SUMMARY

This summary aims to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to **[REDACTED]** *in our H Shares. In particular, we are a Commercial Company seeking to list on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with* **[REDACTED]** *in companies such as ours. In addition, we have incurred net losses in 2024 and 2025, and we may incur net losses for the foreseeable future. We recorded operating cash outflows in 2023 and 2024. Your* **[REDACTED]** *decision should be made in light of these considerations. There are risks associated with any* **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in our H Shares are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* **[REDACTED]** *in our H Shares.*

OVERVIEW

We are an advanced industrial robotics company in China and were among the early market entrants in developing embodied intelligent robotics. Leveraging our full-stack self-developed core technologies and multi-scenario intelligent application capabilities, we have successfully established a fully self-developed product matrix mainly covering three major categories, namely, industrial robots, collaborative robots, and embodied intelligent robots. According to Frost & Sullivan, in terms of revenue in 2025, we rank first among all Chinese manufacturers of welding robots. During the Track Record Period, our products have been sold to customers located in 40 countries or regions outside the PRC, such as Germany and Japan. Our products' proven process stability and adaptability have led to their adoption by leading local manufacturers.

Before 2018, we operated primarily as a supplier of industrial robot controllers and complete electrical systems. Soon after our establishment in 2012 with a focus on foundational robotics technologies, we expanded our business scale and gained market recognition in these areas in China. Building on our expertise in motion control and other fundamental technologies for industrial robots, we initiated a strategic expansion in 2018 from key raw materials and components into complete robotic products, culminating in the successful launch of our first complete robotic product in the same year and first embodied intelligent robot in 2022. We have established a fully self-developed product portfolio of industrial robots. As of the Latest Practicable Date, this portfolio encompassed over 70 models, mainly categorized into industrial robots, collaborative robots and embodied intelligent robots. Our industrial robotic products are deployed across sectors including metal and machining, automotive and components, electronics, new energy, consumer goods and healthcare.

OUR PRODUCTS

During the Track Record Period, we specialized in the design, development, and manufacturing of (i) industrial robots (工業機器人), primarily including six-axis industrial robots (六軸工業機器人) and four-axis industrial robots (四軸工業機器人), and expanded into a full series of (ii) collaborative robots (協作機器人) and (iii) embodied intelligent robots (具身智能機器人). To a lesser extent, we also offer other robotic products including (a) customized robots for specific industries, and components used in our robots which mainly included robot structural parts and robot motion modules, and (b) tailor-made robot control cabinets, and components used in our robot control cabinets which mainly included electrical expansion components and electrical-related accessories. Our robotics products offer core strengths in welding while also offering multifunctional capabilities such as cutting, grinding, precision machining, stamping, handling and palletizing, assembly and others. Our robotic products are designed to perform repetitive, high-precision tasks across various industries including metal and machining, automotive and components, electronics, new energy, consumer goods and healthcare.

Our industry consultant, Frost & Sullivan, confirms and our Directors are of the view that each of our robotic products sold during the Track Record Period as mentioned above falls within the acceptable "robotics and automation" sector of a Specialist Technology Industry pursuant to paragraph 2 of Chapter 2.5 of the Guide. This is mainly based on that: (i) all the aforementioned products integrate core robotic technologies, including motion control, path planning, and sensing with multiple sensors, which are the key technical characteristics of robotics and automation products; (ii) these products are specifically designed for industrial automation scenarios, aiming to replace or assist human labor in completing production operations, which is consistent with the definition of the "robotics and automation" sector specified in paragraph 2 of Chapter 2.5 of the Guide.

Industrial Robots

Our six-axis welding industrial robots are designed for applications that require repetitive, high-precision welding, such as arc welding and spot welding. Their key advantage lies in their ability to deliver consistent welding performance, coupled with enhancements in production efficiency and workplace safety.

Supported by advanced algorithms and control strategies, our four-axis industrial robots are designed with a focus on operational speed and cycle time efficiency. This enables our products to meet the efficiency demands of production lines.

Collaborative Robots

Our collaborative robots are designed to work alongside human operators, enhance safety and efficiency by performing tasks that require human-robot interaction, such as light material handling and assembly tasks. Featuring a lightweight structure design with the lightest model having a total weight of approximately 23 kg, our collaborative robots can be easily deployed across different workstations and enable line changeovers.

Embodied Intelligent Robots

Our series of embodied intelligent robots are designed to meet the demands of next-generation intelligent manufacturing. These robots integrate environmental perception, autonomous decision-making, and precise execution, enabling them to comprehend tasks, adapt to changing environments, and collaborate with existing industrial equipment.

Our Robotic Products Have Been Commercialized

Our industrial robotic products are deployed across sectors including metal and machining, automotive and components, electronics, new energy, consumer goods and healthcare. Our revenue model is primarily based on direct product sales of individual robots as well as after-sales services. The sales of robotic products are conducted through a combination of direct sales to system integrators and end customers, and, to a lesser extent, distributors who purchase our products for resale. For more information, please refer to "Business – Sales, Marketing and Customers – Sales Models". Our pricing approach is designed to reflect the specific technological characteristics and value proposition of our products while maintaining competitiveness in both domestic and overseas markets. Our pricing considers factors such as (i) product development, (ii) production and customization costs, (iii) after-sales service commitments, (iv) reputation, creditworthiness, and operational scale of the customer, (v) specific technological characteristics, (vi) product competitiveness, (vii) average market price, and (viii) other market or specific client conditions. This strategy enables us to maintain healthy profit margins while ensuring our products remain economically attractive to customers across different industries and regions.

OUR CORE TECHNOLOGIES

We have built full-stack self-developed core technologies, an industry term that refers to our development and control of key technologies across the entire value chain, from key raw materials and components to software and system integration according to Frost & Sullivan. Leveraging such core technologies and multi-scenario intelligent application capabilities, we have successfully established a fully self-developed product matrix.

Our core technologies include: (1) scalable robotic control software from underlying layer to cloud; (2) core technologies that improve performance in positioning accuracy, path accuracy and cycle time; (3) advanced hardware control architecture; (4) a full-chain technology system for welding power sources; (5) synergic optimization of mechanical performance in stiffness, lifespan and cost; and (6) key breakthroughs in three core technology areas of robotic sensor fusion and intelligence, including high-precision calibration, weld seam recognition and trajectory planning, and cross-scenario visual adaptation. For further details, please refer to "Business – Our Core Technologies" in this document.

COMPETITIVE STRENGTHS

We are the largest Chinese welding robot company in terms of related revenue in 2024. We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (i) an advanced industrial robotics company in China and among the early market entrants in developing embodied intelligent robotics, with notable performance in welding functionality; (ii) strong in-house R&D capabilities and comprehensive R&D platform; (iii) a comprehensive and fully self-developed product matrix for diverse applications; (iv) proven commercialization capabilities; (v) supply chain integration advantages; and (vi) experienced core team.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business: (i) strengthening research and development capabilities to upgrade core technologies and enhance product competitiveness; (ii) continuous expansion of product portfolio and application scenarios; (iii) expand our influence among current and future customers, both domestically and internationally; and (iv) optimize supply chain and enhance internal operation efficiency.

OUR MARKET OPPORTUNITIES AND COMPETITION

According to Frost & Sullivan, China's industrial robotics market exhibited high growth, expanding from RMB40.4 billion in 2021 to RMB53.8 billion in 2025, achieving a CAGR of 7.4% during this period. As downstream application scenarios and market demand continue to expand, the market is projected to accelerate further, reaching RMB108.0 billion by 2030 with a CAGR of 14.8% from RMB62.2 billion in 2026. Global industrial robotics market exhibited high growth, expanding from RMB93.9 billion in 2021 to RMB113.9 billion in 2025, achieving a CAGR of 5.0% during this period. As downstream application scenarios and market demand continue to expand, the market is projected to accelerate further, reaching RMB207.3 billion by 2030 with a CAGR of 12.6% from RMB128.7 billion in 2026. In China's industrial robotics market, overseas companies initially held a first-mover advantage. In recent years, domestic manufacturers have emerged rapidly, demonstrating strong competitiveness in pricing, agile response to customer needs, and localized service capabilities. As a result, the market share of domestic players has steadily increased, and domestic substitution has become a notable trend in the sector. We have achieved notable performance in welding functionality of industrial robotic products in China. Leveraging the market's growth potential, we believe that our full-stack self-developed core technologies, multi-scenario intelligent application capabilities, established R&D expertise, and proven commercialization strategies will enable us to not only consolidate our current position but also capitalize our market opportunities for sustained growth.

OUR RESEARCH AND DEVELOPMENT

We have established an R&D framework that supports our strategic objectives in the industrial robotics sector. We adhere to an in-house R&D strategy, under which the material R&D activities relating to the structure, control system, software development and algorithms of our robotic products are all conducted internally. During the Track Record Period, we from time to time entered into collaborations with external partners, including but not limited to hardware manufacturers, renowned universities and research institutions, for the development of our robotic components, preliminary technological research, and technical testing and verification. However, we have not outsourced any of these material R&D activities to third parties during the Track Record Period and up to the Latest Practicable Date. For the years ended December 31, 2023, 2024 and 2025, our research and development expenses amount to RMB36.0 million, RMB36.0 million and RMB48.9 million, respectively, accounting for 16.2%, 15.4% and 15.1% of our total revenue for the same years, respectively.

OUR INTELLECTUAL PROPERTY RIGHTS

Our portfolio of intellectual property covers core technologies used in our products, as well as various aspects of product design and manufacturing processes. As of the Latest Practicable Date, we had (i) 326 patents, including 71 invention patents, 127 utility model patents and 128 design patents; and (ii) 44 software copyrights in PRC. We had 114 registered trademarks worldwide. Almost all of our material intellectual property rights are distributed across our robotic products, covering both hardware and software. We independently develop and own all material intellectual property rights pertaining to structure, control, software development and algorithms for our robotic products. During the Track Record Period and up to the Latest Practicable Date, (i) we had not been subject to any legal claims or proceedings that may have an influence on our R&D for any of our key robotic products; and (ii) we had not been subject to any material disputes or claims for infringement upon third parties' intellectual property rights. Please also refer to "Risk Factors – Risks Relating to the Research and Development and Intellectual Property Rights in Our Products".

OUR CUSTOMERS AND SUPPLIERS

In 2023, 2024 and 2025, revenue from the five largest customers in each respective year was RMB42.5 million, RMB41.1 million and RMB48.4 million, respectively, accounting for 19.2%, 17.5% and 14.9% of our total revenue for the same years, respectively. During the Track Record Period and up to the Latest Practicable Date, there had been no material claims between customers and us regarding product returns and refunds.

Our key raw materials and components procured from external suppliers consist of (i) key precision transmission and drive components mainly including RV reducers, harmonic drives, and servo motors, which are procured from leading domestic manufacturers; (ii) key electronic control components such as communication and control chips, which are sourced from leading global semiconductor companies and their regional affiliates; and (iii) structural parts (e.g., enclosures and die-cast components), which are supplied by established domestic manufacturers with extensive experience in producing mechanical parts. In 2023, 2024 and 2025, our purchase amounts from the five largest suppliers in each respective year were RMB60.4 million, RMB51.1 million and RMB87.2 million, respectively, accounting for 48.5%, 40.7% and 37.9% of our total purchase amounts for the same years, respectively. In 2023, 2024 and 2025, purchase amounts from our largest supplier in each respective year were RMB28.5 million, RMB22.9 million and RMB46.4 million, respectively, accounting for 22.8%, 18.2% and 20.2% of our total purchase amounts for the same years, respectively. All of our five largest suppliers during each year during the Track Record Period are located in China. Our Directors confirm that we had not experienced any significant material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or delay in delivery of our orders from our suppliers during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period, we adopted a multi-channel sales model, including sales to (i) direct sales to (a) system integrators, which incorporate our robots into their complex, customized robotic solutions to end customers, and (b) end customers; and (ii) distributors that adopts a buyer-seller model. In 2023, 2024 and 2025, our revenue generated from distribution was RMB12.8 million, RMB21.9 million and RMB9.8 million, respectively, accounting for 5.8%, 9.3% and 3.0% of our total revenue for the same years, respectively. For more information, please refer to "Business – Sales, Marketing and Customers – Sales Models" above. During the Track Record Period and up to the Latest Practicable Date, (i) we had no material unresolved disputes or lawsuits with distributors; and (ii) to the best knowledge and belief of our Directors, after making all reasonable enquiries, all of our distributors were Independent Third Parties.

OUR PRODUCTION

Production Facilities

As of December 31, 2025, we operated one self-owned production site located in Chengdu, Sichuan Province, China, covering a total gross floor area of approximately 35,155.85 square meters. This facility is primarily used for the assembly, integration, and system-level testing of our robotic products.

In 2023, 2024 and 2025, (1) our design capacity is approximately 4,500 units, 5,000 units and 7,000 units per year, respectively, (2) our production volume is 3,500 units, 3,800 units and 5,900 units, respectively, and (3) our utilization rate is 77.8%, 76.0% and 84.3%, respectively. The designed capacity is calculated based on the hourly capacity and the operating hours of relevant product lines for such period. During the Track Record Period, the operating hours are calculated by multiplying eight hours per day by the number of working days in the year (24 days per month). The production volume refers to the actual output for the relevant year. Utilization rate is calculated by dividing actual production volume by designed production capacity for the relevant year.

OUR CONTROLLING SHAREHOLDERS

Pursuant to the Concert Party Agreement entered into in June 2021, our Controlling Shareholders consist of Mr. Li, Mr. Zhu, Changzhou Hongzhi, Ms. Gu, Mr. Xia, Mr. Zeng and Mr. Deng. As at the Latest Practicable Date, (i) Mr. Li directly held approximately 16.41% of our registered capital; (ii) Mr. Zhu directly held approximately 16.41% of our registered capital; (iii) Changzhou Hongzhi directly held approximately 7.81% of our registered capital; (iv) Ms. Gu directly held approximately 3.86% of our registered capital; (v) Mr. Xia directly held approximately 3.85% of our registered capital; (vi) Mr. Zeng directly held approximately 2.89% of our registered capital; and (vii) Mr. Deng directly held approximately 2.89% of our registered capital. Changzhou Hongzhi was established in 2017 as an employee shareholding platform which was owned as to (i) approximately 1.13% by Mr. Li, who is its general partner and approximately 73.21% by Mr. Zhu as a limited partner. Mr. Li and Mr. Zhu therefore together have full control over Changzhou Hongzhi. Accordingly, our Controlling Shareholders collectively held 54.13% of our registered capital as at the Latest Practicable Date.

Upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), they will be entitled to exercise and control the exercise of an aggregate of approximately **[REDACTED]**% of the voting rights at our general meetings. Accordingly, they will remain as our Controlling Shareholders upon the completion of the **[REDACTED]**. For further details about our Controlling Shareholders, see "Relationship with our Controlling Shareholders" in this document.

[REDACTED] INVESTMENTS

Up to the Latest Practicable Date, we have conducted four rounds of **[REDACTED]** Investments. See "History, Development and Corporate Structure – **[REDACTED]** Investments" in this document for further details.

RISKS AND CHALLENGES

We are a Specialist Technology Company seeking to list on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. We are at a relatively early stage of commercialization of our products, as we only met the revenue requirement for a Commercial Company as set out in Chapter 2.5 of the Listing Guide following our revenue growth during the Track Record Period. In addition, we recorded net losses in 2024 and 2025, respectively. We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. Some of the major risks we face include, but are not limited to: (1) the growth of addressable markets and demand for our products or services may not meet expectations due to various factors, potentially impacting our business, results of operations, and financial condition; (2) the industrial robotics market is highly competitive. Failure to effectively compete with industry players may significantly impact our business, results of operations, and financial condition; (3) if we are unable to attract, retain and motivate key individuals, our business, results of operations and financial condition would be materially and adversely affected; (4) if we fail to attract new customers and/or retain existing customers, our business, results of operations and financial condition may be adversely affected; (5) our success depends on our ability to anticipate and respond to technological changes, and any failure to maintain R&D leadership may adversely affect our competitiveness and results of operations; (6) we have been investing, and intend to continue to invest, heavily in R&D, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve; (7) we may not be able to obtain or maintain adequate intellectual property protection, which could undermine the value of our technology; (8) we may face supply chain risks and are dependent on certain major suppliers, and any interruption of our supplier's services and quality could materially harm our business; (9) we may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations; and (10) our business, financial condition and results of operations may be materially and adversely affected by international trade policies and international export controls and economic sanctions. You should carefully read the "Risk Factors" section in its entirety before you decide to **[REDACTED]** in our Shares.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
REVENUE	**222,365**	**234,039**	**324,228**
Cost of sales	(162,146)	(162,821)	(217,362)
Gross profit	**60,219**	**71,218**	**106,866**
Other income and gains	26,689	16,508	20,722
Research and development expenses	(35,972)	(35,994)	(48,917)
Selling and distribution expenses	(27,080)	(38,129)	(43,661)
Administrative expenses	(17,495)	(19,661)	(40,374)
Other expenses	(516)	(875)	(2,889)
Finance costs	(955)	(1,329)	(868)
Impairment losses on financial assets, net	(3,202)	(4,682)	(7,025)
PROFIT/(LOSS) BEFORE TAX	**1,688**	**(12,944)**	**(16,146)**
Income tax expense	–	–	–
PROFIT/(LOSS) FOR THE YEAR	**1,688**	**(12,944)**	**(16,146)**

Non-HKFRS Measure

We recorded an adjusted net profit (non-HKFRS measure) of RMB**[REDACTED]** in 2023 (after adjusting for **[REDACTED]** expenses and share-based payment expenses), and an adjusted net loss (non-HKFRS measure) of RMB**[REDACTED]** in 2024. The loss in 2024 was primarily due to a significant increase in selling and distribution expenses as a result of our sales and marketing efforts. In 2025, we recorded an adjusted net profit (non-HKFRS measure) of RMB**[REDACTED]**. This was primarily because customer acquisition costs were effectively controlled due to the sales and marketing efforts in 2024 and the growing reputation of our products, which led to a 38.5% revenue growth. For further details, please refer to "Financial Information – Year to Year Comparison of Results of Operations". We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items and provides useful information to **[REDACTED]** and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. We define adjusted net loss (non-HKFRS measure) as loss for the year/period adjusted for share-based payments expenses and **[REDACTED]** expenses. **[REDACTED]** expenses are expenses relating to the **[REDACTED]**; share-based payment expenses are non-cash items arising from granting restricted share units and options to senior management and employees. The following table reconciles our adjusted net loss (non-HKFRS measure) for the years presented to the most directly comparable financial measure calculated and presented in accordance with HKFRS:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Reconciliation of net profit/(loss) to adjusted net profit/(loss) (non-HKFRS measure):			
Profit/(Loss) for the year	1,688	(12,944)	(16,146)
Add:			
– **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
– Share-based payments	303	1,851	6,638
Adjusted net profit/loss (non-HKFRS measure)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by key products and product series for the years indicated.

	Year ended December 31,											
	2023				2024				2025			
	Revenue	% of revenue	Gross profit	Gross profit margin	Revenue	% of revenue	Gross profit	Gross profit margin	Revenue	% of revenue	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of products												
(i) Industrial robots												
– Six-axis												
– welding												
(1) RH Series	101,254	45.5	33,107	32.7	71,232	30.4	24,743	34.7	30,833	9.5	11,885	38.5
(2) PRO Series	–	–	–	–	13,258	5.7	3,696	27.9	59,189	18.3	18,729	31.6
(3) Nynhan Series	8,415	3.8	2,155	25.6	16,490	7.0	5,476	33.2	40,295	12.4	15,349	38.1
(4) Laser Welding Series	15,069	6.8	4,251	28.2	21,084	9.0	7,085	33.6	36,355	11.2	13,950	38.4
(5) Spot Welding Series	–	–	–	–	210	0.1	23	11.0	3,283	1.0	(6)	(0.2)
	124,738	56.1	39,513	31.7	122,274	52.2	41,023	33.6	169,955	52.4	59,907	35.2
– multifunctional												
(1) Light-load Series	69,068	31.1	18,055	26.1	71,069	30.4	21,620	30.4	67,793	20.9	19,728	29.1
(2) Heavy-load Series	3,083	1.3	315	10.2	4,756	2.0	541	11.4	10,796	3.3	664	6.2
(3) All-purpose Series	–	–	–	–	–	–	–	–	1,407	0.4	247	17.6
	72,151	32.4	18,370	25.5	75,825	32.4	22,161	29.2	79,996	24.6	20,639	25.8
– Four-axis												
(1) Four-axis Palletizing Robots	7,414	3.3	683	9.2	8,310	3.6	1,195	14.4	10,873	3.4	1,948	17.9
(2) SCARA Robots	1,922	0.9	427	22.2	2,287	1.0	559	24.4	3,135	1.0	654	20.9
	9,336	4.2	1,110	11.9	10,597	4.6	1,754	16.6	14,008	4.4	2,602	18.6
Sub-total	**206,225**	**92.7**	**58,993**	**28.6**	**208,696**	**89.2**	**64,938**	**31.1**	**263,959**	**81.4**	**83,148**	**31.5**
(ii) Collaborative robots	441	0.2	112	25.4	6,229	2.7	1,698	27.3	24,333	7.5	8,421	34.6
(iii) Embodied intelligent robots	8,255	3.7	3,112	37.7	9,881	4.2	5,041	51.0	24,141	7.4	10,077	41.7
(iv) Other products	6,618	3.0	2,737	41.4	8,518	3.6	3,225	37.9	10,907	3.4	3,920	35.9
Sub-total	**221,539**	**99.6**	**64,954**	**29.3**	**233,324**	**99.7**	**74,902**	**32.1**	**323,340**	**99.7**	**105,566**	**32.6**
Write-down/(reversal of write-down) of inventories	N/A	N/A	(5,043)	N/A	N/A	N/A	(3,855)	N/A	N/A	N/A	1,180	N/A
After-sales services	826	0.4	308	37.3	715	0.3	171	23.9	888	0.3	120	13.5
Total	**222,365**	**100.0**	**60,219**	**27.1**	**234,039**	**100.0**	**71,218**	**30.4**	**324,228**	**100.0**	**106,866**	**33.0**

The table below sets forth a breakdown of our revenue generated from other products:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Customized robots for specific industries, and components used in our robots						
(i). five-axis palletizing robots	1,283	19.4	1,446	17.0	156	1.4
(ii). three-axis PCB loading and unloading robots	30	0.5	36	0.4	–	–
(iii). four-axis PCB loading robots	–	–	–	–	–	–
(iv). six-axis PCB loading robots	403	6.1	947	11.1	473	4.3
(v). components used in our robots	1,380	20.9	1,420	16.7	2,389	22.0
Sub-total	**3,096**	**46.9**	**3,849**	**45.2**	**3,018**	**27.7**
Tailor-made robot control cabinets, and components used in our robot control cabinets						
(i). robot control cabinets	1,058	16.0	2,419	28.4	3,240	29.7
(ii). components used in our robot control cabinets	2,464	37.1	2,250	26.4	4,649	42.6
Sub-total	**3,522**	**53.1**	**4,669**	**54.8**	**7,889**	**72.3**
Total revenue from other products	**6,618**	**100.0**	**8,518**	**100.0**	**10,907**	**100.0**

The table below sets forth the sales volume and average selling prices (the "**ASP**") by offering type as well as key products and product series for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales volume Unit	*ASP[1] RMB'000/unit*	*Sales volume Unit*	*ASP[1] RMB'000/unit*	*Sales volume Unit*	*ASP[1] RMB'000/unit*
Industrial robots						
– Six-axis welding						
(1) RH Series	1,492	68	1,077	66	461	67
(2) PRO Series	–	–	271	49	1,144	52
(3) Nynhan Series	130	65	241	68	556	72
(4) Laser Welding Series	271	56	383	55	685	53
(5) Spot Welding Series	–	–	1	211	22	149
	1,893	66	1,973	62	2,868	59
– Six-axis multifunctional						
(1) Light-load Series	1,220	57	1,308	54	1,486	46
(2) Heavy-load Series	25	123	40	119	115	94
(3) All-purpose Series	–	–	–	–	22	64
	1,245	58	1,348	56	1,623	49
– Four-axis						
(1) Four-axis Palletizing Robots	202	37	239	35	269	40
(2) SCARA Robots	78	25	92	25	142	22
	280	33	331	32	411	34
Sub-total	**3,418**	**60**	**3,652**	**57**	**4,902**	**54**
Collaborative robots	7	63	94	66	358	68
Embodied intelligent robots	72	115	91	109	300	80
Total	**3,497**		**3,837**		**5,560**	

Note:

(1) Calculated by dividing total revenue excluding tax for a product type or series by the sales volume of that product type or series.

Our revenue growth during the Track Record Period, which was primarily driven by our strategic expansion from a core strength in welding robotics to a fully self-developed product matrix, while continuing to dedicate resources and focus to the welding field. For more information, please refer to "Financial Information – Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Revenue".

The following table sets forth a breakdown of our revenue by sales channel for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Direct sales						
(i) Direct sales to system integrators	200,857	90.3	197,842	84.5	285,757	88.2
(ii) Direct sales to end customers	8,718	3.9	14,337	6.2	28,642	8.8
Sub-total	**209,575**	**94.2**	**212,179**	**90.7**	**314,399**	**97.0**
Distribution	12,790	5.8	21,860	9.3	9,829	3.0
Total revenue	**222,365**	**100.0**	**234,039**	**100.0**	**324,228**	**100.0**

The following table sets forth a breakdown of our revenue by location of our customers:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
China (including Hong Kong and Taiwan)						
(1) Guangdong Province	43,282	19.5	44,295	18.9	59,355	18.3
(2) Jiangsu Province	30,001	13.5	25,887	11.1	41,861	12.9
(3) Shandong Province	26,282	11.8	27,438	11.7	36,183	11.2
(4) Shanghai	905	0.4	20,579	8.8	10,849	3.3
(5) Other regions or provinces in China	79,749	35.8	91,237	39.0	139,210	43.0
Sub-total	**180,219**	**81.0**	**209,436**	**89.5**	**287,458**	**88.7**
Overseas						
(1) Russia	23,108	10.4	–	–	–	–
(2) India	4,264	1.9	4,838	2.1	6,611	2.0
(3) Thailand	3,857	1.7	2,580	1.1	4,918	1.5
(4) Other countries within overseas market[(1)]	10,917	5.0	17,185	7.3	25,241	7.8
Sub-total	**42,146**	**19.0**	**24,603**	**10.5**	**36,770**	**11.3**
Total revenue	**222,365**	**100.0**	**234,039**	**100.0**	**324,228**	**100.0**

Note:

(1) Other countries within overseas market mainly include Italy, Malaysia, Brazil, Mexico, Indonesia, etc., with not a single country contributing a significant portion of our total revenue.

The material year-on-year fluctuation in revenue attributable to customers located in Russia is because we ceased direct sales to the customer in that region since 2024. For further details, please refer to "Business – Compliance with International Sanctions and Export Control Laws and Regulations" in this document.

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by application industry sector of our customers:

	Year ended December 31,											
	2023				2024				2025			
	Revenue	% of revenue	Gross profit	Gross profit margin	Revenue	% of revenue	Gross profit	Gross profit margin	Revenue	% of revenue	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Metal and machining	170,571	76.7	50,469	29.6	180,193	77.0	59,093	32.8	240,787	74.3	82,716	34.4
Automotive and components	19,461	8.8	5,582	28.7	26,543	11.3	7,884	29.7	52,874	16.3	16,050	30.4
Electronics and new energy	18,241	8.2	5,142	28.2	19,334	8.3	5,634	29.1	16,927	5.2	3,304	19.5
Consumer goods and healthcare	14,092	6.3	4,069	28.9	7,969	3.4	2,462	30.9	13,640	4.2	3,616	26.5
Write-down/(reversal of write-down) of inventories	N/A	N/A	(5,043)	N/A	N/A	N/A	(3,855)	N/A	N/A	N/A	1,180	N/A
Total	**222,365**	**100.0**	**60,219**	**27.1**	**234,039**	**100.0**	**71,218**	**30.4**	**324,228**	**100.0**	**106,866**	**33.0**

The continued growth in our gross profit and the overall improvement of our gross profit margin during the Track Record Period were primarily driven by: (i) a favorable product mix shift towards (a) our newly introduced series or flagship models of industrial robots, which carry enhanced functionalities and overall continued improved gross profit margins; and (b) our technologically advanced embodied intelligent robots with relatively higher gross margins; and (ii) the improvement in gross profit margins mainly attributed to economies of scale derived from higher sales volumes our enhanced management capabilities for key suppliers, coupled with continuous improvements in our production technologies. For more information, please refer to "Financial Information – Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Gross Profit and Gross Profit Margin" in this document.

Profit/(Loss) for the Year

Although we have been operating since 2012 and were profitable in 2023 with retained profits as of January 1, 2023, we recorded a net loss in 2024 and 2025, respectively. We recorded profit for the year of RMB1.7 million in 2023, and recorded a net loss of RMB12.9 million in 2024. Such fluctuation was mainly because (i) our other income and gains decreased by 38.1% from RMB26.7 million in 2023 to RMB16.5 million in 2024, mainly due to a decrease in government grants recognized during the year of RMB10.5 million. Such decrease was primarily due to the single large grant made by the Chengdu government on a "one project, one decision" basis in an amount of RMB10.5 million, as a means to support local major technology projects; and (ii) our selling and distribution expenses increased by 40.8% from RMB27.1 million in 2023 to RMB38.1 million in 2024. The significant increase in our selling and distribution expenses from 2023 to 2024 was primarily driven by the fact that 2024 represented a pivotal year of marketing breakthrough following the establishment of our self-developed product matrix by June 2024. For more information, please see "Financial Information – Year to Year Comparison of Results of Operations". During this period, we significantly increased our sales and marketing efforts to: (i) support promoting our new products in parallel with the ongoing development of our self-developed product matrix. Specifically, a considerable portion of the selling and distribution expenses in 2024 was allocated to acquiring new clients, such as in the automotive and components industry sector, where we actively pursued major new clients among industry leaders; and (ii) maintain relationships with our existing customers to foster organic growth through refined resource allocation and channel optimization, such as the abolition of the regional system and the adoption of a new industry-based structure. Our net loss further increased from RMB12.9 million in 2024 to RMB16.1 million in 2025, mainly due to (i) an increase in our administrative expenses by 105.4% from RMB19.7 million in 2024 to RMB40.4 million in 2025, mainly attributable to the **[REDACTED]** expenses as well as the share-based payment incurred in 2025; and (ii) an increase in our research and development expenses by 35.9% from RMB36.0 million in 2024 to RMB48.9 million in 2025, which is in line with the pace of our revenue growth.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	125,319	118,353	127,354
Total current assets	386,866	382,711	468,209
Total assets	**512,185**	**501,064**	**595,563**
Total non-current liabilities	4,215	8,462	10,673
Total current liabilities	183,936	179,546	281,257
Total liabilities	**188,151**	**188,008**	**291,930**
Net current assets	**202,930**	**203,165**	**186,952**
Net assets	**324,034**	**313,056**	**303,633**

Our net current assets remained relatively stable at RMB202.9 million as of December 31, 2023 and RMB203.2 million as of December 31, 2024. Our net assets decreased from RMB324.0 million as of December 31, 2023 to RMB313.1 million as of December 31, 2024, primarily due to our total comprehensive loss for the period of RMB12.8 million. Our net current assets decreased from RMB203.2 million as of December 31, 2024 to RMB187.0 million as of December 31, 2025, mainly due to an increase in trade and bills payables, which was partially offset by (i) an increase in inventories; (ii) an increase in cash and cash equivalents; and (iii) an increase in trade and bills receivables. Our net assets decreased from RMB313.1 million as of December 31, 2024 to RMB303.6 million as of December 31, 2025, primarily due to our total comprehensive loss for the year of RMB16.1 million. For details, see "Financial Information – Discussion of Certain Key Consolidated Statements of Financial Position."

Summary of Consolidated Statements of Cash Flows

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows from/(used in) operating activities	(30,881)	(17,756)	28,275
Net cash flows from/(used in) investing activities	28,366	757	(13,757)
Net cash flows from/(used in) financing activities	(23,371)	8,577	7,852
Net (decrease)/increase in cash and cash equivalents	(25,886)	(8,422)	22,370
Effect of foreign exchange rate changes	(241)	320	(517)
Cash and cash equivalents at the beginning of year	188,501	162,374	154,272
Cash and cash equivalents as stated in the consolidated statements of financial position and consolidated statements of cash flows	**162,374**	**154,272**	**176,125**

In 2023, we recorded net operating cash outflows of RMB30.9 million, primarily due to an increase in trade and bills receivables of RMB33.7 million. This was mainly attributable to our offering of more attractive and flexible payment terms as part of our customer acquisition strategies, primarily in response to market dynamics following the discontinuation of COVID-19 containment measures in China. In 2024, we recorded net operating cash outflows of RMB17.8 million, primarily due to an increase in trade and bills receivables of RMB22.9 million. This was mainly attributable to the more flexible payment terms we offered as part of our customer acquisition strategies, mainly to support the promotion of our new products alongside the ongoing development of our self-developed product matrix. For detailed analysis, please refer to "Financial Information – Liquidity and Capital Resources – Cash Flows". Please also refer to "Risk Factors – Risks Relating to our Financial Condition and Need for Additional Capital – We have incurred net losses for the year ended December 31, 2024 and 2025, and recorded operating cash outflows for the years ended December 31, 2023 and 2024, and may not be able to achieve or subsequently maintain profitability in the near future" in this document.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account of the financial resources available to us, including (i) our future operating cash flows in respective periods; (ii) cash and cash equivalents; (iii) available bank facilities; (iv) financial assets at fair value through profit or loss; and (v) the estimated net **[REDACTED]** from the **[REDACTED]**, we have sufficient working capital for our requirements for at least the next 12 months from the date of this document.

Our historical cash burn rate was RMB2.9 million, RMB2.2 million and RMB3.5 million in 2023, 2024 and 2025, respectively. We had cash and cash equivalents, current financial assets at fair value through profit or loss of RMB176.1 million as of December 31, 2025 and unutilized banking facilities of RMB412.4 million as of December 31, 2025. We estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** after deducting the **[REDACTED]** and expenses payable by us in the **[REDACTED]**, assuming no **[REDACTED]** is exercised and based on the mid-point of the indicative **[REDACTED]** range in this document. Assuming that the average cash burn rate going forward will be RMB**[REDACTED]**, similar to the cash burn rate level in 2025, although which is subject to change due to various factors including but not limited to the business development, industry trend and clients' requirement, we estimate that our cash and cash equivalents, current financial assets at fair value through profit or loss as of December 31, 2025 and unutilized banking facilities as of December 31, 2025 will be able to maintain our financial viability for approximately **[REDACTED]** months or, if we take into account **[REDACTED]**% of the estimated net **[REDACTED]** from the **[REDACTED]** (namely, the portion allocated for our working capital and other general corporate purposes), approximately **[REDACTED]** months or, if we also take into account the estimated net **[REDACTED]** from the **[REDACTED]**, approximately **[REDACTED]** months. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings. See "Financial Information – Indebtedness." We do not expect to have next round of financing before the **[REDACTED]**.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates or for the years indicated:

	As of/For the year ended December 31,		
	2023	**2024**	**2025**
Gross profit margin	27.1%	30.4%	33.0%
Current ratio	2.1	2.1	1.7
Quick ratio	1.6	1.7	1.3
Gearing ratio	9.5%	12.8%	16.7%

For further details, see "Financial Information – Key Financial Ratios" in this document.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of the **[REDACTED]** of, and permission to **[REDACTED]** in, the H Shares in **[REDACTED]** and to be **[REDACTED]** pursuant to the **[REDACTED]** (including any H Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**) on the Main Board of the Stock Exchange. We satisfy the requirements under Rule 18C.03 of the Listing Rules as a Commercial Company (as defined in the Listing Rules) with reference to our expected **[REDACTED]** at the time of **[REDACTED]**, which, based on the **[REDACTED]**, exceeds HK$4 billion but less than HK$15 billion. No part of our Company's Shares or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future. All the Shares will be registered on the branch register of our Company in Hong Kong in order to enable them to be **[REDACTED]** on the Stock Exchange.

[REDACTED] STATISTICS

	Based on the [REDACTED] of HK$[REDACTED] per Share	Based on the [REDACTED] of HK$[REDACTED] per Share
[REDACTED] of our Share[(1)]	HK$**[REDACTED]** million	HK$**[REDACTED]** million
Unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share[(2)]	HK$**[REDACTED]**	HK$**[REDACTED]**

Note:

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

(2) The unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to in the section headed "Appendix II – Unaudited **[REDACTED]** Financial Information" to this document.

FUTURE PLANS AND [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** Range), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]** after deducting the **[REDACTED]** and other estimated expenses in connection with the **[REDACTED]**, and assuming the **[REDACTED]** are not exercised.

In alignment with our strategies and development plans, we intend to allocate the net **[REDACTED]** for the following purposes: (1) approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]** (equivalent to HK$**[REDACTED]**) to enhance our research and development capabilities; (2) approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]** (equivalent to HK$**[REDACTED]**) to deepen and consolidate our partnerships with existing clients, domestic market brand building and overseas market expansion; (3) approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]** (equivalent to HK$**[REDACTED]**) for enhancement of manufacturing capabilities; and (4) approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be reserved for general working capital and operational flexibility.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**. Based on the mid-point of the indicative **[REDACTED]** for the **[REDACTED]** and assuming the **[REDACTED]** is not exercised, we estimate that our **[REDACTED]** expenses will be approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**). This amount includes HK$**[REDACTED]** in **[REDACTED]**-related expenses, HK$**[REDACTED]** in fees and expenses of legal advisors and Reporting Accountants, and HK$**[REDACTED]** in other fees and expenses, representing approximately **[REDACTED]**% of the gross **[REDACTED]** of the **[REDACTED]**. During the Track Record Period, we recorded **[REDACTED]** expenses of **[REDACTED]**, **[REDACTED]**, and RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**, including deferred **[REDACTED]** expenses) in 2023, 2024 and 2025, respectively. After the Track Record Period, approximately HK$**[REDACTED]** is expected to be charged to our consolidated statements of profit or loss, and approximately HK$**[REDACTED]** is expected to be accounted for as a deduction from equity upon the **[REDACTED]**.

DIVIDENDS AND DIVIDEND POLICY

For the year ended December 31, 2023, our Company paid a dividend of RMB3.0 million, which had been declared in 2021 (prior to the Track Record Period). The time gap between the dividend declaration in 2021 and its payment in 2023 was primarily due to the time required to complete the standard procedures for outbound dividend remittance by a foreign-invested enterprise under PRC regulations. The overall process, which includes necessary regulatory reviews, was also affected by general administrative measures during the COVID-19 pandemic period. These factors collectively resulted in the completion of the payment process extending into 2023. Save as disclosed above, no dividend was declared or paid by us during the Track Record Period.

Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. According to applicable laws and regulations, any future net profit that we make may be used to pay or declare dividends after our Board has formulated a profit distribution plan and approved by our Shareholders in a general meeting. However, such net profit must be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such statutory common reserve fund has reached more than 50% of our registered capital. Future profit distributions may be carried out in the form of cash dividends or stock dividends, or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, we have seen improvement of growth in our sales volume. As of April 30, 2026, the total sales volume of our robots reached 2,203 units, representing a growth of approximately 32.9% compared to that in April 30, 2025. Save as disclosed above, our Directors have confirmed that up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

COMPLIANCE WITH INTERNATIONAL SANCTIONS AND EXPORT CONTROL LAWS AND REGULATIONS

International Sanctions

During the Track Record Period, we sold certain of our products to Russia, Serbia, Turkey and Ukraine (these countries are collectively referred as the "**Relevant Regions**", and each a "**Relevant Region**"). As advised by our International Sanctions Legal Adviser, Hogan Lovells International LLP, (i) the products shipped to the Relevant Regions are not subject to the EAR, nor are they subject to EU or UK export control regulations, and (ii) the transactions in the Relevant Regions did not have an US, EU or UK nexus, and therefore do not represent a violation of U.S., EU, or UK primary sanctions.

Due to our sales model, we have no systematic access to, and cannot verify, a full picture of end-customer information from the immediate downstream customers with whom we contract ("**Direct Downstream Customers**") for the sales of our products and we have limited means to track or identify subsequent or end customers (or other transaction participants involved) who obtain our products from these Direct Downstream Customers (when not acting as end customer) who are system integrators or distributors, including in the Relevant Regions. Our total revenue generated from the Relevant Regions during the Track Record Period, comprising both direct sales to customers located in such regions and indirect sales identified by our Group through verifiable documentation, is RMB24.2 million, RMB19.5 million and RMB10.6 million in 2023, 2024 and 2025, respectively. In particular, our revenue generated from Russia, representing our sales to Customer A (one of our top five customers in 2023, 2024 and 2025, respectively) was approximately RMB23.1 million, RMB17.3 million and RMB7.7 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing approximately 10.4%, 7.4% and 2.4% of our total revenue for the corresponding years, respectively. Further, according to our International Sanctions Legal Adviser, there were no U.S. dollar transactions conducted with the Russian banks through which the payment was settled were placed on the SDN List. No other nexuses to the United States, the European Union, the United Kingdom or Australia have been involved in our sales to the Non-sanctioned Entity. Our International Sanctions Legal Adviser has not identified material sanctions risks in accordance with Chapter 4.4 of the HKEX Guide for New Listing Applicants, after evaluating the sanctions risks of our historical business activities with customers in the Relevant Regions during the Track Record Period and up to the Latest Practicable Date.

Based on the analysis above, our International Sanctions Legal Adviser is of the view that the overall secondary sanctions risk appears to be relatively limited. Our Directors, based on advice from our International Sanctions Legal Adviser, are of the view that given that our business activities did not represent a violation of the International Sanctions, the risk is relatively limited that OFAC and other government agencies will impose penalties on us, as there are no items subject to the EAR shipped to the Relevant Regions and no direct sales to sanctioned parties, the sales are not to Comprehensively Sanctions Countries, nor is there evidence of indirect sales to sanctioned parties. Based on the above, our Directors are of the view that there would be no material adverse impacts on our operations and performance.

Export Control

During the Track Record Period, we indirectly procured Digital Signal Processing (DSP) chips of U.S.-origin through PRC-based suppliers. The chips are classified under the EAR as ECCN 3A991 ("**3A991 Chips**") and other semiconductors controlled for Anti-Terrorism reasons. In addition, from August 28, 2025 to November 25, 2025, we indirectly procured U.S.-origin parts and components through our direct transaction with a PRC-based supplier. The microcontroller products we procured from such supplier are classified under ECCN 3A991.a.2, while the analog switches we procured from such supplier fall under EAR99. During the Track Record Period and up to the Latest Practicable Date, no trade restrictions have caused any material disruption to our supply chain, business operations or financial performance. Further, we have not indirectly sourced any U.S.-origin products that require a BIS license subject to the EAR during the Track Record Period. As advised by our International Sanctions Legal Adviser, save as disclosed above, we are not exposed to other trade restrictions related to chips we purchased during the Track Record Period.

Based on Hogan Lovells' confirmation, four entities which were designated on the Entity List had transactions with us since 1 January 2022 (the "**EL Parties**"), and none of them of our five largest customers or suppliers for each year during the Track Record Period, respectively. As advised by Hogan Lovells, (1) the export restrictions associated with the EL Parties' designation on the BIS Entity List are not implicated for us; and (2) no other purchases by our Group from suppliers during the Track Record Period are exposed to restriction as a result of designation on the Entity List.

For further details, please refer to "Business – Compliance with International Sanctions and Export Control Laws and Regulations".

INVESTMENT RESTRICTION IN RELATION TO U.S OUTBOUND INVESTMENT SECURITY PROGRAM

As advised by Hogan Lovells, we believe that we are not a "covered foreign person" under the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "**Final Rule**"), because: (i) we do not engage in any "covered activity" in the semiconductors and microelectronics, quantum information technologies, or artificial intelligence systems, which are sectors subject to restrictions under the Final Rule; (ii) no Group entity has a voting or equity interest, board seat, or certain payment with respect to any "covered foreign person", nor more than 50 percent of its annual revenue, net income, capital expenditure or operating expenses (individually for one "covered foreign person" or aggregated for all) is attributable to one or more such "covered foreign persons"; and (iii) no Group entity participates in any joint venture that engages in any "covered activity." Therefore, our Directors are of the view that U.S. persons are not restricted from **[REDACTED]** in our Company, and no notification or prohibition requirements under the Final Rule are applicable. Any **[REDACTED]** that is uncertain about the Final Rule's application should consult its own counsel. However, the current regulatory scope under the Final Rule is subject to change. For instance, on December 18, 2025, the U.S. President signed the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**") into law, which mandates the issuance of new regulations that will amend, supersede, or otherwise modify the existing Outbound Investment Program framework not later than 450 days after the date of the COINS Act's enactment. If there are any changes in the future, either to the rules or to our business, our future fundraising activities may potentially be subject to restrictions regarding investments or otherwise, which could adversely affect our strategic initiatives, financial performance and growth prospects. For further details, please refer to "Risk Factors – The possible changes to the U.S. government's new China-focused Outbound Investment Program may adversely affect our business, financial condition, results of operations, and the value of our shares."