (一種帶有對著貨位噴射泡沫滅火裝置的堆垛機)	The Company	Utility Model	2023223050828	August 28, 2023	Valid

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
86.	A fire extinguisher system for stacker cranes in the lithium-ion battery industry (一種鋰電池行業堆垛機用滅火器系統)	The Company	Utility Model	2023223850664	September 4, 2023	Valid
87.	A kind of shuttle car shelves track and shuttle car shelves (一種穿梭車貨架軌道及穿梭車貨架)	The Company	Utility Model	2023225110664	September 14, 2023	Valid
88.	A kind of loading car for automated standing warehouse (一種自動化立庫用工裝車)	The Company	Utility Model	2023225352822	September 18, 2023	Valid
89.	A kind of multi-storey shuttle truck with liftable fork loading table (一種伸叉載貨台可升降的多層穿梭車)	The Company	Invention	2023112198648	September 21, 2023	Valid
90.	A kind of stacker safety clamp (一種堆垛機安全鉗)	The Company	Utility Model	2023225637831	September 21, 2023	Valid
91.	Vision-based system and method for measuring warehouse position data in a stereo warehouse (基於視覺的立體倉庫庫位數據測量系統和方法)	The Company	Invention	2023112669684	September 27, 2023	Valid
92.	Stacker (HD1200) (堆垛機(HD1200))	The Company	Design	2023306371518	September 28, 2023	Valid
93.	Stacker (HD600) (堆垛機(HD600))	The Company	Design	2023306371537	September 28, 2023	Valid
94.	Stacker (HS1500) (堆垛機(HS1500))	The Company	Design	2023306371503	September 28, 2023	Valid
95.	A kind of automatic detection and anti derailment device for stacker cranes (一種堆垛機的自動檢測防脫軌裝置)	The Company	Utility Model	2023227379425	October 12, 2023	Valid
96.	A kind of high-speed light stacker column (一種高速輕型堆垛機立柱)	The Company	Utility Model	2023227513528	October 13, 2023	Valid

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
97.	NG trolleys for automated intelligent storage systems (用於自動化智能倉儲系統的NG小車)	The Company	Utility Model	2023227866106	October 18, 2023	Valid
98.	Flatbed elevator (平板式提升機)	The Company	Utility Model	2023230627524	November 14, 2023	Valid
99.	A kind of three-section ground cattle roller conveyor (一種三段式地牛輓道輸送機)	The Company	Utility Model	2024201493861	January 22, 2024	Valid
100.	A kind of three-section ground cattle chain conveyor (一種三段式地牛鏈條輸送機)	The Company	Utility Model	2024201494686	January 22, 2024	Valid
101.	A kind of fire extinguishing water tank (一種滅火水箱)	The Company	Utility Model	2024202782178	February 5, 2024	Valid
102.	A safety lock for stacker cranes (一種用於堆垛機的安全鎖)	The Company	Utility Model	2024203223763	February 21, 2024	Valid
103.	AGV curved path correction and tracking control method (AGV彎道路徑修正及跟蹤控制方法)	The Company	Invention	2024102512258	March 5, 2024	Valid
104.	A stacker rail integrated measuring device and its measuring method (一種堆垛機軌道綜合測量裝置及其測量方法)	The Company	Invention	2024108916132	July 4, 2024	Valid
105.	A kind of raw paper conveying system (一種原紙輸送系統)	The Company	Utility Model	2016204995140	May 27, 2016	Valid

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
106.	A contactless powered raw paper conveying system (一種無接觸供電原紙輸送系統)	The Company	Utility Model	2016205014293	May 27, 2016	Valid
107.	A kind of personnel protection device for high-speed stacker cranes’ operating table (一種高速堆垛機操作台用人員防護裝置)	The Company	Utility Model	2016214355579	December 26, 2016	Valid
108.	Automatic fire extinguishing device for stacker carriers in battery production lines (用於電池生產線的堆垛機載貨台自動滅火裝置)	The Company	Utility Model	2016214352104	December 26, 2016	Valid
109.	An automatic opening mechanism for fire extinguishers (一種滅火器的自動開啟機構)	The Company	Utility Model	201621441250X	December 26, 2016	Valid
110.	A drawer-type shelf sorting system for multi-tier shuttle warehouses (一種用於多層穿梭庫的抽屜式貨架分揀系統)	The Company	Utility Model	2017207366249	June 22, 2017	Valid
111.	A fork-type shuttle vehicle picking system (一種貨叉式穿梭車揀選系統)	The Company	Utility Model	2017207366215	June 22, 2017	Valid
112.	A wheeled cage cart automated storage and retrieval system (一種帶輪籠車自動化立體倉庫)	The Company	Utility Model	201720732339X	June 22, 2017	Valid
113.	A cross-line truss lifting transfer machine for new energy battery restraint trays (一種新能源電池拘束盤用跨線桁架提升移載機)	The Company	Utility Model	2017213119944	October 12, 2017	Valid
114.	A size-compensating gripper for new energy battery sorting (一種帶尺寸補償的新能源電池分選夾爪)	The Company	Utility Model	2017213174068	October 12, 2017	Valid

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
115.	A high-speed stacker horizontal drive mechanism (一種高速堆垛機水平驅動機構)	The Company	Utility Model	2017213119588	October 12, 2017	Valid
116.	A compact rapid-descending fire extinguishing water tank for new energy battery production lines (一種新能源電池產線用緊湊式速降滅火水箱)	The Company	Utility Model	2017213119910	October 12, 2017	Valid
117.	A high-speed stacker overhead rail braking structure (一種高速堆垛機天軌制動結構)	The Company	Utility Model	201721317360X	October 12, 2017	Valid
118.	A three-dimensional electrical cabinet mounting structure for stackers (一種用於堆垛機的立體電櫃安裝結構)	The Company	Utility Model	201721635634X	November 29, 2017	Valid
119.	A cargo platform with floating adjustment for clearance in stackers (一種堆垛機用能浮動調節運行間隙的載貨台)	The Company	Utility Model	2017216355648	November 29, 2017	Valid
120.	A cargo platform braking mechanism for stackers (一種用於堆垛機的載貨台剎車機構)	The Company	Utility Model	2017216358097	November 29, 2017	Valid
121.	A column-type stacker crane (一種立柱式堆垛機)	The Company	Utility Model	2017216357592	November 29, 2017	Valid
122.	An air-cooled shelf (一種風冷式貨架)	The Company	Utility Model	2018205161338	April 11, 2018	Valid
123.	A trolley for picking operations in flat warehouse racks (一種用於平庫貨架揀選作業的小車)	The Company	Utility Model	2018205074842	April 11, 2018	Valid
124.	A lifting-type fire extinguishing water tank (一種升降式滅火水箱)	The Company	Utility Model	2018205079085	April 11, 2018	Valid

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No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
125.	A manual loading/unloading emergency trolley for warehouse logistics (一種用於倉儲物流的手動式上下料應急小車)	The Company	Utility Model	2018205150704	April 11, 2018	Valid
126.	A steel rope automatic coiling device (一種鋼絲繩自動卷繞裝置)	The Company	Utility Model	2018205074397	April 11, 2018	Valid
127.	A fireproof liquid containment tray for lithium-ion battery storage (一種用於鋰電池倉儲的防火接液盤)	The Company	Utility Model	2018205164444	April 11, 2018	Valid
128.	A travel safety protection device for stacker cranes (一種堆垛機行走安全防護裝置)	The Company	Utility Model	2018205072122	April 11, 2018	Valid
129.	A rapid fire extinguishing device for lithium-ion battery automated material storage systems (一種用於鋰電池自動物料存儲系統的快速滅火裝置)	The Company	Utility Model	2018205079193	April 11, 2018	Valid
130.	A mechanical steel rope length measuring device (一種鋼絲繩機械式計米裝置)	The Company	Utility Model	2018205074382	April 11, 2018	Valid
131.	An overhead-rail-free stacker crane for lithium-ion battery raw material storage/retrieval (一種用於鋰電池原材料存取的無天軌堆垛機)	The Company	Utility Model	2018205164656	April 11, 2018	Valid
132.	A material 90-degree turning device (一種物料90°轉向裝置)	The Company	Utility Model	201820507909X	April 11, 2018	Valid
133.	A workstation lifter for warehouse logistics equipment (一種用於倉儲物流設備的工位提升機)	The Company	Utility Model	2018212017153	July 26, 2018	Valid

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No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
134.	A storage and retrieval mechanism for automated three-dimensional warehouses (一種用於自動化立體倉庫的存取機構)	The Company	Utility Model	2018222298613	December 27, 2018	Valid
135.	An actuating device for movable stoppers at the interface between elevators and conveyors (一種用於提升機與輸送機接口的活動擋塊驅動裝置)	The Company	Utility Model	2018222152359	December 27, 2018	Valid
136.	A cargo platform lifting mechanism (一種載貨台提升機構)	The Company	Utility Model	2019204050101	March 28, 2019	Valid
137.	A dual-station roller transfer machine compatible with large and small pallets (一種兼容大小托盤的雙工位輓道移栽機)	The Company	Utility Model	2019204082494	March 28, 2019	Valid
138.	A 180-degree automatic goods turning mechanism (一種貨物自動翻轉180°的機構)	The Company	Utility Model	2019204050031	March 28, 2019	Valid
139.	A detection device mounting structure for roller conveyors (一種輓道輸送機的檢測裝置安裝結構)	The Company	Utility Model	2019204050065	March 28, 2019	Valid
140.	An adjustable floor guiding device (一種可調的地面導向裝置)	The Company	Utility Model	2019204119681	March 28, 2019	Valid
141.	A modular workstation lifting frame (一種拼接式工位提升機框架)	The Company	Utility Model	2019204050099	March 28, 2019	Valid
142.	A chain conveyor with flipping mechanism (一種翻轉鏈條輸送機)	The Company	Utility Model	201920404980X	March 28, 2019	Valid
143.	A chain conveyor with pneumatic stoppers (一種帶氣動阻擋的鏈條輸送機)	The Company	Utility Model	2019204049829	March 28, 2019	Valid
144.	A reversible roller conveyor (一種能翻轉的輓道機)	The Company	Utility Model	2019204050510	March 28, 2019	Valid

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No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
145.	A chain-driven shuttle car with roller lifting platform (一種帶輓道升降台的鏈條穿梭車)	The Company	Utility Model	2019204049848	March 28, 2019	Valid
146.	An anti-slip horizontal drive mechanism for stacker crane wheels (一種防堆垛機走輪打滑的水平驅動機構)	The Company	Utility Model	201920603577X	April 29, 2019	Valid
147.	A high-density rack structure for stacker cranes (一種用於堆垛機的密集型貨架結構)	The Company	Utility Model	2019206126995	April 29, 2019	Valid
148.	A lifting device for material handling (一種用於物料升降的提升裝置)	The Company	Utility Model	2019206092077	April 29, 2019	Valid
149.	An auto-calibrating weighing device (一種自動校準的稱重裝置)	The Company	Utility Model	2019206093012	April 29, 2019	Valid
150.	A non-ramp manual hydraulic truck loading lifter (一種無爬坡式手動液壓車上貨提升機)	The Company	Utility Model	2019206152006	April 29, 2019	Valid
151.	An adjustable cargo cage placement structure (一種可調節貨籠放置結構)	The Company	Utility Model	2019209701202	June 25, 2019	Valid
152.	An automatic palletized goods alignment device (一種用於碼垛貨物自動對齊的設備)	The Company	Utility Model	201920970334X	June 25, 2019	Valid
153.	A safety guard net lifting structure for racks (一種貨架安全護網提升結構)	The Company	Utility Model	2019209701518	June 25, 2019	Valid
154.	A transversable roller conveyor (可以橫移的輓道機)	The Company	Utility Model	2019211567095	July 22, 2019	Valid
155.	A shuttle vehicle for automated guided transport (AGV) docking and loading (對接自動引導運輸車上貨的穿梭車)	The Company	Utility Model	2019211567358	July 22, 2019	Valid

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No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
156.	A steel coil turning mechanism (鋼板卷料翻轉機構)	The Company	Utility Model	2019211517626	July 22, 2019	Valid
157.	A dust-proof cover for storage racks (貨架用防塵罩)	The Company	Utility Model	2019211567061	July 22, 2019	Valid
158.	A lifting transfer machine (一種頂升移栽機)	The Company	Utility Model	2019213277699	August 16, 2019	Valid
159.	A concealed flat belt winch mechanism (一種暗藏式平皮帶卷揚機構)	The Company	Utility Model	2019213278352	August 16, 2019	Valid
160.	A lifting machine (一種提升機)	The Company	Utility Model	2019213370876	August 16, 2019	Valid
161.	A pneumatic lifting machine (一種氣囊式頂升機)	The Company	Utility Model	2019213278244	August 16, 2019	Valid
162.	A side beam structure for chain conveyor equipment (一種用於鏈條輸送設備的邊梁結構)	The Company	Utility Model	2019213279567	August 16, 2019	Valid
163.	A swivel head for chain conveyor equipment (一種用於鏈條輸送設備的回轉頭)	The Company	Utility Model	2019213279336	August 16, 2019	Valid
164.	A roller transfer machine for warehouse logistics equipment (一種用於倉儲物流設備的輥道移栽機)	The Company	Utility Model	2019213278672	August 16, 2019	Valid
165.	A new-structure column (一種新結構立柱)	The Company	Utility Model	2019213277843	August 16, 2019	Valid
166.	A butterfly-style fork and its mounting structure (一種蝶式貨叉及安裝結構)	The Company	Utility Model	2019218661562	November 1, 2019	Valid
167.	An electric cylinder centering clamping device (一種電缸對中夾緊裝置)	The Company	Utility Model	2020210966404	June 15, 2020	Valid
168.	A column assembly for stacker cranes (一種用於堆垛機的立柱組件)	The Company	Utility Model	2020210973395	June 15, 2020	Valid
169.	A kind of shuttle car with movable stopping edge (一種帶活動擋邊的穿梭車)	The Company	Utility Model	2020210966353	June 15, 2020	Valid

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No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
170.	A kind of high load capacity chain conveyor (一種高承載力鏈條輸送機)	The Company	Utility Model	2020215411816	July 29, 2020	Valid
171.	A kind of pre-positioning structure for tray stacker (一種疊盤機預定位結構)	The Company	Utility Model	2020215305130	July 29, 2020	Valid
172.	A counterweight device for stacker lifting flat cables (一種用於堆垛機起升扁電纜的配重裝置)	The Company	Utility Model	2020215410599	July 29, 2020	Valid
173.	A kind of backpack type AGV roller conveyor machine (一種背馱式AGV輓道機)	The Company	Utility Model	2020230400381	December 16, 2020	Valid
174.	A kind of combined stacker cranes lower crossbeam structure (一種組合式堆垛機下橫梁結構)	The Company	Utility Model	2020230452723	December 16, 2020	Valid
175.	A kind of combining mechanism of goods and pallet on the conveyor line (一種輸送線上貨物與托盤組合的合盤機構)	The Company	Utility Model	2020233259605	December 31, 2020	Valid
176.	A kind of fork plate telescopic fork pick up pallet unstacking tray mechanism (一種叉板伸縮叉取托盤的拆疊盤機構)	The Company	Utility Model	2020233399117	December 31, 2020	Valid
177.	A kind of adjustable foot cover device (一種可調節腳套裝置)	The Company	Utility Model	2020233154124	December 31, 2020	Valid
178.	A kind of economic material box clamping type fork (一種經濟型料箱夾抱式貨叉)	The Company	Utility Model	202120455155X	March 2, 2021	Valid
179.	A locking mechanism for stacker turnouts (一種用於堆垛機道岔的鎖止機構)	The Company	Utility Model	2021204551545	March 2, 2021	Valid
180.	A flexible pallet staging equipment (一種柔性托盤中轉設備)	The Company	Utility Model	2021204560351	March 2, 2021	Valid

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No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
181.	A new type of maintenance ladder (一種新型維修爬梯)	The Company	Utility Model	2021204569479	March 2, 2021	Valid
182.	A new type of lifting table and its guiding device (一種新型升降台及其導向裝置)	The Company	Utility Model	2021204553979	March 2, 2021	Valid
183.	A synchronous belt stacker overload and broken belt detection device (一種同步帶堆垛機過載及斷帶檢測裝置)	The Company	Utility Model	2021204553998	March 2, 2021	Valid
184.	A kind of stacker loading table assembly line (一種堆垛機載貨台裝配生產線)	The Company	Utility Model	2021204554007	March 2, 2021	Valid
185.	A kind of high-precision and high-speed material box clamping type fork (一種高精度高速料箱夾抱式貨叉)	The Company	Utility Model	2021204568635	March 2, 2021	Valid
186.	Workstation Lifter (工位提升機)	The Company	Utility Model	2021204703317	March 4, 2021	Valid
187.	Tray unstacking collection device (托盤拆疊收集裝置)	The Company	Utility Model	2021204703406	March 4, 2021	Valid
188.	Side guide wheel device to prevent derailment of walking wheels (防止走輪脫軌的側導輪裝置)	The Company	Utility Model	2021204688073	March 4, 2021	Valid
189.	Frog Shrink Mechanism (蛙式收縮機構)	The Company	Utility Model	2021204703567	March 4, 2021	Valid
190.	Forklift wheel gears (叉車輪檔裝置)	The Company	Utility Model	2021204703247	March 4, 2021	Valid
191.	Chain Tensioner (鏈條張緊器)	The Company	Utility Model	2021204688270	March 4, 2021	Valid
192.	Fast and stable lift drive for hoists (提升機快速穩定的升降驅動裝置)	The Company	Utility Model	2021204746469	March 5, 2021	Valid
193.	Double column large volume stacker loading dock fire armored structure (雙立柱大體積堆垛機載貨台消防鎧裝結構)	The Company	Utility Model	2021204873271	March 5, 2021	Valid

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No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
194.	Stacker runners with lubrication protection (具有潤滑保護功能的堆垛機走輪裝置)	The Company	Utility Model	2021204746666	March 5, 2021	Valid
195.	Quick Release Shuttle with Forks (帶貨叉的快速拆裝型式穿梭車)	The Company	Utility Model	202120474362X	March 5, 2021	Valid
196.	Quick-support three-dimensional warehouse (快速支撐式立體化倉庫)	The Company	Utility Model	2021204743564	March 5, 2021	Valid
197.	Synchronous belt hanging device (同步帶吊掛裝置)	The Company	Utility Model	2021204746350	March 5, 2021	Valid
198.	Chained mobile trolley compatible with a wide range of pallets (能夠兼容多種托盤的鏈條式移動小車)	The Company	Utility Model	2021204743583	March 5, 2021	Valid
199.	A fall arrest mechanism for stacker carriers (一種用於堆垛機載貨台的防墜機構)	The Company	Invention	2018103204530	April 11, 2018	Valid
200.	A fire extinguishing device for battery storage (一種用於電池庫的滅火裝置)	The Company	Utility Model	2016214352068	December 26, 2016	Valid
201.	A butterfly-type fork and mounting structure 一種蝶式貨叉及安裝結構	The Company	Invention	2019110580970	November 1, 2019	Valid
202.	A movable fire water tank with a water trough 一種水槽可移動式消防水箱	The Company	Utility Model	2024204723719	March 12, 2024	Valid
203.	A roller conveyor 一種輥道輸送機	The Company	Utility Model	2024208059587	April 18, 2024	Valid
204.	A photoelectric component fixing bracket 一種光電元件固定支架	The Company	Utility Model	2024208059604	April 18, 2024	Valid
205.	A suspended motor bracket 一種懸掛式電機支架	The Company	Utility Model	2024208059553	April 18, 2024	Valid
206.	A flexible assembly platform for logistics conveying equipment 一種物流輸送設備柔性化裝配平台	The Company	Utility Model	2024211512924	May 24, 2024	Valid

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No.	Patent	Name of registered owner	Patent Category	Patent Number	Date of application	Status
207.	A robotic variable-pitch gripper device 機械手變距夾爪裝置	The Company	Utility Model	2024217464765	July 23, 2024	Valid

(c) Software Copyrights

As of the Latest Practicable Date, we had registered the following software copyrights in the PRC which we consider to be or may be material to our business:

No.	Name of Software	Name of registered proprietor	Registration number	Date of registration
1. . .	AS/RS Monitoring System (立庫監控系統)	The Company	2012SR123759	December 13, 2012
2. . .	Zhongding Intelligent Data Analytics Software (中鼎智能數據分析軟件)	The Company	2013SR122473	November 9, 2013
3. . .	Zhongding AS/RS Current & Voltage Control Software (中鼎立庫電流電壓控制軟件)	The Company	2013SR125394	November 13, 2013
4. . .	Zhongding AS/RS Interactive System Software (中鼎立庫交互系統軟件)	The Company	2013SR140130	December 6, 2013
5. . .	Zhongding AS/RS Monitoring System Software (中鼎立庫監控系統軟件)	The Company	2015SR029624	February 11, 2015
6. . .	Zhongding Automated Packaging System Software (中鼎自動包裝系統軟件)	The Company	2015SR029637	February 11, 2015
7. . .	Zhongding AS/RS Monitoring Software (中鼎立庫監控軟件)	The Company	2015SR107164	June 16, 2015
8. . .	Zhongding Pharmaceutical Logistics Management Software (中鼎藥品流通管理軟件)	The Company	2015SR109101	June 17, 2015
9. . .	Zhongding Paper Products Warehouse & Logistics Management Software (中鼎紙類產品倉儲物流管理軟件)	The Company	2015SR136362	July 17, 2015
10. . .	Zhongding Production Material Delivery Management Software (中鼎生產物料交付管理軟件)	The Company	2015SR207948	October 28, 2015

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No.	Name of Software	Name of registered proprietor	Registration number	Date of registration
11. . .	Zhongding Battery Finished Goods Warehouse Management Software (中鼎電池成品庫房管理軟件)	The Company	2017SR738083	December 27, 2017
12. . .	Zhongding Battery Finished Goods Warehouse Monitoring Software (中鼎電池成品庫房監控軟件)	The Company	2017SR738004	December 27, 2017
13. . .	Zhongding AS/RS Management System Software (PHP Edition) (中鼎立體倉庫管理系統軟件PHP版)	The Company	2017SR736241	December 27, 2017
14. . .	Zhongding Automotive Parts AS/RS Management System Software (中鼎汽車零部件立體倉庫管理系統軟件)	The Company	2017SR738146	December 27, 2017
15. . .	Zhongding New Energy Formation & Testing Intelligent Dispatch Management System Software (中鼎新能源化成測試智能調度管理系統軟件)	The Company	2017SR737178	December 27, 2017
16. . .	Zhongding New Energy Formation & Testing Intelligent Dispatch Monitoring System Software (中鼎新能源化成測試智能調度監控系統軟件)	The Company	2017SR739261	December 28, 2017
17. . .	Zhongding FTS Formation Testing Production Management System Software (中鼎FTS化成測試生產管理系統軟件)	The Company	2019SR0103401	January 29, 2019
18. . .	Zhongding PCS Production Process Management Software (中鼎PCS生產流程管理軟件)	The Company	2019SR0110117	January 30, 2019
19. . .	Zhongding Shipbuilding Insulation Material Production Traceability Management Software (中鼎船舶保溫材料生產追溯管理軟件)	The Company	2019SR0102730	January 29, 2019
20. . .	Zhongding Electronic Data Integration Platform Software (中鼎電子數據對接平台軟件)	The Company	2019SR0110112	January 30, 2019
21. . .	Zhongding Integrated AS/RS Tire Sorting Software (中鼎集成立庫系統輪胎分揀軟件)	The Company	2019SR0104094	January 29, 2019

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No.	Name of Software	Name of registered proprietor	Registration number	Date of registration
22. . .	Zhongding Automotive Parts AS/RS Management System Software (中鼎汽車零部件立體倉庫管理系統軟件)	The Company	2019SR0108966	January 30, 2019
23. . .	Zhongding Automotive Tire Production Process Management Platform Software (中鼎汽車輪胎生產過程管理平台軟件)	The Company	2019SR0104523	January 29, 2019
24. . .	Zhongding Log Retrieval Platform Software (中鼎日誌檢索平台軟件)	The Company	2019SR0115099	January 31, 2019
25. . .	Zhongding Production Equipment Anomaly Management Software (中鼎生產設備異常管理軟件)	The Company	2019SR0112567	January 30, 2019
26. . .	Zhongding Intelligent equipment control platform software (中鼎智能設備管控平台軟件)	The Company	2019SR0110163	January 30, 2019
27. . .	Zhongding Integrated Logistics Transportation Management System Software (中鼎集成物流運輸管理系統軟件)	The Company	2020SR0438414	May 12, 2020
28. . .	Zhongding FMS Flexible Manufacturing Scheduling Management Software (中鼎FMS柔性生產調度管理軟件)	The Company	2021SR2041011	December 10, 2021
29. . .	Zhongding WMS Warehouse Management Software (中鼎WMS倉庫管理軟件)	The Company	2021SR2041012	December 10, 2021
30. . .	Zhongding WCS Equipment Monitoring Software (中鼎WCS設備監控軟件)	The Company	2021SR2040840	December 10, 2021
31. . .	Zhongding Stacker Crane Scheduling & Picking Optimization System Software V1.0 (AI-Based Algorithm) (中鼎基於智能算法的堆垛機調度與揀選優化系統軟件 V1.0)	The Company	2023SR0162082	January 30, 2023
32. . .	Zhongding AS/RS Smart Location Optimization Algorithm Software (中鼎立體智能庫倉位優選算法軟件)	The Company	2024SR0073090	January 10, 2024

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No.	Name of Software	Name of registered proprietor	Registration number	Date of registration
33. . .	Zhongding Stacker Crane Location Auto-Measurement & Foundation Settlement Testing Software (中鼎堆垛機庫位自動測量與地基沉降測試軟件)	The Company	2024SR0350317	March 5, 2024
34. . .	Zhongding Large Component Spatial Dimension Optical Measurement System V1.0 (中鼎大部件空間尺寸光學測量系統V1.0)	The Company	2024SR1213442	August 20, 2024
35. . .	Zhongding AS/RS Spatial Geometry Parameter Optical Measurement Software V1.0 (中鼎立體倉庫空間幾何參數光學測量軟件V1.0)	The Company	2024SR1228225	August 22, 2024
36. . .	Zhongding Robotic Battery Cell Sorting & Tray Assembly System (中鼎機器人電芯分選組盤系統)	The Company	2024SR1519478	October 14, 2024
37. . .	Soft-pack Battery Appearance Defect Detection System V1.0 (軟包電池外觀缺陷檢測系統V1.0)	The Company	2025SR0923001	June 4, 2025
38. . .	Zhongnuo Automated Warehouse AGV Control System Software V1.0 (中諾自動化立體倉庫自動輸送車控制系統軟件V1.0)	Wuxi Zhongnuo	2021SR1027894	July 13, 2021
39. . .	Zhongnuo Automated 3D Warehouse Storage System Software V1.0 (中諾倉庫立體化存儲自動化系統軟件V1.0)	Wuxi Zhongnuo	2021SR1027886	July 13, 2021
40. . .	Zhongnuo 3D Panoramic Intelligent Warehouse Management System Software V1.0 (中諾三維全景智能倉庫管理系統軟件V1.0)	Wuxi Zhongnuo	2021SR1027843	July 13, 2021
41. . .	Zhongnuo Warehouse Management Label Control Software V1.0 (中諾倉庫管理標籤控制軟件V1.0)	Wuxi Zhongnuo	2021SR1027895	July 13, 2021
42. . .	Zhongnuo WCS Warehouse Automation Control System Software V1.0 (中諾WCS倉儲自動化控制系統軟件V1.0)	Wuxi Zhongnuo	2021SR2225788	December 30, 2021
43. . .	Zhongnuo WCS Production Line Control & Management Software V1.0 (中諾WCS生產線控制管理軟件V1.0)	Wuxi Zhongnuo	2021SR2221370	December 30, 2021

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No.	Name of Software	Name of registered proprietor	Registration number	Date of registration
44. . .	Zhongnuo Intelligent WCS Warehouse Control System Software V1.0 (中諾智能WCS倉儲控制系統軟件V1.0)	Wuxi Zhongnuo	2021SR2220740	December 30, 2021
45. . .	Zhongnuo WCS-based Standard Intelligent E-Commerce System Application Software V1.0 (中諾基於WCS的標準智能化電子商務系統應用軟件V1.0)	Wuxi Zhongnuo	2021SR2221371	December 30, 2021
46. . .	Zhongnuo WCS Equipment Overall Effectiveness System Software Abbr.: WCS OEE System V1.0 (中諾WCS設備綜合效率系統軟件簡稱: WCS OEE系統V1.0)	Wuxi Zhongnuo	2023SR0319258	March 13, 2023
47. . .	Zhongnuo WMS Warehouse Management System Software V2.0 (中諾WMS倉庫管理系統軟件V2.0)	Wuxi Zhongnuo	2023SR0296970	March 2, 2023
48. . .	Zhongnuo Wireless Intelligent WMS (Warehouse Management System) Software V1.0 (中諾WMS無線智能倉庫管理系統軟件V1.0)	Wuxi Zhongnuo	2021SR1027887	July 13, 2021
49. . .	Zhongnuo Battery Cell Management System V1.0 (中諾電芯管理系統V1.0)	Wuxi Zhongnuo	2023SR1408507	November 9, 2023
50. . .	Zhongnuo OMS (Order Management System) Software (中諾OMS訂單管理系統軟件)	Wuxi Zhongnuo	2024SR0010535	January 2, 2024
51. . .	Zhongnuo Intelligent Warehouse Management System (IWMS) (中諾智能倉儲管理系統)	Wuxi Zhongnuo	2024SR1148730	August 8, 2024
52. . .	Zhongnuo Warehouse Digital Twin System Software (中諾倉儲數字孿生系統軟件)	Wuxi Zhongnuo	2024SR1198140	August 16, 2024
53. . .	Zhongnuo FMS (Flexible Manufacturing System) Production Scheduling & Management System (中諾FMS柔性化生產調度管理系統)	Wuxi Zhongnuo	2024SR1871322	November 22, 2024
54. . .	Zhongnuo centralized monitoring platform (中諾集中監控平台)	Wuxi Zhongnuo	2024SR1872307	November 22, 2024

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No.	Name of Software	Name of registered proprietor	Registration number	Date of registration
55. . .	Zhongnuo Loop-Through Dispatch System (中諾環穿調度系統)	Wuxi Zhongnuo	2024SR2117010	December 18, 2024
56. . .	Zhongnuo Warehouse Control System [Abbreviation: WCS] V10.0 (中諾倉儲控制系統 [簡稱:WCS]V10.0)	Wuxi Zhongnuo	2025SR0192230	February 5, 2025

(d) Domain Name

As of the Latest Practicable Date, we had registered the following domain name in the PRC which we consider to be or may be material to our business:

No.	Domain name	Registrant	Date of registration	Expiry date
1.	zajc.cn	The Company	May 24, 2015	May 24, 2026
2.	zintegration.com	The Company	February 23, 2017	February 23, 2026

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

3. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Disclosure of Interests

(a) *Interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of our Company and our associated corporations*

The following table sets out the interests and short positions of our Directors and chief executive of our Company immediately following completion of the [REDACTED] (assuming that the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised), underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are 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 to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once our Shares are [REDACTED]:

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Name	Capacity/Nature of interest	Description of Shares ⁽¹⁾	Number of Shares (L) ⁽²⁾	Approximate percentage of shareholding in the Unlisted Shares/H Shares immediately after completion of the [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised) ⁽³⁾	Approximate percentage of shareholding in the total Share capital immediately after completion of the [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised) ⁽³⁾
				(%)	(%)
Mr. Ding.	Interest in a controlled corporation ⁽⁴⁾	Unlisted Shares	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Chen Lisheng (陳黎升). . . .	Interest in a controlled corporation ⁽⁵⁾	Unlisted Shares	[REDACTED]	[REDACTED]	[REDACTED]
	Beneficial owner ⁽⁶⁾	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Yang Tianbiao (楊天彪) . . .	Beneficial owner ⁽⁶⁾	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Li Xiaobing (李小兵)	Beneficial owner ⁽⁶⁾	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Du Jing (杜晶)	Beneficial owner ⁽⁶⁾	H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Su Tong (蘇彤)	Beneficial owner ⁽⁶⁾	H Shares	[REDACTED]	[REDACTED]	[REDACTED]

- (1) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.
- (2) The letter (L) denotes the person’s long position in the Shares.
- (3) The calculation is based on the total number of [REDACTED] Unlisted Shares and [REDACTED] H Shares in issue upon [REDACTED] (assuming the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme are not exercised).
- (4) As at the Latest Practicable Date, Noblelift Company held 119,515,440 Shares, representing approximately 99.60% of the issued Shares. Noblelift Company was in turn held as to approximately 34.54% in aggregate by Mr. Ding (our executive Director and chairman of the Board) and Mr. Ding Yi (the father of Mr. Ding) and Ms. Mao Ying (the spouse of Mr. Ding Yi), who are together parties acting in concert. By virtue of the SFO, each of Mr. Ding, Mr. Ding Yi and Ms. Mao Ying is deemed to be interested in the Shares held by Noblelift Company.
- (5) Wuxi Dinghong is an employee incentive shareholding platform of our Company. As at the Latest Practicable Date, Wuxi Dinghong held 484,560 Shares, representing approximately 0.40% of the issued Shares. Mr. Chen Lisheng (陳黎升) is the general partner of Wuxi Dinghong, as such, by virtue of SFO, Mr. Chen Lisheng (陳黎升) is deemed to be interested in the Shares held by Noblelift Company.
- (6) Each of Mr. Chen Lisheng (陳黎升), Mr. Yang Tianbiao (楊天彪), Mr. Li Xiaobing (李小兵), Ms. Du Jing (杜晶) and Mr. Su Tong (蘇彤) was granted options under the [REDACTED] Share Option Scheme to subscribe for 3,160,000 Shares, 2,000,000 Shares, 1,100,000 Shares, 1,000,000 Shares and 400,000 Shares, respectively. For details, see “Statutory and General Information — 5. [REDACTED] Share Option Scheme” in Appendix VI to this document.

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(b) Interests of the substantial shareholders in the Shares

Save as disclosed in the section headed “Substantial Shareholders” in this document, immediately following the completion of the [REDACTED] and without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme, our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

B. Particulars of Directors’ Service Contracts

We [have entered] into a contract with each of our Directors in respect of, among other things, compliance with relevant laws and regulations, and observance of the Articles of Association.

Save as disclosed in this document, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

C. Emoluments of Directors

Save as disclosed in “Directors and Senior Management” and Note 8 to the Accountants’ Report set out in Appendix I to this document for the three years ended December 31, 2023, 2024 and 2025, none of our Directors received other remunerations or benefits in kind from us.

D. Disclaimers

Save as disclosed in this document:

- (a) none of our Directors or our chief executive has any interest or short position in the Shares, underlying Shares or debentures of us or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, 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 to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [REDACTED] on the Stock Exchange;
- (b) none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant

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to the exercise of the [REDACTED] and the options granted under the [REDACTED] Share Option Scheme), have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

- (c) to the knowledge of our Directors, as of the Latest Practicable Date, none of our Directors and their respective associates (as defined under the Listing Rules) or any Shareholders holding more than 5% of our issued share capital had any interests in our five largest customers or our five largest suppliers in each year during the Track Record Period; and
- (d) save as disclosed in this document, none of our Directors or any of the parties listed in “Qualifications of Experts” of this appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group;
 - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business.

4. RESTRICTED SHARE INCENTIVE PLAN

We have approved and adopted the Restricted Share Incentive Plan on October 30, 2024. The Restricted Share Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules as the Restricted Share Incentive Plan do not involve the grant of new shares or awards by our Company after the [REDACTED]. Our Company has established Wuxi Dinghong as the relevant incentive platform. As of the Latest Practicable Date, Wuxi Dinghong held 484,560 Shares before the completion of the [REDACTED]. For details of Wuxi Dinghong, please refer to the paragraph headed “History, Development and Corporate Structure — Incentive Platform” in this document.

5. [REDACTED] SHARE OPTION SCHEME

The adoption of the [REDACTED] Share Option Scheme has been approved by our Shareholders in a shareholders’ meeting on April 30, 2025. All options under the [REDACTED] Share Option Scheme have been granted on April 30, 2025. No further options will be granted under the [REDACTED] Share Option Scheme.

The following is a summary of the principal terms of the [REDACTED] Share Option Scheme which became effective on April 30, 2025. The terms of the [REDACTED] Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of options by the Company after the [REDACTED].

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(a) Purpose

The purpose of the [REDACTED] Share Option Scheme is to further establish and improve our Company’s long-term incentive mechanism, attract and retain outstanding talents, fully motivate the core team of our Company, and effectively align the interests of Shareholders, our Company, and key members of the core team, thereby fostering a shared commitment to the Company’s sustainable development.

(b) Administrations

Our Board is authorized for the implementation of the [REDACTED] Share Option Scheme.

(c) Eligibility

The eligible participants of the [REDACTED] Share Option Scheme (the “**Eligible Participants**”) are the directors, senior management, core management personnel and core technical and business personnel of our Company, its subsidiaries and branches, excluding (i) independent Directors; (ii) any shareholder who holds more than 5% of the Company’s issued share capital, either individually or collectively; and (iii) the actual controller of the Company and his or her spouse, parents and/or children.

All the Eligible Participants shall have employment or labour service relationships with our Company, its subsidiaries or branches at the time of grant of options by our Company and within the appraisal period under the [REDACTED] Share Option Scheme.

(d) Grantees

There are total 74 grantees under the [REDACTED] Share Option Scheme (the “**Grantees**”), which includes five Directors, two senior management members (other than Directors) and 67 other employees of our Company, its subsidiaries and branches.

(e) Maximum Number of Shares

The number of Shares to be granted under the [REDACTED] Share Option Scheme is 18,000,000 Shares, representing approximately 15.0% of the issue share capital of the Company as at the date of approval of the [REDACTED] Share Scheme. The Shares to be granted under the [REDACTED] Share Option Scheme does not exceed 20% of the issued share capital of the Company.

During the period from the option grant date to the completion date of exercise of the option, the exercise price of the option or the number of options granted will be adjusted accordingly in the event of capitalization of capital reserves, bonus issue, share subdivision or share consolidation, right issue or dividend distribution of the Company.

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(f) Source of Shares

The underlying Shares under the [REDACTED] Share Option Scheme are the H shares to be issued to the Grantees by the Company. The Company will not grant any option under the [REDACTED] Share Option Scheme after [REDACTED].

(g) Date of grant

The date of grant of the options under the [REDACTED] Share Option Scheme is April 30, 2025. No consideration was paid for the grant of such options.

(h) Validity

The [REDACTED] Share Option Scheme shall be valid and effective for the period of 72 months from the [REDACTED].

(i) Exercising arrangement and exercising period

The relevant waiting period (the “**Waiting Period**”) shall be the relevant period from the date of grant of the options to before the vesting of the relevant options.

The relevant options granted under the [REDACTED] Share Option Scheme shall enter into the exercising period after the expiry of the relevant Waiting Period. The exercising date shall be a trading day. Details of the vesting schedule, exercising period and exercising arrangements for all options granted under the [REDACTED] Share Option Scheme are as follows:

Exercising arrangement	Exercising period	Exercising proportion
First vesting date and the first exercising period	The first vesting date shall be the first trading day after seven months from the [REDACTED], and the exercising period of the first tranche of vested options shall be (i) the period from the first trading day after seven months from the [REDACTED] to the last trading day within eight months from the [REDACTED]; and (ii) the period from the first trading day after 13 months from the [REDACTED] to the last trading day within 14 months from the [REDACTED]	40%

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Exercising arrangement	Exercising period	Exercising proportion
Second vesting date and the second exercising period . .	The second vesting date shall be the first trading day after 19 months from the [REDACTED], and the exercising period of the second tranche of vested options shall be (i) the period from the first trading day after 19 months from the [REDACTED] to the last trading day within 20 months from the [REDACTED]; and (ii) the period from the first trading day after 25 months from the [REDACTED] to the last trading day within 26 months from the [REDACTED]	20%
Third vesting date and the third exercising period	The third vesting date shall be the first trading day after 31 months from the [REDACTED], and the exercising period of the third tranche of vested options shall be (i) the period from the first trading day after 31 months from the [REDACTED] to the last trading day within 32 months from the [REDACTED]; and (ii) the period from the first trading day after 37 months from the [REDACTED] to the last trading day within 38 months from the [REDACTED]	20%
Fourth vesting date and the fourth exercising period . . .	The fourth vesting date shall be the first trading day after 43 months from the [REDACTED], and the exercising period of the fourth tranche of vested options shall be (i) the period from the first trading day after 43 months from the [REDACTED] to the last trading day within 44 months from the [REDACTED]; and (ii) the period from the first trading day after 49 months from the [REDACTED] to the last trading day within 50 months from the [REDACTED]	20%

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The actual amount of options of each tranche that can be exercised is subject to the proportion of options being vested as determined by the key performance indicator score achieved for the relevant year, as further described below.

For options that have been vested and become exercisable but not fully exercised during the relevant exercising period, the rights to such portion of options that have been vested and become exercisable but not exercised during the relevant exercising period shall be carried over to the next exercising periods, provided that such options shall not be exercisable after the last trading day within 50 months from the [REDACTED] and shall be cancelled by our Company.

(j) Performance targets

The Remuneration Committee of the Company will determine the proportion of options that can be vested on the relevant vesting date for each Grantee based on his/her key performance indicator achievement score during each assessment year as follows:

Key performance indicator achievement score	Below 85	Between 85 (inclusive) and up to below 90	90 or above
Proportion of options that can be exercised	0%	50%	100%

In accordance with the key performance indicator achievement score, if the Grantee is not entitled to exercise any options or only entitled to exercise portion of the options granted due to failure to meet the vesting condition, such portion of relevant options not exercisable due to failure to meet the vesting condition during the year shall be cancelled by our Company.

(k) Exercise Price

The exercise price of the options under the [REDACTED] Share Option Scheme is RMB5.83 per Share. The said exercise price was determined with reference to the asset valuation report issued by an independent valuer, and in conjunction with factors such as the incentive nature of the options and the contribution of the Grantees to our Company, provided that the exercise price shall not be lower than the net asset value per Share as of December 31, 2024.

(l) Rights and restrictions attached to the [REDACTED] Share Option Scheme

The Grantees who are granted options under the [REDACTED] Share Option Scheme shall abide by the rights and obligations under the [REDACTED] Share Option Scheme and relevant laws and regulations.

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Options under the [REDACTED] Share Option Scheme shall not be transferred, used as security or to repay debts before exercising.

If the Grantee leaves the Group as a result of resignation, layoffs, expiry of labour agreement or termination of the labour agreement by mutual agreement, the portion of options granted but not yet exercised shall not be exercised, and shall be cancelled by the Company. If the Grantee leaves the Group due to retirement, the options granted to the relevant Grantee shall continue to function following the procedures of the [REDACTED] Share Option Scheme, and the Board shall be entitled to determine waiving the result of the personal assessment from the vesting condition of the option. If the Grantee leaves the Group as a result of loss of labour capability, then (i) if the loss of labour capability is the result of performing his job duty, then the options granted to the relevant Grantee shall continue to function following the procedures of the [REDACTED] Share Option Scheme prior to such loss of labour capability, and the Board shall be entitled to determine waiving the result of the personal assessment from the vesting condition of the option; and (ii) if the loss of labour capability is unrelated to his performance of his job duty, then the portion of options granted but not yet exercised shall not be exercised, and shall be cancelled by the Company. If the Grantee passed away as a result of performing his job duty, then the options shall be held by his successor, and shall continue to function following the procedures of the [REDACTED] Share Option Scheme prior to such passing, and the Board shall be entitled to determine waiving the result of the personal assessment from the vesting condition of the option. If the Grantee passes away for reasons other than performing his work duty, then the portion of options granted but not yet exercised shall not be exercised, and shall be cancelled by the Company.

(m) Outstanding Share Options Granted under the [REDACTED] Share Option Schemes

As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding options granted under the [REDACTED] Share Option Scheme amounted to 18,000,000 Shares, representing approximately [REDACTED]% of the issued Shares immediately following the completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and assuming the options granted under the [REDACTED] Share Option Schemes are fully exercised).

Assuming full exercise of all outstanding options granted under the [REDACTED] Share Option Scheme, the shareholding of our Shareholders immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), will be diluted by approximately [REDACTED]%. The dilution effect on our earnings per Share would be approximately [REDACTED]%.

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Below is a list of the grantees who are Directors and members of senior management under the [REDACTED] Share Option Scheme. No further options are expected to be granted under the [REDACTED] Share Option Schemes.

Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting Date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] (assuming no exercise of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
(RMB)								
Directors and senior management								
Directors								
Chen Lisheng (陳黎升)	Room 2, Building 87, Rongjun Residential Quarter, Binhe Avenue, Huangjiawan Community Committee, Zhicheng Subdistrict, Changxing County, Huzhou City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	3,160,000	[REDACTED]%
Yang Tianbiao (楊天彪)	Room 1103, Building 10, Donghu Lin Yu, Suzhou Industrial Park, Suzhou, Jiangsu, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	2,000,000	[REDACTED]%
Li Xiaobing (李小兵)	Room 1202, Block 9, Shengshi Mingyuan, Yuecheng District, Shaoxing City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	1,100,000	[REDACTED]%

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Approximate % of issued shares immediately after completion of the exercise of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)							
Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting Date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options
(RMB)							
Du Jing (杜晶)	Room 401, Unit 3, Building 18, Lily Quarter, Shuimuheadu Community Zhicheng Subdistrict, Changxing County, Huzhou City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	1,000,000
Su Tong (蘇彤)	Room 402, No. 56, Lane 500, Baodi Road, Baoshan District, Shanghai, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	400,000
Senior Management							
Dai Wenbin (戴文斌)	COZI Apartment Building A+ (room 225), No. 995 Shenbin Road, Minhang District, Shanghai	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	1,000,000
Feng Yixin (馮一新)	Room 601, No. 110, Cuizhu Garden, Luoshe Town, Huishan District, Wuxi City, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	600,000
Total outstanding share options of the Directors and senior management							9,260,000
							[REDACTED]%

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Below is a list of remaining 67 grantees who have been granted options to subscribe for Shares under the [REDACTED] Share Option Scheme:

Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
(RMB)								
Lu Hongjun (劉宏俊)	Room 603, No. 28, Liedimiao Street, Jingjiang City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Wu Wangying (吳望嬰)	12-113, Huanxi Xincun, Xiacheng District, Hangzhou City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Liu Fangyuan (劉方元)	Huanren Manchu Autonomous County, Benxi City, Liaoning Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	240,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share (RMB)	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Qin Yuwen (秦鈺雯)	Unit 3, Entrance 1, Building 1, No. 28, Jiefang South Road, Pingshan District, Benxi City, Liaoning Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Chen Weiyong (陳偉勇)	Room 2003, Building 4, Meigui Xiangti Jiayuan, Xishan District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Gai Yuchun (蓋宇春)	No. 1-1, Qingchun East Road, Jiangan District, Hangzhou City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Zhuo Yongdong (褚永東)	Room 14, Unit 10, Building 354, No. 497, Beijing Road, Panlong District, Kunming City, Yunnan Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Liu Xiaodong (劉曉棟)	Room 501, No. 116, Zhonglian Xincun, Nanchang District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Zhao Pei (趙培)	Room 103, No. 19, Jinkui Li, Binhu District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share (RMB)	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Bao Yuxiang (包毓祥)	No. 234-1, Fujian Road, Lanjiang Subdistrict, Lanxi City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Zhou Yifeng (周益峰)	Room 603, Building 6, Shile Xincun, Mudu Town, Wuzhong District, Suzhou City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Jiang Zhixiang (蔣智湘)	No. 288, East Street, Canglang District, Suzhou City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Zhan Chengjian (詹城建)	No. 170, Chenkou Village, Lincheng Town, Xinghua City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	80,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share (RMB)	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Zhu Lin (朱林)	Room 901, No. 547, Lixiang Chengshi Huayuan, Huishan District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	80,000	[REDACTED]%
Gao Jinhui (高錦輝)	No. 156, Bensiting Group, Chebei Village, Zhutan Town, Wanzai County, Yichun City, Jiangxi Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Li Gaoshang (李高尚)	No. 8, Group 3, Zhouzhaizhi, Liangzhai Town, Feng County, Xuzhou City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
He Xiaofeng (何曉風)	Room 1502, No. 43, Jinke Dongfang ShuiXie, Chong'an District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83 (RMB)	200,000	[REDACTED]%
Li Jianfeng (李建豐)	No. 416, Group 9, Tangjiazhuang, Tangjia Village, Pizheng Town, Pizhou City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Pu Hongwei (濮紅偉)	No. 23, Xiagen Natural Village, Da Dian Village, Huaxi Subdistrict, Changxing County, Huzhou City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Shen Qunchao (沈群超)	Room 103, No. 10, Lane 17, Pusong North Road, Changning District, Shanghai, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Zhou Yu (周瑜)	No. 12-1, Xujiabang Natural Village, Xujiabang Village, Zhicheng Town, Changxing County, Huzhou City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Hu Jing (胡靖)	Room 602, Unit 2, Building 1, Sanshi Yuan, Zhicheng Town, Changxing County, Huzhou City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
						(RMB)		
Zhang Jian (張健)	No. 200, Xiaolingwei Street, Xuanwu District, Nanjing City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Shao Jianhong (邵建宏)	Room 703, No. 909, Ludi Shiji Cheng, Huishan District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Zhao Yun (趙贊)	No. 7, Kuangqiaotou, Yangshi Baojian Village, Luoshe Town, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
						(RMB)		
Wang Run (王潤)	No. 8, Qianxiang Lane, Huaqi Village, Luoshe Town, Huishan District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Yuan Zhuo (袁茁)	Room 403, Entrance 2, Building C9, Hongqi Jiayuan, Chaoyang District, Changchun City, Jilin Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	80,000	[REDACTED]%
Yan Nan (晏南)	No. 49, Group 4, Yanxu, Fengyun Village, Shuji Town, Xinyi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Li Haijian (李海健)	No. 55, Zhangzhuang Group, Xige Village, Jinhu Subdistrict Office, Jianhu County, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Xu Xiangcheng (徐向成)	No. 55, Wengchuan Natural Village, Heshan Village, Yinkeng Township, Kaihua County, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Gao Xiang (高祥)	No. 24, Liuyuan Group, Jinyan Village, Maotanchang Town, Jin'an District, Lu'an City, Anhui Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
						(RMB)		
Li Ziguo (李子國)	No. 58, Area 4, Meng Village, Dongping Subdistrict Office, Dongping County, Shandong Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%
Zhang Xiaofeng (張囡峰)	Room 302, No. 30, Changshun Yuan, Nanchang District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Li Yang (李揚)	Hou Shangjiao Village Group, Majia Village, Shixia Township, Zuoquan County, Shanxi Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	200,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share (RMB)	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Wang Chunlong (王春龍)	Room 702, No. 40, Baile Shangye Guangchang, Huishan District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Cai Xu (蔡旭)	Room 601, No. 52, Mengli Zhongjie, Luoshe Town, Huishan District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Zhang Mei (張梅)	Room 2002, No. 261, Dongwang Jingyuan, Xishan District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share <i>(RMB)</i>	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Wang Yun (汪賢)	Room 303, No. 81, Xi Yuan, Beitang District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Xie Weiwei (謝維維)	No. 45, Group 6, Yongxu Village, Hai'an Town, Hai'an County, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Yan Tong (閆通)	Qianyanzhuang Village, Chengguan Town, Xiayi County, Henan Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Zhang Jue (張覺)	No. 27-1, Sanmian Xincun, Beitang District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share (RMB)	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Zhou Xin (鄒鑫)	Room 404, No. 229, Xin'an Huayuan, Xin District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Wang Jiasheng (王嘉晟)	Room 202, No. 74, Huilong Xincun, Beitang District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Teng Jian (滕劍)	Room 601, No. 51, Sheng'an Huayuan, Huishan District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share (RMB)	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Zhang Zifu (張紫富)	No. 19, Liutang Village, Fuling Village Committee, Mochuan Township, Xing'an County, Guangxi, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Gong Wei (龔偉)	Room 402, Building 7, No. 14, Lane 30, Junshan Road, Jiangyin City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Wu Haixing (吳海星)	No. 21, Group 6, Xinhua Village, Panwan Town, Sheyang County, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Zhou Xing (周星)	Room 303, No. 319, Xi'nan Xincun, Binhu District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Wu Shubin (吳曙斌)	Room 503, No. 171, Sheng'an Ercun, Beitang District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Zhang Wei (張偉)	Room 205, Building 8, Mufu Xincun, Gulou District, Nanjing City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Xu Hui (徐輝)	No. 163, Taishan South Road, Jingyang District, Deyang City, Sichuan Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share (RMB)	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Yan Xin (嚴鑫)	Room 406, Building 11, No. 3 (or Yard 3), Guoqing Xincun, Taixing Town, Taixing City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Zhou Wei (周偉)	No. 32, Jiangyang Xincun, Guonan Village, Gushan Town, Jiangyin City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Wu Haijian (吳海劍)	Room 1702, No. 325, Xiao Tian’e Nanyuan, Beitang District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Fei Guohua (費國華)	No. 15, Zhangfei Natural Village, Songgao Village, Hongxingqiao Town, Changxing County, Huzhou City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Guan Weiping (管惟平)	No. 41, Xiaozhou Xincun, Luoshe Town, Huishan District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Zheng Fangchao (鄭方超) . . .	Yuquan Village, Si'an Town, Changxing County, Huzhou City, Zhejiang Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	80,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Liu Zhengtao (劉政濤)	No. 266, Zhishanzhuang Village, Xujiahu Town, Yishui County, Shandong Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	80,000	[REDACTED]%
Chen Yijun (陳奕軍)	Room 102, No. 33, Xihang Xincun, Beitang District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Wang Minju (王敏菊)	No. 17, Ezi'an, Wama Village, Luoshe Town, Huishan District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share (RMB)	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Sun Hao (孫浩)	No. 15, Group 6, Sunzhuang Village, Boli Town, Huai'an District, Huai'an City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Ding Rongrong (丁榮榮)	Room 1303, No. 21, Zijin Yingjun Dongyuan, Binhu District, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	80,000	[REDACTED]%
Dai Tianyi (戴天驥)	Room 705, Building 39, Rongcheng Huayuan, Xiangcheng District, Suzhou City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share (RMB)	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
Zhao Xiaohui (趙曉慧)	30-301, Tianqi Cheng, Luoshe Town, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%
Zhao Yiwei (趙義偉)	Hongqi Group, Dongyang Village, Wengdun Township, Jin'an District, Lu'an City, Anhui Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	120,000	[REDACTED]%
Lyu Ning (呂寧)	8th and 16th Floors, Tower A, China Investment International Business Centre, 1061 Xiangmei Road, Futian District, Shenzhen City, Guangdong Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED]%

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Name of grantees under the [REDACTED] Share Scheme	Address	Date of grant	Expiry date	Vesting date	Exercising period	Exercise price per Share	Number of Shares underlying the outstanding options	Approximate % of issued shares immediately after completion of the [REDACTED] and full exercise of the options granted under the [REDACTED] Share Option Scheme)
						(RMB)		
Zhou Shuang (周爽)	Room 302, No. 57, Huarun Zhidi Gongyuan Jiuli, Wuxi City, Jiangsu Province, China	April 30, 2025	(Note 1)	(Note 2)	(Note 3)	5.83	100,000	[REDACTED] %
Total							8,740,000	[REDACTED] %

Notes:

- 1. The options shall not be exercisable after the last trading day within 50 months from the [REDACTED].
- 2. For the vesting schedule of the options, please refer to the sub-paragraph “(i) Exercising arrangement and exercising period” above.
- 3. For the exercising period of the options, please refer to the sub-paragraph “(i) Exercising arrangement and exercising period” above.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

6. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

B. Litigation

Except as disclosed in this document, as of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our Group’s results of operations or financial condition, taken as a whole.

C. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses for the purpose of the Listing Rules.

D. Promoter

Our Promoters are Noblelift Company and Wuxi Dinghong. Save as disclosed in this document, within the two years preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any Promoter in connection with the [REDACTED] and the related transactions described in this document.

E. No Material Adverse Change

Our Directors confirmed that, up to the date of this document, there has been no material adverse change in the financial or trading position or prospect of our Group since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

APPENDIX VI STATUTORY AND GENERAL INFORMATION

F. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this document are as follows:

Name	Qualifications
Guotai Junan Capital Limited	Licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Jingtian & Gongcheng	PRC legal advisors
China Insights Industry Consultancy Limited	Industry consultant
Zhe Jiang Zhong Cheng Lawyer’s Office (浙江眾成律師事務所)	Special litigation counsel
Pan-China Certified Tax Agents Limited	Tax consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

G. Consents

Each of the experts named in paragraph headed “— F. Qualifications of Experts” in this section has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters and/or the references to their names included herein in the form and context in which they are respectively included.

H. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The total sponsor’s fee paid and payable to the Sole Sponsor in connection with the [REDACTED] payable by our Company is US\$500,000.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

I. Binding Effect

This document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

J. Bilingual Document

The English and Chinese language versions of this document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

K. Miscellaneous

Save as otherwise disclosed in this document:

- (a) within the two years preceding the date of this document, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) within the two years immediately preceding the date of this document, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of our Company;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (h) our Company is not presently listed on any stock exchange or traded on any trading system; and
- (i) our Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited company and does not expect to be subject to the Sino-Foreign Joint Venture Law of the PRC.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in the paragraph headed “6. Other Information — G. Consents” in Appendix VI to this document; and
- (b) a copy of each of the material contracts referred to in the paragraph headed “2. Further Information about the Business of the Company — A. Summary of material contracts” in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at <https://www.zdjc.cn/> up to and including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report from Ernst & Young in respect of the consolidated financial information of our Group for each of the years ended December 31, 2023, 2024 and 2025, the text of which is set forth in Appendix I to this document;
- (c) the report from Ernst & Young in respect of the unaudited [REDACTED] financial information of our Group, the text of which is set forth in Appendix II to this document;
- (d) the audited consolidated financial statements of our Group for each of the years ended December 31, 2023, 2024 and 2025;
- (e) the legal opinions issued by Jingtian & Gongcheng, the legal advisor of our Company as to the PRC laws, in respect of, among other things, the general matters and property interests of our Group; and
- (f) the CIC Report;
- (g) the legal opinions issued by Zhe Jiang Zhong Cheng Lawyer’s Office (浙江眾成律師事務所), our special litigation counsel, in respect of certain contract dispute claims;
- (h) the report on tax review issued by Pan-China Certified Tax Agents Limited, a tax consultant;

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

- (i) the material contracts referred to in the paragraph headed “2. Further Information about the Business of the Company — A. Summary of material contracts” in Appendix VI to this document;
- (j) the written consents referred to in the paragraph headed “6. Other Information — G. Consents” in Appendix VI to this document;
- (k) the service contracts referred to in the paragraph headed “3. Further Information about Directors and Substantial Shareholders — B. Particulars of Directors’ Service Contracts” in Appendix VI to this document;
- (l) the terms of the [REDACTED] Share Option Scheme; and
- (m) the following PRC laws and regulations, together with unofficial English translation thereof:
 - a. the PRC Company Law;
 - b. the PRC Securities Law; and
 - c. the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a list of grantees under the [REDACTED] Share Option Scheme containing all details as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of Jingtian & Gongcheng LLP at Suites 3203-3207, 32/F, Edinburgh Tower, The Landmark, 15 Queen’s Road Central, Hong Kong, China, during normal business hours up to and including the date which is 14 days from the date of this document.