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Application Proof of

Chengdu CRP Robot Technology Co., Ltd.
成都卡諾普機器人技術股份有限公司

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

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CROBOTP 卡诺普

Chengdu CRP Robot Technology Co., Ltd.
成都卡諾普機器人技術股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [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%, Stock Exchange trading fee of 0.00565% and the AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB0.10 per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Sole Sponsor,* [REDACTED], [REDACTED], [REDACTED] *and* [REDACTED]**

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

[REDACTED], [REDACTED], [REDACTED] *and* [REDACTED]

ICBC 工银国际

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The **[REDACTED]** is expected to be fixed by agreement between the **[REDACTED]** (on behalf of the **[REDACTED]**) and us on the **[REDACTED]**. The **[REDACTED]** is expected to be on or before **[REDACTED]** (Hong Kong time) and, in any event, not later than 12:00 noon on **[REDACTED]** (Hong Kong time). The **[REDACTED]** will not be more than HK$**[REDACTED]** per **[REDACTED]** and is currently expected to be not less than HK$**[REDACTED]** per **[REDACTED]**. If, for any reason, the **[REDACTED]** is not agreed by 12:00 noon on **[REDACTED]** (Hong Kong time) between the **[REDACTED]** (on behalf of the **[REDACTED]**) and us, the **[REDACTED]** will not proceed and will lapse. **[REDACTED]** for **[REDACTED]** may be required to pay, on application (subject to application channels), the maximum **[REDACTED]** of HK$**[REDACTED]** for each **[REDACTED]** together with a brokerage of 1%, a SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%.

Prior to making an **[REDACTED]** decision, **[REDACTED]** should consider carefully all of the information set out in this document, including the risk factors set out in the section headed "Risk Factors."

The **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) may, with our consent, reduce the number of **[REDACTED]** being **[REDACTED]** under the **[REDACTED]** and/or the **[REDACTED]** stated in this document at any time on or prior to the morning of the last day for lodging applications under the **[REDACTED]**. In such a case, an announcement will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **https://crprobot.com/** not later than the morning of the day which is the last day for lodging applications under the **[REDACTED]**. Details of the arrangement will then be announced by us as soon as practicable. For further information, please see the sections headed "Structure of the **[REDACTED]**" and "How to Apply for **[REDACTED]**".

The obligations of the **[REDACTED]** under the **[REDACTED]** are subject to termination by the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) if certain grounds arise prior to 8:00 a.m. on the **[REDACTED]**. Please see the section headed "**[REDACTED]** – **[REDACTED]** Arrangements and Expenses – **[REDACTED]** – Grounds for Termination."

Our Company is a Specialist Technology Company (as defined in Chapter 18C of the Listing Rules). The securities of Specialist Technology Companies carry high [REDACTED] risks including risks of [REDACTED] volatility and inflated valuation due to the difficulty in valuing such companies. [REDACTED] should fully understand the [REDACTED] risks of a Specialist Technology Company and the risks disclosed by our Company before making their [REDACTED] decisions.

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

[REDACTED]

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IMPORTANT NOTICE TO [REDACTED]

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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."

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this document.

"Accountant's Report"	the accountant's report of our Company, the text of which is set out in Appendix I to this document
"affiliate(s)"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	The Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of the Company conditionally adopted on November 7, 2025 and summarized in Appendix III to this document, which shall become effective on **[REDACTED]**, as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Board
"AUM"	assets under management
"BIS"	the U.S. Department of Commerce's Bureau of Industry and Security
"Board" or "Board of Directors"	the board of Directors
"Business Day" or "business day"	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for normal banking business
"CAICT"	China Academy of Information and Communications Technology, a leading research institute in China, directly under the MIIT

[REDACTED]

"Changzhou Hongzhi"	Changzhou Hongzhi Investment Partnership (Limited Partnership)* (常州鴻志投資合夥企業(有限合夥)) (formerly known as Chengdu CRP Technology Center (Limited Partnership))* (成都卡諾普科技中心(有限合夥)), a limited partnership established in the PRC on December 4, 2017, which is an employee shareholding platform and one of our Controlling Shareholders

"Chairman"	chairman of our Board
"Chinese Mainland" or "PRC"	the People's Republic of China, unless the context requires otherwise, excluding, for the purpose of this document and for geographical reference only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"close associates"	has the meaning ascribed thereto under the Listing Rules
"CNIPA"	the China National Intellectual Property Administration
"Commercial Company"	has the meaning ascribed to it under Chapter 18C of the Listing Rules
"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" or "our Company" or "the Company"	Chengdu CRP Robot Technology Co., Ltd.* (成都卡諾普機器人技術股份有限公司), a limited liability company established in the PRC on September 6, 2012 and converted into a joint stock company with limited liability on June 30, 2021
"Company Law" or "PRC Company Law"	Company Law of the PRC (《中華人民共和國公司法》) as amended and supplemented or otherwise modified from time to time
"Comprehensively Sanctioned Countries"	Cuba, Iran, North Korea, Syria, the Crimea Region of Russia/Ukraine and the self-proclaimed Luhansk People's Republic ("**LPR**") and self-proclaimed Donetsk People's Republic ("**DPR**") regions, Kherson region and Zaporizhzhia region
"Concert Party Agreement"	the concert party agreement entered into between Mr. Li, Mr. Zhu, Changzhou Hongzhi, Ms. Gu Fei, Mr. Zeng Bing, Mr. Xia Huisheng and Mr. Deng Shihai on June 20, 2021
"Controlling Shareholders"	include Mr. Li, Mr. Zhu, Changzhou Hongzhi, Ms. Gu, Mr. Xia, Mr. Zeng and Mr. Deng
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code" or "CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"COVID-19"	novel coronavirus (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness

"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)

[REDACTED]

"Director(s)"	the director(s) of our Company
"Domestic Unlisted Shares"	ordinary shares in the share capital of our Company, with a nominal value of RMB0.10 each, which are subscribed for and paid up in Renminbi
"EAR"	the Export Administration Regulations administered by the BIS
"EIT"	enterprise income tax
"EIT Law"	Enterprise Income Tax Law of the People's Republic of China* (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
"Entity List"	maintained by the U.S. Department of Commerce, the Bureau of Industry and Security, which sets forth individual and entities that are subject to its export control restrictions and licensing requirements for certain items
"ESG"	environmental, social and governance
"ESG Management Committee"	the ESG management committee of the Strategy Committee of our Board

[REDACTED]

"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"F&S" or "Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, which is an independent third party
"Frost & Sullivan Report" or "F&S Report"	an independent market research report commissioned by us and prepared by F&S, a summary of which is set forth in the section headed "Industry Overview" for the purpose of this document

[REDACTED]

"Full-circulation Guidelines"	Guidelines on Application for Full-circulation of Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) issued by the CSRC on 14 November 2019, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures

[REDACTED]

"Group", "the Group", "our Group", "we", "our" or "us"	our Company and its subsidiaries at the relevant time or, where the context otherwise requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Guide for New Listing Applicants" or "Listing Guide"	the Guide for New Listing Applicants published by the Stock Exchange and as amended, supplemented or otherwise modified from time to time

[REDACTED]

"H Share(s)"	overseas **[REDACTED]** foreign **[REDACTED]** ordinary share(s) in the share capital of our Company, with a nominal value of RMB0.10 each, which are to be **[REDACTED]** for and **[REDACTED]** in Hong Kong dollars and for which an application has been made for the granting of **[REDACTED]**, and permission to **[REDACTED]**, on the Main Board of the Stock Exchange
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[REDACTED]

"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

"HKFRS Accounting Standards"	include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations as issued by HKICPA
"International Sanctions"	all applicable laws and regulations to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted administered and enforced by the U.S. Government, the European Union and its member states, the United Kingdom, the United Nations or Government of Australia
"International Sanctions Legal Adviser"	Hogan Lovells, our legal adviser as to International Sanctions laws in connection with the **[REDACTED]**
"independent third party(ies)" or "Independent Third Party(ies)"	a person, persons, a company or companies which is or are independent of, and not our connected person(s) within the meaning under the Listing Rules

[REDACTED]

[REDACTED]

"Key Persons"	the key persons of a Specialist Technology Company referred to in Rule 18C.14(1) of the Listing Rules, and for the purpose of our Company, comprises the persons set out in "History, Development and Corporate Structure – Lock-up Periods"
"Latest Practicable Date"	May 25, 2026, being the latest practicable date for the purpose of ascertaining certain information in this document before its publication

[REDACTED]

"Listing Committee"	the Listing Committee of the Stock Exchange

[REDACTED]

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	the Main Board of the Stock Exchange
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Deng"	Mr. Deng Shihai (鄧世海), the vice general manager of our Company, and one of our Controlling Shareholders
"Mr. Li"	Mr. Li Liangjun (李良軍), our founder, the chairman of the Board, executive Director and the general manager of our Company, and one of our Controlling Shareholders

"Mr. Xia"	Mr. Xia Huisheng (夏輝勝) (formerly known as Xia Huisheng (夏輝盛)), the vice general manager of our Company, and one of our Controlling Shareholders
"Mr. Zeng"	Mr. Zeng Bing (曾兵), the vice general manager of our Company, and one of our Controlling Shareholders
"Mr. Zhu"	Mr. Zhu Lusheng (朱路生), our founder, executive Director and the vice general manager of our Company, and one of our Controlling Shareholders
"Ms. Gu"	Ms. Gu Fei (谷菲), our executive Director and vice director of research and development of our Company, and one of our Controlling Shareholders
"Nomination Committee"	the nomination committee of our Company
"OFAC"	the United States Department of Treasury's Office of Foreign Assets Control

[REDACTED]

"Overseas Listing Trial Measures"	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》) released by CSRC on 17 February 2023 and became effective on 31 March 2023
"Pathfinder SII(s)"	has the meaning ascribed to it under Chapter 2.5 of the Listing Guide, and unless the context otherwise requires, refers to the investors which are set out in "History, Development and Corporate Structure"
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC

DEFINITIONS

"PCT"	the Patent Cooperation Treaty
"PRC GAAP"	generally accepted accounting principles of PRC
"PRC government" or "State"	the Central People's Government of the People's Republic of China, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities or, where the context requires, any of them
"PRC Legal Advisers"	JunHe LLP, the legal advisers to our Company as to PRC laws
"PRC Listing Regulations"	Regulations on the Takeover of Listed Companies (《上市公司收購管理辦法》) promulgated by CSRC
"PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended and supplemented from time to time
"**[REDACTED]** Investment(s)"	the **[REDACTED]** made by the **[REDACTED]** Investor(s) in our Company, details of which are set out in the section headed "History, Development and Corporate Structure – **[REDACTED]** Investments" in this document
"**[REDACTED]** Investor(s)"	the **[REDACTED]** investor(s) of our Company, details of which are set out in the section headed "History, Development and Corporate Structure – **[REDACTED]** Investments" in this document

[REDACTED]

"document" or "Document"	this document being issued in connection with the **[REDACTED]**
"Regulation S"	Regulation S under the U.S. Securities Act
"Relevant Persons"	our Company, together with our investors and shareholders and persons who might, directly or indirectly, be involved in permitting the **[REDACTED]**, **[REDACTED]**, clearing and settlement of our shares, including the Stock Exchange and related group companies and the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]** and the **[REDACTED]** to the proposed **[REDACTED]**
"Relevant Jurisdiction"	any jurisdiction that is relevant to the Company and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assess or certain countries, governments, person or entities targeted by such law or regulation. For the purpose of this Document, Relevant Jurisdictions include the U.S., EU, UK, UN and Australia

"Remuneration Committee"	the remuneration committee of our Company
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局), a PRC governmental agency responsible for matters relating to foreign exchange administration, including local branches, when applicable
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"Sanctioned Person"	certain person(s) and identity(ies) listed on OFAC's Specially Designated Nationals ("**SDN**") and Blocked Persons List or other restricted parties lists maintained by the U.S., EU, UK, UN or Australia
"Sanctioned Target"	any person or entity (i) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Comprehensively Sanctioned Country; or (iii) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii)
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"SAT"	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"Secondary Sanctionable Activity"	certain activity by the Company that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though the Company is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus to that that Relevant Jurisdiction
"Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"SFC" or "Securities and Futures Commission"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	the ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, including our Domestic Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Shares

"Share Split"	the split of the Company's registered Shares with nominal value of RMB1.0 each into 10 Shares with nominal value of RMB0.10 each, which was approved on November 7, 2025 and took effect on May 12, 2026

[REDACTED]

"Sole Sponsor"	Guotai Junan Capital Limited, a licensed corporation registered under the SFO to carry on Type 6 (advising on corporate finance) regulated activities as defined in the SFO, being the Sole Sponsor to the **[REDACTED]**
"Sophisticated Independent Investor(s)" or "SII(s)"	has the meaning ascribed to it under Chapter 2.5 of the Listing Guide, and unless the context otherwise requires, refers to the investors set out in "History, Development and Corporate Structure"
"Specialist Technology"	has the meaning ascribed to it under Chapter 18C of the Listing Rules
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each, comprising our Domestic Unlisted Shares and our H Shares
"Specialist Technology Company"	has the meaning ascribed to it under Chapter 18C of the Listing Rules
"Specialist Technology Industry"	has the meaning ascribed to it under Chapter 18C of the Listing Rules
"Specialist Technology Product(s)"	has the meaning ascribed to it under Chapter 18C of the Listing Rules
"State Council"	State Council of the PRC (中華人民共和國國務院)

[REDACTED]

"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of our Board
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time

"Track Record Period"	the three years ended December 31, 2023, 2024 and 2025
"UN"	the United Nations

[REDACTED]

"United States", "US" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

[REDACTED]

"%"	per cent

In this document, the terms "associate", "close associate", "connected person", "core connected person", "connected transaction", "controlling shareholder" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires. Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding. For ease of reference, the names of the PRC governmental authorities, institutions, facilities, certificates, titles, nationals, individuals, companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and, in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are marked with "*" and are provided for identification purposes only. For the purpose of this document, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains definitions of certain terms used in this document in connection with our Group and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

"AGV"	Automated Guided Vehicle, a type of driverless, self-propelled robot designed to transport loads autonomously along predefined paths
"arm span"	the maximum distance the robot's arm or end effector can extend
"axis" or "axes"	a degree of freedom in a robot's movement
"CAGR"	compound annual growth rate
"collaborative robot"	also known as cobot, are designed to work alongside humans in a shared workspace
"composite robot"	a robot system that combines elements from different types of robots to achieve functionality and performance
"controller"	a system connected to the robot in order to control the movements of the robots
"degree of freedom"	the count of independent axis of motion that a robotic system can autonomously manipulate to perform tasks
"embodied intelligent robot"	robot with embodied artificial intelligence, which enables them to perceive, learn from, and dynamically interact with their environment
"EV"	electric vehicle, a motor vehicle whose propulsion is powered fully or mostly by electricity
"four-axis industrial robot"	a type of robot with four-degree-of-freedom
"Harmonic drive"	a mechanical speed-changing device that reduces the gear ratio of a rotary machine to increase torque
"motion control"	the technology governing the precise movement of robotic components through algorithms that coordinate velocity, acceleration, and positioning to achieve smooth and accurate mechanical actions
"OS"	Operating System, a system software that manages computer hardware and software resources, and provides common services for computer programs
"payload"	the maximum weight that the robot can handle while performing its tasks
"plug-and-play"	system, device or process designed to work immediately once connected or installed, without requiring complex setup

"RV reducer"	specialized reducers designed for industrial robot joints
"SCARA"	Selective Compliance Assembly Robot Arm, a type of articulated robot where the robot can move freely and maintain stiffness in three axes while being compliant in the final axis
"six-axis industrial robot"	a type of articulated robot with six-degree-of-freedom
"TCP"	Tool Center Point, the point where the robot's tool meets the workpiece
"WMS"	Warehouse Management System, a software that helps companies manage and control daily warehouse operations
"3C"	computer, communication and consumer electronics
"3D"	three spatial dimensions of width, height and depth

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements relating to our plans, objectives, expectations and intentions, which may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document.

You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing the Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following: (i) our business strategies and plans to achieve these strategies; (ii) changes to the political and regulatory environment in the industry and markets in which we operate; (iii) changes in our customers' preferences, demands and business performance; (iv) changes in competitive conditions and our ability to compete under these conditions; (v) the actions and development of our competitors; (vi) future developments, trends and conditions in the industry and markets in which we operate; (vii) general economic, political and business conditions in the markets in which we operate; (viii) effects of the global financial markets and economic conditions; (ix) our future debt levels and capital needs; (x) our financial conditions and performance; (xi) our dividend policy; and (xii) change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

In some cases, we use the words "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "going forward," "intend," "ought to," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," "would" and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in this document in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

These forward-looking statements are based on assumptions and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements. Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

An **[REDACTED]** *in our H Shares involves significant risks. 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. The following is a description of what we consider to be our material risks. Any of the following 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]**.

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 is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document.

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 for the year ended December 31, 2024 and 2025, respectively. We recorded operating cash outflows for the years ended December 31, 2023 and 2024. We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into (i) risks relating to our general operations and industry; (ii) risks relating to the research and development and intellectual property rights in our products; (iii) risks relating to our financial condition and need for additional capital; (iv) risks relating to doing business in the jurisdictions where we operate; and (v) risks relating to the **[REDACTED]**.

RISKS RELATING TO OUR GENERAL OPERATIONS AND INDUSTRY

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.

During the Track Record Period, we specialized in the design, development, and manufacturing of (i) industrial robots, primarily including six-axis industrial robots and four-axis industrial robots, and expanded into a full series of (ii) collaborative robots and (iii) embodied intelligent robots. 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. Therefore, our future growth is dependent on the continued expansion of the addressable markets for our product offerings, especially for metal and machining, automotive and components, electronics, new energy, consumer goods and healthcare. Market forecasts for these products are based on assumptions regarding macroeconomic conditions, manufacturing industry expansion, technological adoption, and the pace of intelligent manufacturing transformation in China and globally.

However, actual market growth may fall short of projections due to a number of factors. These include slower-than-expected manufacturing upgrades in key downstream sectors; reduced capital expenditure by manufacturers during economic downturns; intensifying competition from both domestic and international robotics companies; technological shifts that may favor alternative automation solutions; delays in the adoption of emerging product categories such as embodied intelligent robots; and changes in government policies, subsidies or industry standards that adversely affect automation investments. In addition, the growth rate of the industrial robotics market in China may decelerate due to structural changes in the economy, fluctuations in labor cost advantages, or trade restrictions affecting component imports or product exports. If the actual growth of our target markets or customer demand for our products and services is significantly lower than industry projections, our sales volumes, revenue growth, profitability and overall financial performance could be materially and adversely affected. Additionally, 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. Our ability to successfully commercialize our future products may involve more inherent risks, take longer and cost more than it would for a company with a longer track record in commercialization. In particular, the commercialization of new products requires additional resources. The success of our sales and marketing efforts depends on our ability to attract, motivate and retain qualified and professional employees who have, among other things, adequate technological knowledge to communicate effectively with stakeholders in relevant industries as well as sufficient experience in sales and marketing of our products.

Due to our limited track record in the commercialization of our robotic products, there can be no assurance that the sales results of our products will meet our expectation and forecast, that third parties will purchase and deploy our products in their production lines and/or other use cases, or that we will be able to fully maintain quality control over our products, which, individually or collectively, would materially and adversely affect the commercialization of our products, and, in turn, would materially and adversely affect our business, results of operations and financial condition. As a result, our historical results may not provide a meaningful basis for evaluating our business, results of operations, financial condition and growth prospects, and we may encounter unforeseen expenses, difficulties, complications, delays and other known or unknown factors, and may not be able to achieve promising results in future periods. If we cannot address these risks and overcome these difficulties successfully, our business and prospects will suffer.

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.

We operate in the highly competitive industrial robotics market, which includes global multinational corporations, established domestic manufacturers, and emerging technology companies. Competition is intense across multiple product categories, including industrial robots, collaborative robots, embodied intelligent robots, and others. Key competitors include international robotics manufacturers with long-standing global customer relationships, strong brand recognition, and substantial financial and R&D resources, as well as leading Chinese robotics companies with aggressive pricing strategies and expanding technological capabilities. Many of these competitors benefit from broader product portfolios, deeper integration with downstream automation systems, and established after-sales service networks. We compete primarily on technology, product performance, adaptability to specific industrial processes, pricing, delivery capability, and the breadth and quality of after-sales services. If we fail to anticipate market trends, match competitors' technological advancements, maintain cost competitiveness, or retain and expand our customer base, we may lose market share. Increased price competition, reduced margins, or an inability to secure orders from major customers could materially and adversely affect our business, results of operations, and financial condition.

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.

Attracting and retaining key individuals, such as key management, R&D staff, technical staff, qualified executives, engineers and sales representatives, are critical to our business, and in particular, to our R&D endeavors, and the successful commercialization of our products. The competition for highly skilled employees in our industry is increasingly intense. Changes in our management team would also disrupt our business. Our management and senior leadership team has significant industry experience, which makes them instrumental to our success. See "Directors and Senior Management" in this document. In addition, changes in the interpretation and application of employment-related laws to our workforce practices may result in increased operating costs and less flexibility in how we meet our changing workforce needs. See "Regulatory Overview – Laws and Regulations on Labor and Employee Incentives – Labor, Social Insurance and Housing Provident Funds". To help attract, retain and motivate key individuals, employee incentives such as share award scheme have been, and will continue to be, an important part of our compensation. Our employee recruitment and retention also depend on our ability to build and maintain a diverse and inclusive workplace culture and be viewed as an employer of choice. If our share-based compensation or other compensation programs and/or workplace culture cease to be viewed as competitive, our ability to attract, retain and motivate key individuals would be weakened, which would in turn materially and adversely affect our business, results of operations and financial condition.

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

Our customers usually purchase our products or services on a case-by-case basis. Given such practice, there is no assurance that our customers will make repurchases of our products frequently or at all. There is also no assurance that the industries where we operate our business and our products serve will be able to continuously attract new customers to support revenue growth as it depends on a number of factors, including but not limited to the level of acceptance by customers, the rate of expansion of use cases, and the changing customer preferences and demands. As such, if we fail to attract new customers or retain existing customers, our business, results of operations and financial condition may be adversely affected. Furthermore, our relationship with our existing customers is key to sustaining ongoing orders and sales agreements. If we fail to maintain high levels of customer satisfaction, provide value-added products or services, or offer competitive pricing and support, we may see delays or cancellations in orders, reduced order volumes, or pressure to offer lower prices. This could not only hurt our short-term revenue but also damage our long-term reputation, making it more difficult to secure future contracts. As we grow, managing customer relationships will require increased investments in customer support, product customization, and ongoing innovation. If we are unable to effectively address the evolving needs of our customers or meet the demands for new, advanced robotics products, our business could face stagnant or declining sales, diminished profitability, and increased competition.

Products with long lifespans and developments in technologies may adversely affect the demand for our products.

Our robotic products can replace manual labor and reduce labor costs. However, if the customers' product has a long lifespan, there may be no need for them to procure our products. This could materially and adversely affect our business, results of operations and financial condition. Additionally, advances in machine vision and AI, among others, make it possible for our products to be aware of their surroundings and perform multiple types of tasks safely in lieu of or in collaboration with human workers. Development of alternative technologies and products which provide similar functions may materially and adversely affect the growth prospects of the market where we operate our business. It is possible that new technologies or non-robotic products may emerge as preferred alternatives and may be more efficient, user-friendly and affordable than our robotic products and may also render the use of the foregoing obsolete and unnecessary in certain cases. Any failure by us or the market where we operate our business as a whole to develop new or enhanced technologies or products to react to such alternative products could result in the loss of competitiveness, decline in market expansion opportunity, decreased revenue, loss of talents and loss of market share to competitors. As a result, our business, results of operations and financial condition may be materially and adversely affected.

If we are unable to manage our inventory risks efficiently or the proportions and amount of our write-down of inventories further increase, our business, results of operations and financial condition may be adversely affected.

Effective inventory management is crucial to our operations, as it directly impacts our ability to meet customer demand, maintain production schedules, and manage working capital. Our inventories comprise (i) raw materials and components; (ii) finished goods; (iii) materials consigned for processing and work in progress, and (iv) goods in transit, all of which are essential for the timely production and delivery of our robotics products. For the years ended December 31, 2023, 2024 and 2025, our inventory turnover days was 240 days, 211 days and 172 days, respectively. If we are unable to manage our inventory risks efficiently, it could lead to excess inventory, stockouts, or inventory obsolescence, all of which may disrupt our production processes and result in financial losses.

As of December 31, 2023, 2024 and 2025, we recorded write-down of inventories of RMB4.0 million, RMB7.6 million and RMB5.8 million in our consolidated statements of financial position, respectively. Inventory write-downs occur when the value of our inventory falls below its carrying amount, which could be due to various factors such as market price fluctuations, technological advancements, or changes in customer demand. If the proportions or amount of our inventory write-downs further increase, it could negatively affect our profitability and cash flow. Furthermore, as we plan to continue expanding our offerings, we expect to include a wider variety of raw materials and components, which will make it more challenging for us to manage our inventory and logistics. In addition, our products may quickly become outdated due to fast-changing trends and constant technological advancements, and any mismanagement of inventory could lead to increased write-downs directly impacting our profitability, tied-up capital in slow-moving inventory reducing our liquidity, and higher storage and handling costs pressuring our margins, which may adversely and materially affect our business, results of operations and financial condition. Additionally, if we fail to accurately forecast demand or mismanage inventory levels, we may face either excess stock, which could lead to storage costs, or insufficient stock, which could result in missed sales opportunities or production delays. Both scenarios could disrupt our operations and negatively impact customer satisfaction, ultimately harming our business and financial performance.

Our production process relies on raw materials and components that may be subject to price fluctuations or shortages.

Our ability to manufacture robotics products depends on a steady supply of key raw materials and components. 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. Given the complexity and precision of our products, the quality and timely availability of these materials are critical to maintaining production schedules and meeting customer demands. The prices and availability of these raw materials and components are subject to fluctuations due to a variety of factors beyond our control, such as changes in global supply chain dynamics, geopolitical instability, trade tariffs, natural disasters, and fluctuations in commodity prices. Additionally, shortages or delays in the procurement could disrupt our production timelines, leading to extended lead times, increased operational costs, or the inability to fulfil customer orders on time.

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.

Our ability to produce robotics products depends on the reliable performance of our suppliers. The timely delivery, quality, and cost of raw materials and components are critical to maintaining our production schedules, ensuring product quality, and meeting customer expectations. However, our supply chain is subject to various risks that could disrupt the smooth flow of materials and components. Any interruption of services or degradation in the quality of materials provided by our suppliers could significantly affect our manufacturing processes. Such disruptions may lead to missed deadlines, loss of customer trust, or increased expenses to source alternative suppliers at higher prices.

We are dependent on certain major suppliers. 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. The stability of operations and business strategies of our suppliers are beyond our control, and we cannot assure you that we will be able to secure a stable relationship with such suppliers. Identifying and qualifying alternative or additional suppliers and vendors is often a lengthy process and can lead to production delays, interruptions to our production and additional costs, and such alternatives are sometimes not available on commercially reasonable terms, or at all. Additionally, we rely on a network of suppliers located in different regions, which exposes us to risks such as fluctuations in local economic conditions, geopolitical instability, regulatory changes, and transportation disruptions. If we are unable to secure alternative suppliers quickly or if the cost of switching to new suppliers is prohibitively high, we may experience significant delays or increased operational costs. Any sustained disruption to our supply chain, whether due to supplier failure, natural disasters, or geopolitical events, could materially harm our ability to meet customer demand, maintain competitive pricing, and protect our profit margins. Moreover, issues with supplier quality could undermine the reliability of our products, leading to potential warranty claims, customer dissatisfaction, and reputational damage.

We may not be able to fully maintain high quality control over our products.

Our robotics products are designed to meet stringent performance, reliability, and safety standards across various industries, including metal and machining, automotive and components, electronics, new energy, consumer goods and healthcare. However, the complexity of our robotics products, the integration of advanced technologies, and the demands of various industries present significant challenges in achieving and maintaining high-quality control across all aspects of our operations. We may face difficulties in ensuring that every product meets our quality standards. Variations in raw materials, supplier performance, production methods, and the introduction of new technologies may impact our ability to maintain consistent quality at all stages of production. Furthermore, as we continue to innovate and expand into new product categories, the complexity of ensuring quality control increases. New product designs, materials, and manufacturing processes may require enhanced monitoring and testing procedures to meet the high standards we set for our products. In addition, any issues related to third-party components or suppliers, over which we have limited control, could impact the overall quality of our finished products. If we are unable to maintain control across our product lines, it could lead to increased warranty claims, higher costs related to product recalls or repairs, and a loss of customer trust. Furthermore, failure to uphold our quality standards may hinder our ability to enter new markets or secure long-term contracts with key clients.

Any failure to offer maintenance and support services for our customers may harm our relationships with them and, consequently, our business.

Our customers utilize our robotics products for critical operations across various industries. Our ability to meet customer expectations for timely, reliable, and responsive after-sales service is critical to maintaining strong, long-term relationships and driving repeat business. However, as we expand our product offerings and enter new markets, the complexity and scale of our maintenance and support services may increase. Meeting the growing demand for support, ensuring prompt responses to service requests, and maintaining a highly skilled technical support team can be challenging, especially as we scale operations. Any failure to provide such support could result in extended downtime for customers, product malfunctions, or unsatisfactory service experiences, which could harm our reputation and customer trust. Additionally, the increasing reliance on advanced technologies, such as AI, may require specialized support and expertise. If we are unable to keep pace with the evolving needs of our customers or provide timely troubleshooting, repairs, or upgrades, we may face dissatisfaction, higher churn rates, and a decline in customer loyalty. As a result, we could lose existing customers, miss out on valuable business opportunities, or face difficulties securing contracts with new customers. Failure to offer effective maintenance and support services could also lead to increased operational costs, as we may need to allocate additional resources to resolve issues, conduct training, or improve service response times.

We may be subject to product liability claims if our products contain defects, and we could incur significant expenses to remediate such defects. As a result, our reputation could be damaged and we could lose market shares, and our business, results of operations and financial condition may be adversely affected.

As we design, manufacture, and sell robotics products, we are exposed to the risk of product defects. Our products must meet high standards of performance, quality, and safety, as they are used in critical applications across industries. If any of our products contain defects, whether in design, manufacturing, or materials, we may face product liability claims from customers, regulators, or other parties. Product defects could arise from various sources, including technological failures, faulty components, manufacturing errors, or issues with the integration of new technologies. If defects are discovered, we may need to recall affected products, provide replacements, or offer compensation to customers. These actions can be costly and time-consuming, and they may not fully mitigate the financial or reputational damage caused by the defects. In addition to the direct costs of remediation, product defects can severely damage our reputation for quality and reliability. This could result in lost market share, reduced sales, and an inability to secure future contracts. Furthermore, product liability claims can also result in legal expenses, settlements, and increased insurance premiums, adding to our operational costs. In some cases, the damage to our brand and reputation may be long-lasting, particularly if the defects are widely publicized or affect high-profile customers.

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.

The United States and other jurisdictions or organization, including the European Union, the United Nations, the United Kingdom, China and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organization within such countries. For further details, please see "Regulatory Overview – Sanctions Laws and Regulations". 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**"). 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. For more information, please refer to "Business – Compliance with International Sanctions and Export Control Laws and Regulations".

In addition, 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. 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. As a result, we may have exposure to U.S., EU, and UK secondary sanctions because we cannot accurately trace the final destination of products sold to Russian entities during the Track Record Period for which our sales cannot be accurately traced. These transactions could be captured under Section 1(a) (i) of Executive Order 14024, which authorizes sanctions against persons operating in designated sectors of the Russian economy, such as manufacturing, engineering, technology, and electronics. U.S. guidance (FAQ 1126) interprets this broadly to include those who supply goods, services, or technology to these sectors. Therefore, our Russian-related sales likely fall within the scope of "U.S. Secondary Sanctionable Activity," potentially subjecting relevant operating entities to secondary sanctions risk. As OFAC has wide discretion to impose penalties under secondary sanctions and US policy stance toward sanctions enforcement may change in the future, we cannot exclude the possibility that we could be sanctioned as a result of past activities or otherwise provide a basis for a sanctions designation of our Group. If OFAC exercises its discretion to designate us, our business, operations and our banking relationships with overseas entities subject to the jurisdiction to the OFAC may be materially and adversely affected.

International trade frictions have been escalating continuously in recent years. Certain foreign jurisdictions have imposed or may impose export controls, economic sanctions or other trade-related measures in various forms (such as heavy tariffs or harsh trade conditions) against certain countries, individuals and legal entities, which, from time to time, prohibit or restrict export and import activities to a certain extent. Export controls and economic sanctions laws or regulations could change in a way that could affect our business, exports or sales in other countries and could result in restrictions, penalties or fines. The United States has increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce (the "**BIS**"), which includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the "**Entity List**"). Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of items which are subject to the EAR generally is prohibited unless the specified license requirements are met. 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. 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. See "Business – Compliance with International Sanctions and Export Control Laws and Regulations – Export Control".

Throughout 2025, the U.S. government announced several rounds of tariffs on imports from China under the International Emergency Economic Powers Act ("**IEEPA**"). These tariffs were ruled unlawful by the U.S. Supreme Court on February 20, 2026. In response, the U.S. President suspended collection of such IEEPA-based duties and imposed a temporary 10 percent ad valorem import surcharge for a 150-day period on goods imported into the United States, effective February 24, 2026, with certain exceptions. We currently do not expect to be directly affected by these new tariff measures as of the Latest Practicable Date. However, the indirect effects of these trade restrictions remain uncertain. For instance, if our customers, particularly those engaged in cross-border commerce, experience increased costs or decreased revenues as a result of tariff measures, their demand for our products could decline. Trade disputes, trade restrictions, tariffs, and other political tensions between the United States and China may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns, which may also negatively impact customer demand for our products, delay renewals or limit expansion opportunities with existing customers, limit our access to capital, or otherwise negatively impact our business and operations.

International trade policies and international export controls and economic sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of Sanctioned Targets. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk or our business will conform to the expectations and requirements of the authorities of U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of U.S., the European Union, the United Nations, the United Kingdom, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose or provide a basis for a sanctions designation of our Group.

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.

On October 28, 2024, the Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "**Final Rule**"), which became effective on January 2, 2025. The Final Rule implements a regulatory framework for certain U.S. investments into China (including Hong Kong and Macau) in entities engaged in activities involving sensitive technologies critical to national securities in three sectors, namely, (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems with applications that pose national security risks, collectively defined as "Covered Foreign Persons". The program prohibits U.S. persons from undertaking certain transactions and requires notification by U.S. persons on certain investments in Covered Foreign Persons, which may increase the compliance burden of U.S. investors and may cause certain U.S. investors to adopt a more cautious approach in their investments, and thus may negatively impact our ability to raise capital from U.S. investors.

As advised by Hogan Lovells, we believe that we are not a "covered foreign person" under 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. Specifically, as assessed by Hogan Lovell, our embodied intelligent robots solely use publicly-available artificial intelligence platforms and we do not develop or design any artificial intelligence system. As such, these activities are not deemed as covered activities; (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 investing 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.

We sell our robotic products to distributors for a certain portion of our revenue. If distributors are not able to operate successfully or we fail to maintain good relationships with such distributors, our business, financial condition and results of operations could be negatively affected.

We selectively engage distributors to market our robotic products. In 2023, 2024 and 2025, sales generated from our distribution channel amounted to RMB12.8 million, RMB21.9 million and RMB9.8 million, accounting for 5.8%, 9.3%, and 3.0% of our total revenue for the same years, respectively. Our distributors may not be able to market and sell our products successfully or maintain their competitiveness as a result of various factors. For example, our distributors may not be able to successfully organize marketing events that achieve desired results. If the sales volumes of our products to customers are not maintained at a satisfactory level, our distributors may not place new orders with us, or they may reduce orders or request discounts on the purchase price, and eventually, they may not renew the agreement with us. The loss of our distributors, or reduced orders from them, could adversely affect our access to customers and our sales volume and revenue. There is no assurance that they will do so or that we may be successful in detecting any non-compliance; and non-compliance with the agreements by any of our distributors could tarnish our brand, disrupt our sales and damage our relationship with distributors. In addition, if we fail to maintain our relationships with a majority of distributors, or our distributors fail to operate successfully, our ability to effectively sell our products could be negatively impacted. These and similar actions could also negatively affect our corporate and product image, which could result in a loss of customers and decline in sales. Furthermore, distributors selling the same products in overlapping markets may result in cannibalization or even competition among these distributors. We cannot assure you that the expansion of our sales network will continue to be successful or will generate revenue as expected.

Our business is subject to the risks associated with international expansion initiatives.

We have built up a broad and geographically diversified customer base both domestically and internationally. During the Track Record Period, our products have been sold to customers located in 40 countries or regions outside the PRC. In 2023, 2024 and 2025, our revenue generated from overseas contributed to 19.0%, 10.5% and 11.3% of our total revenue for the same years respectively. Expanding in international markets requires significant resources and management attention and will subject us to regulatory, economic and political risks in addition to those we already face in China. Specifically, our expansion into overseas markets are subject to various operational and financial risks that could adversely affect our business. The products we provide outside China are subject to risks resulting from changes in tariffs, trade restrictions, trade agreements, tax policies, difficulties in managing or overseeing foreign operations and agents, different liability standards, issues related to compliance with anti-corruption laws, data protection, trade compliance, and intellectual property laws in the respective overseas jurisdictions. The occurrence or consequences of any of these factors may restrict our ability to operate in the affected region or decrease the profitability of our operations in that region. In addition, as we expand our business internationally, we will be exposed to increased risk of loss from foreign currency fluctuations and exchange controls.

Because of our limited experience for expansion into international markets, managing operations in international markets, our international expansion efforts may not produce the results we expect. In addition, we will face risks in doing business internationally that could adversely affect our business. For instance, we face difficulties managing and staffing international operations and the increased operating, travel, infrastructure and legal compliance costs associated with international business. In addition, we must offer customer service in various languages, adapt and localize our product and service offerings for specific countries and regions, appropriately price our products and services and work with overseas business partners and other third parties, such as local transportation service providers. We are also subject to general risks inherent in international operations, such as fluctuations in exchange rates, embargoes and customer clearances, as well as political or social unrest or economic instability in regions in which we operate.

Our business and prospects depend on our ability to build our brand and reputation, which could be harmed by negative publicity regarding our brand, Directors, employees, or products, whether warranted or not.

Our ability to attract customers, investors, and business partners is heavily reliant on the strength of our brand and reputation in the industrial robotics market. Building and maintaining a positive public image is critical for fostering customer trust, expanding market share, and ensuring long-term growth. However, our brand and reputation are vulnerable to a wide range of external factors, some of which may be beyond our control. Negative publicity regarding our products, services, directors, or employees, whether warranted or not, could have a significant adverse impact on our brand perception. For example, any issues related to product quality, customer service, or product recalls could result in negative media coverage, customer dissatisfaction, and damage to our brand's credibility. If any of our Directors or employees were to be involved in controversies, legal disputes, or ethical violations, it could undermine our public confidence. Even in the absence of legitimate or factual claims, rumors, social media criticism, or misinformation can spread quickly, particularly in the digital age. Such negative publicity could affect customer loyalty, reduce demand for our products, and discourage **[REDACTED]** or business partners from engaging with us. The potential damage to our brand could also lead to increased marketing and public relations expenses as we attempt to repair any harm done to our image.

We cannot guarantee that our growth strategies will be successfully implemented or bring about outcomes as we expected.

Our growth strategy is a key driver of our business expansion, and it involves various initiatives, including but not limited to new product development, market diversification and technological advancements. For details, see "Business – Growth Strategies". While we have outlined a roadmap for growth, there is no guarantee that these strategies will be successfully implemented or achieve the outcomes we expect. The execution of our growth plans is subject to numerous risks and uncertainties. For instance, entering new markets or product categories may expose us to unforeseen challenges, such as regulatory hurdles, cultural differences, competition, or changes in market conditions. Our efforts to expand our customer base, improve operational efficiencies, or integrate new technologies may not result in the anticipated growth if we are unable to adapt to evolving market demands, customer preferences, or technological trends. External factors such as economic downturns, shifts in industry standards, or disruptions in global supply chains could impact the successful execution of our growth strategies. If our growth strategies do not deliver the expected results, it could lead to missed revenue targets, increased costs, and financial strain. This may also impact investor confidence, brand reputation, and our ability to attract new business opportunities.

Acquisitions, investments or strategic alliances may fail and materially and adversely affect our reputation, business and results of operations.

We may in the future enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the counterparty, and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have little ability to control or monitor their actions. To the extent strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties. In addition, we may acquire additional assets, technologies or businesses that are complementary to our existing businesses. Future acquisitions and the subsequent integration of new assets, technologies and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing businesses, which in turn could adversely affect our business. Acquired assets, technologies or businesses may not generate the financial or operating results we expect. In addition, acquisitions could result in the use of substantial amounts of cash, dilutive issuances of equity securities, incurrence of debt, incurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business.

The development of new products and services involves significant risks, and any failure to successfully commercialize or meet market expectations could adversely affect our business, results of operations, and financial condition.

As part of our long-term strategy, we continuously invest in the development of new industrial robotic products. This includes expanding our product offerings in existing key areas such as industrial robots, collaborative robots, and embodied intelligent robots, as well as integrating cutting-edge technologies like AI, machine vision, and advanced motion control. The development of new products and services involves inherent risks. The process from concept to commercialization is complex, resource-intensive, and time-consuming. Even with significant investment in R&D, there is no guarantee that we will successfully bring new products to market or that they will meet customer expectations in terms of functionality, quality, and price. Market conditions may shift, customer needs may evolve, or competition may intensify, which could limit the success of our new offerings. Furthermore, the failure to effectively commercialize new products, whether due to delays in product development, production issues, or a lack of market demand, could result in a failure to achieve the expected revenue growth. In such cases, the resources invested in R&D, marketing, and production may not generate the anticipated returns, which could strain our financial resources and impact profitability. If we are unable to meet market expectations or deliver innovative, cost-effective products, it could undermine our reputation, reduce customer trust, and hinder our ability to attract new business or retain existing customers. This could lead to decreased revenue, lower market share, and diminished competitive advantage, ultimately harming our business, results of operations, and financial condition.

We lease properties as premises primarily for our office spaces. Any non-renewal of leases, substantial increase in rent, or any third-party or government challenge to our leasehold interest may affect our business and financial performance.

As of the Latest Practicable Date, we leased (i) three properties with an aggregate gross floor area of approximately 918.6 square meters in China, which had been used mainly as offices or other business support functions; and (ii) one property with an aggregate gross floor area of approximately 205 square meters in Malaysia, which had been used as the office of our Malaysian subsidiary. Before the expiry of each of our leases, we have to negotiate the terms of renewal with respective lessors. There is no assurance that our existing leases would be renewed on similar or favorable terms or at all, in particular with respect to the amount of rent and the term of the lease. Any substantial increase in the rent of our leased properties may increase our property rental and related expenses, which could materially and adversely affect our profitability. There is also no assurance that our existing leases will not be terminated early by the lessors before the expiry of the relevant term. If we are required to relocate our office space, there is no assurance that we will be able to identify comparable locations in a timely manner or at all or that we will secure a lease on comparable terms.

As of the Latest Practicable Date, we had not filed the lease agreements for registration with respect to two leased properties in China, mainly including office space. Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the lease agreement within a prescribed period, and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to comply, and, therefore, the aggregate maximum potential penalty which may be imposed on us as a result of such non-compliance would be RMB20,000. Additionally, if disputes or government actions due to title challenges arise to the above-described properties, we may encounter difficulties in continuing to lease such properties and may be required to relocate. If any of these leases terminated or voided as a result of challenges from third parties or government agencies, we would need to seek alternative premises and incur relocation costs. If we need to seek alternative premises for the above-mentioned properties, we estimate that it will take approximately one to two months to select suitable alternative premises and complete the relocation process. The estimated annual costs associated with the relocation include approximately RMB170,000 for the rent of the new premises and approximately RMB24,000 for utilities and property management fees, respectively. We cannot assure you that we will be able to relocate such operations to suitable alternative premises, and any such relocation may result in disruption to our business operations and result in loss of earnings. We also cannot assure you that we will be able to effectively mitigate the possible adverse effects that may be caused by such disruption, including loss and costs.

Our insurance coverage may not be sufficient to cover all losses or potential claims which would affect our business, financial condition and results of operations.

While we maintain various insurance policies to protect against potential risks and losses, mainly including property damage, product liability, and employee-related risks, there is no guarantee that our insurance coverage will be sufficient to cover all potential claims. The scope of our coverage is determined by the types of risks we assess and the limits of our policies, which may not adequately address unforeseen or large-scale events. For example, in the event of significant property damage, product defects, or operational disruptions, our insurance policies may not cover the full extent of the financial losses or liabilities incurred. Additionally, the premiums for comprehensive coverage can be substantial, and certain risks may be excluded from coverage altogether, such as those arising from cyber-attacks, geopolitical events, or unforeseen regulatory changes.

If we were to experience a major event or claim that exceeds our insurance coverage, we may be forced to bear the financial burden ourselves, which could have a significant adverse effect on our business, results of operations, and financial condition. This could result in unexpected financial strain, delays in product development, or reputational damage, particularly if we are unable to resolve claims in a timely and efficient manner. Furthermore, if we are unable to secure appropriate insurance coverage in the future or if the cost of coverage becomes prohibitive, we may face increased exposure to risk, potentially undermining our ability to operate effectively or meet customer and shareholder expectations.

Any unexpected disruption at our production facility could materially and adversely affect our business, results of operations and financial condition.

As of December 31, 2025, we operated one self-owned production site located in Chengdu, Sichuan Province, China. Our production facility is critical to the manufacturing and delivery of our robotics products and houses essential equipment for assembly, testing, and quality control, enabling us to produce robotics products mainly including industrial robots, collaborative robots, embodied intelligent robots. Any disruption at our production facility could have a significant and immediate impact on our ability to meet production targets, deliver products on time, and maintain customer satisfaction. Potential disruptions could arise from a variety of factors, including equipment failure, accidents, natural disasters, supply chain interruptions, labor strikes, or unforeseen events such as public health emergencies or epidemics. These incidents could result in production stoppages, delays in manufacturing, or quality issues that would require additional resources to resolve. For example, a critical equipment breakdown or unexpected power outage could halt production, while a natural disaster could damage our facilities or disrupt access to key materials.

As we expand our operations and increase the complexity of our product lines, the risk of production disruptions may increase. Any failure to maintain operational continuity at our production facility, whether due to internal or external factors, could lead to delayed shipments, increased costs, and potential penalties for missed deadlines. Any unexpected disruption at our production facility could materially and adversely affect our ability to produce and deliver products in a timely manner, damaging our business, results of operations, financial condition, and long-term prospects.

Increase in wages and shortage of labor may affect our ability to implement its projects and its performance.

As a company operating in the industrial robotics market, we rely on a diverse workforce, including but not limited to engineers, technicians, production staff, and support personnel, to design, manufacture, and deliver our robotics products. The rising cost of labor may happen in the future and potential shortages of skilled workers poses significant risks to our business. An increase in wages could lead to higher operational costs, particularly in key areas such as R&D, manufacturing, and assembly. While we strive to offer competitive compensation packages, any significant upward pressure on wages in the regions where we operate our business could increase our overall expenses, reducing our profitability. Additionally, increased wages may create internal pressure for higher pay across the workforce, further driving up labor costs. Labor shortages, particularly in specialized fields such as robotics engineering, software development, and technical support, could further exacerbate these challenges. As demand for skilled workers in the technology and manufacturing sectors grows, it may become more difficult to recruit the necessary talent to support our projects. Labor shortages can lead to delays in product development, manufacturing, and service delivery, which could directly affect our ability to meet customer deadlines, satisfy contract terms, and maintain consistent standards.

Our information technology and software systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches.

Our business operations rely heavily on information technology and software systems. These systems are integral to maintaining the efficiency and reliability of our robots, supporting our operations, and ensuring that we meet customer demands in a timely manner. However, our reliance on technology also exposes us to various risks related to system malfunctions, failures, interruptions, and security breaches. Malfunctions or unexpected system failures could disrupt our operations, delay product development, or impact the delivery of products and services to our customers. This could occur due to technical issues, software bugs, integration problems, or external factors such as power outages, cyber-attacks, or hardware malfunctions. Such disruptions may result in extended downtime, loss of productivity, or errors in product quality, which could ultimately affect customer satisfaction and harm our reputation. Moreover, security breaches present a significant risk to our business. Unauthorized access to our IT infrastructure or customer data could result in data theft, loss of intellectual property, or violation of privacy regulations, leading to legal liabilities and reputational damage. The increasing sophistication of cyber-attacks and the evolving nature of security threats make it challenging to fully safeguard our systems, even with the implementation of security measures.

We are reliant on third-party logistics service providers to meet the growing demand of our customers.

We may use logistics services provided by third parties, which we have no control over, to serve customers. If products are not delivered on time or are delivered in a damaged state which we failed to detect, customers may refuse to accept the products and hold less confidence in us. Our logistics personnel or the logistics personnel of third parties act on our behalf and interact with our customers personally. Any failure to provide effective service to our customers may negatively impact the experience of our customers, damage our reputation, and affect our ability to retain customers. We may face claims raised by our customers that we may be held liable for any losses and damages arising therefrom. As a result, our reputation, business, results of operations and financial condition might suffer significantly. There can be no assurance that we will be able to maintain such good relationships or renew our agreements with them on commercially reasonable terms, if at all. If we fail to continue our cooperation with such service providers, or if their business or operations are interrupted or fail, and we fail to find comparable alternatives on reasonable terms, our business may be materially and adversely affected. In addition, vehicles and personnel of third-party logistics service providers we engage may be involved in transportation accidents, and the products carried by them may be lost, damaged, destroyed. In addition, friction, disputes, personal injuries or property damages may arise from direct interactions between logistics service providers' pickup and logistics personnel with senders and recipients. Risk may arise if such incidents escalate.

Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties may materially and adversely affect our business.

Our business operations are built on trust, integrity, and compliance with legal and regulatory requirements. However, we are exposed to the risk of fraudulent or illegal activities, misconduct, or unethical behavior by employees, customers, suppliers, or other third parties. We cannot guarantee that such activities will be fully detected or prevented. Fraudulent activities, such as misappropriation of funds, falsification of records, or manipulation of financial statements, could lead to significant financial losses, legal liabilities, and reputational damage. Misconduct by employees, such as breaches of confidentiality, intellectual property theft, or conflicts of interest, could also undermine the integrity of our operations and harm our relationships with customers, partners, and investors. Similarly, if our customers, suppliers, or other third parties engage in fraudulent or illegal activities, it could disrupt our supply chain, result in legal claims, or negatively affect our financial standing. For example, suppliers providing defective or counterfeit materials, or customers involved in fraudulent transactions, could lead to product quality issues, customer disputes, and potential regulatory sanctions. Any failure to detect or address such misconduct could have severe consequences for our business and operations.

The increasing awareness of ESG issues may lead to the adoption of more stringent laws and regulations and increase our compliance costs. Failure to comply with relevant laws and regulations may adversely affect our business, financial condition and results of operations.

With the rising awareness of ESG issues, including with respect to waste, greenhouse gas emissions and environmental protection, more stringent laws and regulations that affect our business operations may be adopted. Accordingly, we may need to devote more effort and resources to ensure our compliance with such laws or regulations. We have adopted a series of measures and policies aiming to ensure our compliance with the ESG-related laws and regulations applicable to us. See "Business – Environmental, Social and Governance". Implementing our ESG Policy may result in increased costs in our supply chain, fulfillment, and corporate business operations, and could deviate from our initial estimates and have a material adverse effect on our business and financial condition. If we fail to comply with such ESG-related laws and regulations, our business, financial condition and results of operations may be adversely affected.

We may from time to time be subject to claims, disputes, lawsuits and other legal and administrative proceedings.

As part of our business operations, we may be subject to claims, disputes, lawsuits, and other legal or administrative proceedings in the ordinary course of business. These could arise from a variety of sources, including intellectual property disputes, product liability claims, contractual disagreements, labor-related issues, or regulatory challenges. Legal proceedings, regardless of their merit, can be time-consuming, costly, and disruptive to our operations. Defending against claims or disputes can divert management's attention, incur significant legal expenses, and require the allocation of resources that could otherwise be used for business growth and development. Even if we prevail in these matters, the reputational damage or negative publicity resulting from legal disputes could harm our brand image and relationships with customers, partners, and investors. If any legal action results in an adverse judgment or settlement, it could lead to financial liabilities, such as damages, fines, or penalties, which could impact our financial condition, cash flow, and profitability, such as, if we are found liable for a product defect, breach of contract, or regulatory non-compliance, the costs of remediation and potential compensation to affected parties could significantly impact our business.

Public health crises pandemic may disrupt our operations, supply chain, or customer demand, and materially and adversely affect our business.

Public health crises may pose significant risks to our operations, supply chain, and overall business performance. Public health crises pandemic highlighted the vulnerabilities that can arise from global health emergencies, including government-imposed restrictions, lockdowns, travel bans, and social distancing measures, all of which can disrupt day-to-day operations and business continuity. The physical and logistical challenges associated with maintaining operations under such circumstances can also lead to delays, operational inefficiencies, and increased costs. Public health crises can lead to significant changes in customer demand. These factors combined could materially and adversely affect our business, results of operations, and financial condition.

RISKS RELATING TO THE RESEARCH AND DEVELOPMENT AND INTELLECTUAL PROPERTY RIGHTS IN OUR PRODUCTS

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.

The industrial robotics market is characterized by rapid technological advancements, with innovations in AI, machine vision, automation software, and robotics hardware shaping the competitive landscape. Our ability to sustain technological innovation and advancement through R&D is crucial for sustaining our position in the market, as technological breakthroughs are often the key differentiators in product performance, cost-effectiveness, and operational flexibility. We focus on continuously improving our robotics products, particularly in application scenarios like welding, cutting, grinding, precision machining, stamping, handling and palletizing, assembly and others where customer demands for precision, efficiency, and adaptability are ever-increasing. However, R&D in the industrial robotics market is inherently risky and resource-intensive, with no guarantee that our investments will lead to successful product innovations or commercialization. Advances in AI, real-time navigation, sensor integration, and machine learning algorithms are essential to the continued competitiveness of our products. Failure to adequately anticipate emerging technologies, respond to market shifts, or achieve timely product development could lead to obsolescence in certain product lines or allow competitors to outpace us in introducing next-generation robotics products or solutions. Additionally, as we move into more complex product categories, our ability to integrate cutting-edge software with mechanical systems will be critical. Failing to stay ahead of technological trends in this fast-evolving segment could result in a loss of market share, reduced revenue growth, and pressure on our profitability. A failure to maintain our R&D leadership could ultimately undermine our brand reputation, hinder our expansion into new markets, and impact our ability to capture new customer segments, adversely affecting our business and financial performance.

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.

Our business strategy heavily relies on continuous and substantial investments in R&D to maintain our competitive edge in the industrial robotics market. For the years ended December 31, 2023, 2024 and 2025, our research and development expenses amounted to RMB36.0 million, RMB36.0 million RMB48.9 million, respectively, accounting for 16.2%, 15.4% and 15.1% of our total revenue for the same years, respectively. As part of our long-term growth strategy, we will continue to focus on strengthening technological R&D, such as efforts on robot underlying technologies, multimodal models, and robot "brain" systems & key raw materials and components.

However, R&D is a capital-intensive process that does not guarantee immediate returns. The development timelines for new robotic products are long, and the commercialization of new technologies may take several years before generating meaningful revenue. During this period, our R&D spending may adversely impact our profitability, as we continue to allocate significant resources to innovation without immediate financial returns. There is no assurance that our R&D efforts will yield the desired results. Technological breakthroughs are inherently uncertain, and our ability to anticipate market trends or develop products that meet evolving customer demands may fall short. If we are unable to successfully convert our R&D investments into commercially viable products or achieve the expected levels of market acceptance, the financial burden of our R&D activities could negatively affect our operating cash flow, hinder profitability, and reduce shareholder value. Ongoing R&D expenditures may also strain our financial position and delay the achievement of profitable operations.

We may not be able to obtain or maintain adequate intellectual property protection, which could undermine the value of our technology.

Our business relies heavily on the protection and maintenance of intellectual property as a key element of our competitive advantage in the industrial robotics market. However, the intellectual property landscape for the industrial robotics market is highly competitive and complex. 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. While we have filed patents and pursued other forms of legal protection for our core technologies, there is no guarantee that we will be able to obtain or maintain sufficient IP protection in all markets. The patent approval process can be lengthy, costly, and subject to vary legal standards across different jurisdictions. Furthermore, we may face challenges in enforcing our intellectual property rights, particularly in regions where intellectual property laws may be less robust or where competitors may infringe upon our patents or reverse-engineer our technology. Even if we are granted patents or other protections, there is a risk that our intellectual property may be challenged, invalidated, or circumvented by competitors. In addition, we may not be able to fully protect trade secrets, proprietary software, or other non-patented technologies, which are integral to our business. The loss or weakness of intellectual property protection could lead to a loss of technological differentiation, increased competition, and a diminished ability to command premium pricing for our products.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful. Our patent rights relating to our products could be found invalid or unenforceable if being challenged in court or before the China National Intellectual Property Administration or similar intellectual property agencies in other jurisdictions.

As a company that heavily relies on intellectual property to protect our technology and maintain a competitive edge in the industrial robotics market, we may face legal challenges related to the protection and enforcement of our patents, trademarks, and other proprietary rights. While we have invested significant resources in obtaining and maintaining intellectual property protection for our core technologies, there is a risk that we may become involved in costly and time-consuming litigation to defend our intellectual property rights, especially if competitors or third parties challenge the validity or scope of our patents. Intellectual property litigation is often complex, expensive, and unpredictable. If our patents are challenged in court or before intellectual property agencies such as the China National Intellectual Property Administration ("**CNIPA**") or similar authorities in other jurisdictions, we could face significant legal expenses and reputational risks. Even if we are successful in defending our patents, the process could be protracted, diverting management focus and resources away from our core business operations.

If our patents are found to be invalid or unenforceable, we could lose the legal protections that are critical to the uniqueness and value of our technology, leaving us exposed to increased competition and potential infringement by others. Furthermore, the loss of intellectual property protection could diminish our ability to charge premium prices for our products, impact customer loyalty, and reduce our overall profitability. The uncertainty surrounding intellectual property disputes also adds a layer of operational and financial risk, particularly in jurisdictions where intellectual property enforcement mechanisms are less established or where competing technologies may be able to bypass existing patents. In addition to potential costs and uncertainties in defending our IP, the legal process may also expose us to counterclaims or claims of infringement, which could further complicate our position and lead to additional liabilities. The financial and reputational impact of such litigation could significantly affect our business and financial condition.

If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and financial penalties and may have to redesign or discontinue selling relevant products.

Some of our competitors have large patent portfolios and may claim that the commercial use of our products has infringed upon their patents. These patents have broad claims, so it might be alleged that certain features of our products fall within the claims of such patents. Therefore, our competitors may initiate legal proceedings alleging that we are infringing upon, misappropriating or otherwise violating their intellectual property rights. We cannot assure you that we or our products will not infringe any intellectual property rights held by third parties in the future. We may face claims of infringement of third parties' proprietary rights or claims for indemnification resulting from infringement arising from our operations or the design, development and distribution of our products. In addition, we may be unaware of intellectual property registrations or applications relating to our products or business operations that may give rise to potential infringement claims against us. There may also be technologies licensed to and relied on by us that are subject to infringement or other corresponding allegations or claims by third parties.

Companies in the industrial robotics market may use intellectual property litigation to gain a competitive advantage. Whether a product or solution infringes upon a patent involves an analysis of complex legal and factual issues, the determination of which is often uncertain. There can be no assurance that the employees we hired will not use their previous employers' proprietary know-how or trade secrets in their work for us, which could result in litigation against us. Our competitors may also have filed for patent protection which is not yet a matter of public knowledge or claim trademark rights that have not been revealed through our searches of relevant public records. Any claims of patent or other intellectual property infringement, regardless of their merit, could: (1) be expensive and time-consuming to defend; (2) cause us to pay substantial damages to third parties; (3) forbid us from making or selling products that incorporate the challenged intellectual property; (4) require us to redesign, reengineer or rebrand our products; (5) cause us to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property, which agreements may not be available on terms acceptable to us or at all; (6) divert the attention of our management; or (7) result in customers terminating, deferring or limiting their purchase of the affected products until resolution of the litigation.

We may from time to time in the ordinary course of our business be confronted with claims or allegations relating to intellectual property infringement. For example, we have been subject to an allegation from a software company regarding unauthorized software use. Such claims may or may not escalate to legal proceedings, the outcomes of which are unpredictable. In case of any disputes or lawsuits, there can be no assurance that we will be able to prevail in our defense or reverse any unfavorable judgment, ruling or decision against us. Any of these or future proceedings or actions or claims, with or without merit, could be costly and distract our management from day-to-day operations. We may incur substantial legal expenses in defending against such infringement claims, regardless of their merits. If we fail to successfully defend against these claims or do not prevail in such proceedings, we may be prohibited from using certain intellectual property rights, subject to substantial amounts of damages, fines or penalties or ordered to cease operations of certain of our business.

Our patent applications may not be issued as patents, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours.

As part of our business strategy, we invest heavily in R&D to develop innovative technologies in the industrial robotics market. We actively file patent applications for our core technologies, including but not limited to robotics hardware, control systems, software, and process algorithms. As of the Latest Practicable Date, we had 326 patents, including 71 invention patents and 127 utility model patents in PRC. However, there is no guarantee that all of our patent applications will be granted or that the patents will be issued in the form we expect. The patent application process is complex, and even if we meet all the technical and legal requirements, the decision to grant a patent is ultimately at the discretion of the relevant intellectual property authorities, such as the China National Intellectual Property Administration or other international patent offices. Patent applications can be subject to opposition, challenges, or rejection by these agencies, and even if granted, the scope and enforceability of the patent may not fully cover the technological aspects we intended to protect.

If any of our key patent applications fail to be granted, or if patents issued are narrower than expected, we may be unable to effectively protect our technological innovations. In such cases, our market position could be weakened, as we would lose the exclusive rights to use and profit from certain technologies. This may result in diminished revenue potential, reduced competitive advantages, and the loss of customers who may turn to alternative, competing products. The inability to secure adequate patent protection may also undermine our ability to attract strategic partnerships, secure favorable contracts, or obtain investment, as our intellectual property portfolio is often seen as a critical asset by **[REDACTED]** and partners. Furthermore, without the ability to prevent competitors from exploiting similar technologies, we may face increased competition, lower margins, and reduced profitability.

Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The China National Intellectual Property Administration and various governmental patent agencies in other jurisdictions require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and over the lifetime of the patent. Non-compliance events, including failure to respond to official actions within prescribed time limits, non-payment of periodic maintenance fees, and failure to properly legalize and submit formal documents, can result in abandonment or lapse of the patent or patent application, leading to partial or complete loss of patent rights in the relevant jurisdictions. In any such event, our competitors might be able to enter the market, which would materially and adversely affect our business, results of operations and financial condition.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

Our ability to protect and capitalize on our technological innovations heavily relies on the strength and enforceability of our patents. However, the patent system is subject to evolving legal frameworks and regulatory changes across jurisdictions. Changes in patent laws, such as modifications to patentability criteria, the scope of patent protections, or patent enforcement procedures, could significantly impact our ability to secure, maintain, and defend patents for our core technologies. For instance, if patent laws were to become more restrictive or if there were changes to the way patent claims are interpreted or enforced, the legal protections for our innovations could be diminished. Furthermore, if new legislative developments favor third parties, such as increased use of compulsory licensing or limitations on the duration of patent exclusivity, it could undermine our ability to prevent competitors from using or commercializing technologies similar to ours. The potential for changes in patent law to reduce the effectiveness of patent protection is a significant risk, particularly as we expand into new markets and continue to develop cutting-edge robotics products. Without strong patent protections, we may face increased competition from domestic and international competitors who may be able to replicate or build upon our innovations without facing legal consequences. This could undermine our market position, diminish the value of our intellectual property, and negatively impact our ability to achieve sustainable growth and profitability. Moreover, changes in patent law could also lead to increased costs associated with patent filings, litigation, and enforcement actions.

We may be unable to protect the confidentiality of our trade secrets, and we may be subject to claims that we, or our employees or our business partners have wrongfully used or disclosed trade secrets allegedly owned by others.

Our business depends partially on the confidentiality of our trade secrets, including proprietary algorithms, software, manufacturing processes, and other sensitive information that gives us a competitive advantage in the industrial robotics market. These trade secrets are essential to our technological innovation, product development, and overall business operations. However, despite our efforts to protect these assets, there is no guarantee that we will be able to maintain the confidentiality of our trade secrets indefinitely. We rely on a combination of internal security measures, employee confidentiality agreements, and non-disclosure agreements with business partners to safeguard our trade secrets. However, there is always the risk that these measures may be insufficient to prevent unauthorized access, disclosure, or use of our confidential information, especially in a rapidly changing technological environment. We may face legal challenges from third parties who claim that we, our employees, or our business partners have wrongfully used or disclosed trade secrets allegedly owned by others. Such claims could arise from disputes with former employees who may bring confidential information to new employers or from business partners who may assert that we have misappropriated their proprietary information. Defending against such claims can be time-consuming, costly, and disruptive to our operations. Even if we prevail in such disputes, the reputational damage, legal costs, and potential injunctions could harm our business. Furthermore, the loss or unauthorized disclosure of our trade secrets could undermine our competitive position by enabling competitors to replicate our technologies, reducing our ability to maintain pricing power and market share. If we are unable to adequately protect our trade secrets, or if we become entangled in trade secret misappropriation claims, it could adversely affect our business, results of operations, financial condition.

If our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our markets of interest and our competitive position may be adversely affected.

We own a number of trademarks. For more information, please refer to "Statutory and General Information – B. Further Information about the Business – Intellectual Property" in Appendix IV to this document. Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks, and may not be registered in all the necessary or desirable jurisdictions and categories in which we intend to sell our future products or services. Our trademarks may not be approved by one or more governmental trademark offices or may not be approved for use on our products or services. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. As such, if we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

Intellectual property rights do not necessarily protect us from all potential threats to our competitive advantages.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business nor permit us to maintain our competitive advantage. The following examples are illustrative: (1) others may be able to make identical or similar products that are not covered by the claims of the patents that we own; (2) others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights; (3) third parties might conduct R&D activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets; and (4) we may not develop additional technologies that are patentable.

We may not be able to protect our intellectual property rights globally.

Filing, prosecuting and defending patents on our technologies globally can be extremely expensive and time-consuming. We may encounter difficulties in protecting and defending our China-based patents and related rights in overseas jurisdictions. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries and regions outside the jurisdictions where we registered our intellectual properties. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products. Our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing with us. Many companies have encountered significant problems in protecting and defending intellectual property rights in overseas jurisdictions. The legal systems of other countries and regions may not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents in such countries.

As we gradually expand our overseas patent portfolio, we may encounter situations where we need to initiate proceedings in order to enforce our patent rights. These proceedings in overseas jurisdictions could result in substantial cost and divert our resources and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of rejection, and could provoke third parties to assert claims against us. We may not prevail in lawsuits that we initiate or be awarded the damages or other remedies, if any, as we deem sufficient. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual properties that we develop.

RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL

We may not be able to obtain additional capital when desired on favorable terms or at all.

Our capital requirements will be subject to many factors, including, but not limited to: (1) technological advancements; (2) market acceptance of our products and product enhancements, and the overall level of sales of our products; (3) research and development expenses; (4) our relationships with our customers and suppliers; (5) our ability to control costs; (6) sales and marketing expenses; (7) enhancements to our infrastructure and systems and any capital improvements to our facilities; (8) potential acquisitions of businesses and product lines; and (9) general economic conditions, inflation, rising interest rates, and international conflicts and their impact. Our production facility and operations may require substantial investment and upgrading from time to time due to depreciation or business growth, which may increase our cost. If we cannot successfully recover such cost, our profitability may be decreased. The timely completion of planned upgrading is subject to a number of factors, including our ability to raise and maintain sufficient funds for such upgrading, our ability to obtain the required licenses and permits from government authorities, and adequate supply and timely delivery of products. If upgrading is not completed in a timely manner, our operations may be temporarily restrained, which may further materially and adversely affect our business, financial condition, results of operations and prospects. If our capital requirements are materially different from those currently planned, we may need additional capital sooner than anticipated. If adequate funds are not available or are not available on acceptable terms, we may be unable to continue our operations as planned, develop or enhance our products, expand our sales and marketing workforce, take advantage of future opportunities or respond to competitive pressures.

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.

We have incurred net losses of RMB12.9 million and RMB16.1 million in 2024 and 2025, respectively, and recorded net cash used in operating activities of RMB30.9 million and RMB17.8 million in 2023 and 2024, respectively. For further detailed analysis, please see "Financial Information – Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income" and "Financial Information – Liquidity and Capital Resources – Cash Flows". We may continue to incur net losses in near future, as we are in the stage of expanding our business and operations in the robotics industry and are continuously investing in R&D. However, our active efforts to acquire new customers or launch new products may result in higher initial layout of costs required to meet specific customer needs, including longer on-site implementation lead time for our robotics products to onboard customers, and mold development and/or production line adjustments associated with the mass production of our newly launched products. We may not be able to achieve or subsequently maintain profitability in the near future. We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective commercialization strategies, effectively and successfully compete, and develop new products. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. Our costs and expenses may continue to increase in future periods, as we continue to expand our business and operations and invest in R&D activities. In addition, we expect to incur substantial costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our expenses, we may incur losses in the near future and may not be able to achieve or subsequently maintain profitability.

We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing such as **[REDACTED]** and **[REDACTED]** securities, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. As a result, our business, results of operations and financial condition may be adversely affected.

Any reduction or termination of our government grants and preferential tax treatment could adversely affect our financial condition.

Our business operations benefit from government grants, subsidies, and preferential tax treatments, which have been integral to supporting our growth and innovation in the industrial robotics market. In 2023, 2024 and 2025, the government grants we recognized as other income was RMB20.8 million, RMB10.3 million and RMB14.5 million, respectively. We were qualified as "High and New Technology Enterprises" and were entitled to a preferential income tax rate of 15% during the Track Record Period. These financial incentives help to offset some of our R&D costs, expand our production capabilities, and facilitate launch of new products. However, these grants and tax benefits are subject to changes in government policy and economic conditions, and there is no guarantee that they will continue at the same levels or be available in the future. Any reduction or termination of these government grants or preferential tax treatments could significantly impact our financial condition. If we are no longer able to access same level of financial support, we would need to find alternative sources of funding or absorb additional costs into our existing budget, potentially straining our cash flow and diverting resources away from key strategic initiatives.

We are subject to credit risk related to delay in payment and defaults of customers. Any significant delay in payment or default on our receivables could materially and adversely affect our liquidity and financial performance.

We are exposed to credit risk related to delay in payment and defaults of our various customers. As of December 31, 2023, 2024 and 2025, we had trade and bills receivables of RMB101.1 million, RMB113.9 million and RMB143.2 million, respectively. Bills receivable are subject to impairment under the general approach. For trade receivables, an impairment analysis is performed at the end of each period of the Track Record Period using a provision matrix to measure expected credit losses. The provision rates are based on an aging analysis of groupings of various customers with similar loss patterns. In 2023, 2024 and 2025, the trade receivables turnover days were 125 days, 146 days and 120 days, respectively. We may not be able to collect all of our trade and bills receivables due to factors beyond our control, such as adverse operating conditions or financial conditions of our customers, and customers' inability to pay due to delays in payment from their own end users. If our customers delay or default on their payments to us, we may need to make impairment provisions and write off the relevant receivables. This would have a negative impact on our liquidity and financial condition. There can be no assurance that our credit control policies and measures implemented will be adequate to protect us against material credit risks and enable us to avoid losses. We may make provisions for doubtful debts based on certain assumptions, estimates and assessments about the recoverability of our trade and bills receivables, including the creditworthiness and past collection history of our customers. However, such collectability estimates may prove to be inaccurate or there may be a change in the underlying basis of such assumptions, estimates and assessments. In the event that we are required to make future adjustments or our actual losses exceed our provisions, this could result in a material and adverse effect on our results of operations and financial condition.

We have indebtedness and may incur substantial additional indebtedness and increased cost of indebtedness in the future, which could adversely affect our financial health and our ability to generate sufficient cash to satisfy our outstanding and future debt obligations.

As of December 31, 2025, we had RMB187.9 million in trade and bills payables, and had RMB50.6 million in current interest-bearing bank loans. For more information, please see "Financial Information – Discussion of Certain Key Consolidated Statements of Financial Position – Current Liabilities – Trade and bills payables/Interest-bearing bank loans". We may not have sufficient funds available to meet our payment obligations in light of the amount of trade and bills payables, and interest-bearing bank loans due in the near-term future. This level of trade and bills payables, and interest-bearing bank loans could have significant consequences on our operations, including: reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes as a result of our debt service obligations, and limiting our ability to obtain additional financing; limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and potentially increasing the cost of any additional financing. Any of these factors and other consequences that may result from our substantial indebtedness could have an adverse effect on our business, financial condition and results of operations as well as our ability to meet our payment obligations under our debt. In addition, we are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes. Our interest-bearing bank loans generally bear interest at variable rates, generally linked to market benchmarks. Any increase in interest rates would increase our finance expenses relating to our variable rate indebtedness and increase the costs of refinancing our existing indebtedness and issuing new debt. We are exposed to lending policy changes by the commercial banks. If these commercial banks tighten their lending practices, or if they are no longer willing to provide financing to the industry where we operate, we may not be able to extend our interest-bearing bank loans or make additional borrowings in the future.

Prepayment arrangements with our suppliers for procurement may expose us to the credit risks and may also significantly increase our costs and expenses, which could in turn materially and adversely affect us.

We had non-current prepayments assets for property, plant and equipment, and current prepayment assets to suppliers mainly for procurement of raw materials and components during the Track Record Period. As of December 31, 2023, 2024 and 2025, our prepayment for property, plant and equipment amounted to RMB2.7 million, RMB2.0 million and RMB0.4 million, respectively; and our current prepayment assets amounted to RMB2.9 million, RMB3.3 million and RMB1.6 million, respectively. An increase in prepayment requirements could strain our liquidity, creating a mismatch between cash outflows for property, plant and equipment and to our suppliers and the delayed collection of trade receivables. We may be unable to recover such prepayments in a timely manner, which may materially and adversely affect our business, financial conditions and results of operations.

Fair value change for financial assets at fair value through profit or loss ("FVTPL") may adversely affect our results of operations and financial condition.

We made investments in certain financial products and recorded them at FVTPL of RMB3.8 million, nil and nil as of December 31, 2023, 2024 and 2025, respectively. Our financial assets at FVTPL consist of wealth management products. See Note 21 to the Accountants' Report in Appendix I to this document. We face exposure to fair value change for the financial assets at FVTPL. Going forward, we may continue to invest in wealth management products. We cannot assure you that factors beyond our control, such as general economic and market conditions, changes in market interest rates, stability of the **[REDACTED]** and regulatory environment, will result in fair value gains on the financial products we invest in, or we will not incur any fair value losses on our investments in the future. If we incur such fair value losses, our results of operations and financial condition may be materially and adversely affected. Even if we generate fair value gains, our investments may earn yields substantially lower than anticipated. The fair value of these financial products may fluctuate significantly, which contributes to the uncertainties in valuation. Any failure to realize the benefits we expected from these financial products may materially and adversely affect our business and financial condition.

Fluctuations in exchange rates could adversely affect our results of operations.

We derive a growing portion of our sales from international customers. Therefore, a portion of our total revenue have been denominated in foreign currencies, particularly U.S. dollars. In 2024 and 2025, our revenue generated from customers located in overseas contributed to 19.0%, 10.5% and 11.3% of our total revenue for the same years, respectively. We cannot predict the impact of future exchange rate fluctuations on our results of operations and may incur net foreign currency losses in the future.

We may make additional impairment loss on our assets.

In 2023, 2024 and 2025, our impairment losses on financial assets, net amounted to RMB3.2 million, RMB4.7 million and RMB7.0 million, respectively. During the Track Record Period, we conducted regular review and impairment assessment on carrying amounts of our property, plant and equipment to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant assets is estimated in order to determine the extent of the impairment loss, if any. In particular, according to our accounting policies, we may only retain an asset when it is capable of generating enough cash to pay for itself and, preferably, produce some profit, failing which, its carrying amount would have to be reduced to reflect the loss of capability to produce cash and profit. Such test involves business judgement of our management, which is subjective in nature and subject to inherent limitations and risks.

We have granted, and may continue to grant, share-based awards, which may further increase our share-based payments expenses, adversely affect our financial performance, and dilute existing Shareholders' stake.

We recorded share-based payments expenses of RMB0.3 million, RMB1.9 million and RMB6.6 million in 2023, 2024 and 2025, respectively, in connection with employee share incentive grants. We believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our share-based payment expenses may increase, which may adversely affect our financial performance, and dilute existing Shareholders' stake.

If we fail to perform our contractual obligations, our liquidity and financial positions may be materially and adversely affected in the future.

Our contract liabilities represented advances received to deliver our robotic products. Our contract liabilities increased from RMB1.7 million as of December 31, 2023 to RMB3.6 million as of December 31, 2024, and further increase to RMB6.6 million as of December 31, 2025. If we fail to fulfill our obligations with respect to our contract liabilities, we may not be able to convert such contract liabilities into revenue as expected. Furthermore, if we fail to fulfill our obligations with respect to our contract liabilities, our customers may request not to prepay us in the future. Any of these circumstances could materially and adversely affect our business, results of operations, cash flow and liquidity condition.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

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

During the Track Record Period, our sole production facility is located in China. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from customers located in China amounted to RMB180.2 million, RMB209.4 million and RMB287.5 million, representing 81.0%, 89.5% and 88.7% of our total revenue for the same years, respectively. Accordingly, our business, financial condition, results of operations and prospects are, to a material extent, subject to economic, political and legal developments in China. In particular, factors such as consumer, corporate and government spending, business investment, level of economic development, and resource allocation could affect the growth of our business. China economy has experienced significant growth over the past decades since the implementation of China's reform and opening-up policy. In recent years, China government has implemented measures emphasizing utilization of market forces in economic reform and establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions. If the business environment in China changes, our business in China may also be affected.

Any downturn in regional or global economy, or deterioration of geopolitical environment could affect our business, financial condition and results of operations.

During the Track Record Period, we hold subsidiaries in the PRC and Malaysia. However, the growth of the regional and global economy has slowed in recent years. It remains uncertain whether, and for how long, economic downturn will persist. The continued uncertainty and potential escalation of China-U.S. trade frictions further undermine global supply chain stability, potentially compelling enterprises to restructure trade routes and elevating compliance costs. The spread of geopolitical conflicts and terrorism threats in specific regions have triggered significant volatility in energy and commodity markets. Any economic downturn or slowdown or negative business sentiment could have an indirect potential impact on our industry. As a result, our business operations and financial performance may be adversely affected.

Any uncertainties embedded in the legal systems of certain geographic markets where we operate our business could affect our business, financial condition and results of operations.

We are based in China and our business in China are governed by PRC laws and regulations. The PRC legal system is a civil law system based on written statutes. As these laws and regulations are continually evolving in response to changing economic and other conditions, we cannot foresee how these laws, rules and regulations will be interpreted and enforced, which may adversely affect the legal protections and remedies that are available to us and our investors. In addition, legal systems of the geographic markets where we operate our business vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. In particular, The interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. It may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate our business. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets related to our business are based in part on their respective government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules after the violation. Administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources. It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of the robotics industry and affect our business, financial condition and results of operations.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management.

Our Company is incorporated under the laws of the PRC, and a substantial part of our assets, subsidiaries and all of our Directors and senior management, are located in China. As a result, it may not be possible for investors to effect services of process upon us, or our Directors or senior management who reside in China. China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions. On January 18, 2019, the Supreme People's Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between the PRC Hong Kong courts. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People's Court of the PRC and the completion of the relevant legislative procedures in Hong Kong. The New Arrangement will, upon its effectiveness, supersede the 2006 Arrangement.

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.

We are subject to various labor-related laws and regulations in the PRC and other jurisdictions in which we operate. For example, we are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in mainland China. We are required to (i) set up housing provident fund accounts (住房公積金賬戶) and pay the housing provident fund in accordance with the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》) and (ii) obtain social insurance certificates (社會保險登記證) for our employees and pay the social insurance contributions time in accordance with the PRC Social Insurance Law (中華人民共和國社會保險法). We may be required to pay such shortfall in housing provident fund and social insurance contributions within a prescribed time period and to pay penalties if we fail to do so. Violations of these laws and regulations could adversely affect our brand, overseas growth efforts and business.

During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. Based on the assessment performed by our Group, the outstanding shortfall amount during the Track Record Period and up to the Latest Practicable Date is approximately RMB25.4 million among which the shortfall of social insurance is RMB20.7 million, and that of housing provident fund is RMB4.7 million. As advised by the PRC Legal Advisers of the Company, if the Company fails to make such payments, it may be liable to a fine of one to three times the outstanding contribution amount of social insurance. For further details, please refer to "Business – Non-compliance Incidents" in this document. According to the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (最高人民法院l關於審理勞動爭議案件適用法律問題的解釋(二)) ("**The New Judicial Interpretation**"), which was promulgated by the Supreme People's Court in July 2025 and came into effect in September 2025, an employer and an employee conclude an agreement, or an employee makes a promise to an employer, that there is no need to pay social insurance premiums, such agreement or promise shall be determined invalid; where an employer fails to pay social insurance premiums in accordance with the law, and the relevant employee requests to terminate the labor contract and requests such employer to pay economic compensation, the people's court shall support such requests in accordance with the law. In the event that an employer, after making up the social insurance contributions in accordance with the law under the circumstances stipulated in the preceding paragraph, requests such relevant employee to return the social insurance compensation already paid, the people's court shall support such request in accordance with the law. No assurance can be given that PRC authorities will not seek to impose fines, late payment fees or other penalties in respect of our prior underpayments, or that the amounts of any such fines, fees or liabilities will not be material. If PRC authorities were to impose material fines, late payment fees, or other penalties, our financial condition, results of operations and cash flows could be materially and adversely affected.

Certain of our foreign exchange transactions are subject to regulatory requirements over foreign currency conversion.

Conversion and remittance of foreign currencies are subject to certain foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we would have sufficient foreign exchange to meet our foreign exchange needs. For example, under the PRC current foreign exchange regulation system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the State Administration of Foreign Exchange (the "**SAFE**"); however, we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or their local branch unless otherwise permitted by law. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be affected. Non-compliance with any applicable foreign exchange regulations could subject us to administrative penalties and fines, and could affect our business and reputation.

Our payment of dividends is subject to restrictions under applicable laws and regulations.

Our payment of dividends is subject to restrictions under applicable laws and regulations. For example, under the current PRC law, dividends may be paid only out of our PRC subsidiaries' accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Moreover, each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserves, except where such reserve has reached 50% of its registered capital. These reserves are not distributable as cash dividends. In addition, in the future, if any of our subsidiaries incurs debt on its own behalf, the instruments governing the debt may impose restrictions on its ability to pay dividends or other payments to our Company. The inability of our subsidiaries to distribute dividends or other payments to our Company could significantly affect the amount of liquidity available to supply the development and growth of our business.

We may face tax-related risks in the course of our operations.

Our offshore subsidiary may be treated as a resident enterprise for PRC tax purposes. During the Track Record Period, we have one offshore subsidiary in Malaysia and may establish more in the future. Under EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of China (《中華人民共和國企業所得税法實施條例》), enterprises established under the laws of jurisdictions outside of China with "de facto management bodies" located in China may be considered PRC tax resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《國家税務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or Circular 82, specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated under the laws of foreign countries or territories and that have PRC enterprises or enterprise groups as their primary controlling shareholders, will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within China; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in China; (iii) key properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings are located or kept within China; and (iv) at least half of the directors with voting rights or senior management reside within China. The State Administration of Taxation of the PRC, or SAT, has subsequently provided further guidance on the implementation of Circular 82. Although our offshore subsidiary has substantive business operations in the country where it is located, as our Company is a PRC enterprise, our offshore subsidiary may be questioned by the competent regulatory authorities, and if our offshore subsidiary is deemed as a PRC resident enterprise, it could be subject to the EIT at 25% on its global income, except that the dividends they receive from our PRC subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes "dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise." The EIT on our subsidiaries' global income could increase our tax burden and affect our cash flows and profitability.

Our operations are subject to, and may be affected by, changes in tax laws and regulations in the countries and regions where we operate our business. During the Track Record Period, our Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are located and operated, namely, the PRC and Malaysia. The PRC EIT Law imposes a tax rate of 25% on business enterprises, while our Company was qualified as "High and New Technology Enterprises" and were entitled to a preferential income tax rate of 15% during the Track Record Period. Our Group's subsidiary in Malaysia is subject to enterprise income tax on its taxable income in Malaysia at a rate of 24%. See Note 10 to the Accountants' Report in Appendix I to this document for further details. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. Non-compliance with the PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to PRC tax laws and regulations and tax penalties or fines could affect our businesses, financial condition and results of operations. In addition, due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, are complex, our international operations may expose us to risks associated with the overseas tax policy changes. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for the Shares and the liquidity and [REDACTED] of our Shares may be volatile.

Prior to the **[REDACTED]**, there has been no public market for our H Shares. The initial **[REDACTED]** for the H Shares was the result of negotiations between us and the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the **[REDACTED]** for our H Shares following the **[REDACTED]**. We cannot assure you that an active **[REDACTED]** for our H Shares will develop or be sustained after the **[REDACTED]** or that the **[REDACTED]** of our H Shares will not decline below the **[REDACTED]**. The **[REDACTED]** for our H Shares may be highly volatile and subject to wide fluctuations in response to a number of factors, some of which are beyond our control.

The [REDACTED] of the Shares may be volatile, which could result in substantial losses to you.

The **[REDACTED]** of our H Shares may be volatile and could fluctuate significantly due to factors beyond our control. Such factors mainly include variations in our revenue, earnings and cash flow, changes in our operating results, changes in analysts' estimates, perceptions of our industry and regulatory developments in China and elsewhere. The securities markets have experienced significant price and volume fluctuations that are not related to operating performance of particular companies. These market fluctuations may materially and adversely affect **[REDACTED]** of our H Shares. Under PRC law, all existing Shareholders are restricted from disposing of any of their Shares within first 12 months following the **[REDACTED]**. This lock-up period may affect liquidity and **[REDACTED]** volume of our H Shares shortly after the **[REDACTED]**. These factors, independent of our actual performance, could contribute to substantial price volatility and potential losses for **[REDACTED]** in our H Shares.

[REDACTED] of our H Shares in the [REDACTED] may experience immediate dilution and may experience further dilution if we [REDACTED] additional Shares in the future.

The **[REDACTED]** of our H Shares may be higher than the net tangible book value per H Share immediately prior to the **[REDACTED]**. As a result, **[REDACTED]** of our H Shares in the **[REDACTED]** may experience immediate dilution in net tangible book value. We may need to raise additional funds in future and may **[REDACTED]** additional Shares or securities convertible into Shares. **[REDACTED]** of our H Shares may experience further dilution in the net tangible book value per Share if we **[REDACTED]** additional Shares or securities in future.

Future [REDACTED] or perceived [REDACTED] of substantial amounts of our H Shares could adversely affect the [REDACTED] and dilute shareholder holdings.

The **[REDACTED]** of our H Shares could decline as a result of future **[REDACTED]** of a substantial number of our Shares or other **[REDACTED]** relating to our H Shares in the **[REDACTED]**, the **[REDACTED]** of new shares or other **[REDACTED]**, or the perception that such **[REDACTED]** or **[REDACTED]** may occur. Future **[REDACTED]**, or perceived **[REDACTED]**, of substantial amounts of our **[REDACTED]**, including any future **[REDACTED]**, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. Equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the Shares.

Our historical dividends may not be indicative of our future dividend policy, and there is no assurance of future dividend payments.

Our Board has discretion as to whether to distribute dividends. The amount of dividends we have paid in the past is not indicative of our future dividend policy or dividend amounts. The declaration and payment of dividends will be at the discretion of our Board and will depend on various factors, including our business prospects, financial performance, cash flow, capital requirements and the terms of our financing arrangements. There can be no assurance that we will declare and pay dividends in the future in any amount.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our Shares, the [REDACTED] and [REDACTED] volume of our Shares may decline.

The **[REDACTED]** market for our Shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. If such analysts who cover us downgrade our Shares, the **[REDACTED]** of our Shares would likely decline. If such analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our **[REDACTED]** or **[REDACTED]** volume to decline.

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

Our management may spend the net **[REDACTED]** from the **[REDACTED]** in ways you may not agree with or that do not yield a favorable return to our Shareholders. For further details, please refer to "Future Plans and **[REDACTED]**". However, our management will have discretion as to the actual application of our net **[REDACTED]**. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the net **[REDACTED]** from this **[REDACTED]**.

Certain facts, forecast and other statistics in this document obtained from official government sources have not been independently verified and may not be reliable.

Certain facts, forecasts, and other statistics included in this document are derived from various publicly available government and official sources. While our Directors believe these sources to be appropriate and have taken reasonable care in obtaining and reproducing the information, we cannot guarantee the accuracy, quality, or reliability of the underlying source materials. This data has not been independently verified by us or any other parties involved in the **[REDACTED]** and no representation is given as to their accuracy. Additionally, we cannot assure our investors that this information has been compiled on a basis or with the same level of accuracy as similar data presented elsewhere. Therefore, **[REDACTED]** are advised to carefully consider the weight and importance they place on such facts and statistics when evaluating this document.

Our forward-looking statements are subject to uncertainties, and future results could differ materially from those expressed or implied.

This document contains forward-looking statements about our business based on management's current beliefs, assumptions, and information available at the time. Forward-looking statements are identified by terms such as "aim," "anticipate," "believe," "could," "expect," "intend," "may," "plan," "potential," "predict," "project," "seek," "will," and similar expressions. These statements reflect management's views on future events, operations, liquidity, and capital resources; however, they are inherently subject to risks, uncertainties, and assumptions. In light of these uncertainties, forward-looking statements should not be considered assurances of specific plans or objectives, and **[REDACTED]** are cautioned not to place undue reliance on them. All forward-looking statements in this document are qualified by these cautionary statements. Subject to ongoing disclosure obligations under the Listing Rules or Hong Kong Stock Exchange requirements, we do not intend to publicly update or revise forward-looking statements due to new information, future events, or other factors.

[REDACTED] should rely solely on this document and not on media reports when making [REDACTED] decisions.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the **[REDACTED]**. Prior to the publication of this document, or subsequent to the publication of this document but prior to the completion of the **[REDACTED]**, there has been 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. None of us or any other person involved in the **[REDACTED]** has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. Our Company, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, any of our and their respective directors, supervisors, officers, representatives, employees, advisers or any other persons or parties involved in the **[REDACTED]** make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, the aforesaid parties disclaim responsibility for it, and you should not rely on such information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

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 and the following exemption from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

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. Such requirement may be waived on a case-by-case basis taking into account the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Our management, business operations and assets are primarily located outside Hong Kong. The principal management headquarters of our Group are primarily based in the PRC. Our Company considers that our Group's management is best able to attend to its functions by being based in the PRC. None of our executive Directors is or will be ordinarily resident in Hong Kong after the **[REDACTED]** of our Company. Our Directors consider that relocation of our executive Directors to Hong Kong will be burdensome and costly for our Company, and it may not be in the best interests of our Company and our Shareholders as a whole to appoint additional executive Directors who are ordinarily resident in Hong Kong. As such, we do not have, and for the foreseeable future will not have, 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:

(1) We have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives appointed are Ms. Gu Fei (谷菲) and Ms. Wong Mei Fung Carrie (黃美鳳) ("**Ms. Wong**"). Ms. Wong is situated and based in Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone facsimile and email;

(2) As and when the Stock Exchange wishes to contact the Directors on any matters, each of our authorized representatives has means to contact all Directors (including the independent non-executive Directors) promptly at all times;

(3) Although our executive Directors are not ordinary residents in Hong Kong, each Director possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period;

(4) We have appointed Zhongtai International Capital Limited as our compliance adviser, 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 with the Stock Exchange and us; and

(5) We have provided the Stock Exchange with the contact details of each Director (including their respective mobile phone numbers, office phone numbers, e-mail addresses and fax number).

Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives, the Directors and/or the compliance adviser in accordance with the Listing Rules.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, our company secretary must be an individual 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 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 (Chapter 159 of the Laws of Hong Kong); and (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong). Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the applicant and other the company secretary has and the roles played;

(b) familiarity with the Listing Rules and other relevant laws and regulations;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules (i.e. 15 hours per financial year); and

(d) professional qualifications in other jurisdictions.

Due to that the Company has principal business activities primarily outside Hong Kong, we have appointed Mr. Song Zhexing (宋哲行) ("**Mr. Song**"), a vice general manager of our Company and secretary of the Board, as one of our joint company secretaries, considering his past working experiences within our Group and his thorough understanding of our internal administration, business operations and corporate culture. As such, although Mr. Song does not possess the acceptable qualification and relevant experience strictly required by Rule 3.28 of the Listing Rules, our Directors believe that Mr. Song is capable of discharging the functions of a joint company secretary with the assistance of Ms. Wong, who meets the requirements under Rule 3.28 of the Listing Rules and has been appointed to act as the other joint company secretary and to assist Mr. Song in the compliance matters for the **[REDACTED]** as well as other Hong Kong regulatory requirements for an initial period of three years from the **[REDACTED]**. Over such period, we will implement the following measures to assist Mr. Song to satisfy the requisite qualifications as prescribed in Rules 3.28 and 8.17 of the Listing Rules:

(a) Ms. Wong will assist Mr. Song so as to enable him to discharge his duties and responsibilities as a joint company secretary. Given Ms. Wong's relevant experiences, she will be able to advise both Mr. Song and us on the relevant requirements of the Listing Rules as well as other applicable laws and regulations of Hong Kong;

(b) Mr. Song will be assisted by Ms. Wong for an initial period of three years commencing from the **[REDACTED]**, which should be sufficient for him to acquire the requisite knowledge and experience under Rule 3.28 of the Listing Rules;

(c) we will ensure that Mr. Song has access to the relevant trainings and support to enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of an **[REDACTED]**, and Mr. Song has undertaken to attend such trainings;

(d) Ms. Wong will communicate with Mr. Song on a regular basis regarding matters in relation to corporate governance, the Listing Rules as well as other applicable laws and regulations of Hong Kong which are relevant to our operations and affairs. Ms. Wong will work closely with, and provide assistance to Mr. Song with a view to discharging his duties and responsibilities as a company secretary, including but not limited to organizing the Board meetings and Shareholders' meetings; and

(e) pursuant to Rule 3.29 of the Listing Rules, Mr. Song and Ms. Wong will also attend in each financial year no less than 15 hours of relevant professional training courses to familiarize themselves with the requirements of the Listing Rules and other legal and regulatory requirements of Hong Kong. Both Mr. Song and Ms. Wong will be advised by our legal advisors as to Hong Kong laws and our compliance adviser as and when appropriate and required.

Accordingly, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules, for an initial period of three years from the **[REDACTED]** (the "**Waiver Period**"). Pursuant to paragraph 13 under Chapter 3.10 of the Listing Guide, the waiver is granted on the conditions: (i) our Company appoints Ms. Wong, who meets the requirements under Note 1 to Rule 3.28 of the Listing Rules, as a joint company secretary, to assist Mr. Song in discharging his functions as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules; and (ii) the waiver will be revoked immediately if Ms. Wong, during the three-year period, ceases to provide assistance to Mr. Song, or if there are material breaches of the Listing Rules by our Company. Before the end of the three-year period, we will conduct a further evaluation of the qualification and experience of Mr. Song to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied, and we will demonstrate to and seek the Stock Exchange's confirmation that Mr. Song, having had the benefit of Ms. Wong's assistance for three years, has acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver wouldn't be necessary. For more details of Ms. Wong and Mr. Song's biographies, please see the section headed "Directors and Senior Management".

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Li Liangjun (李良軍)	No. 1–1, Block 36 65 Minhe Road Chenghua District, Chengdu City Sichuan Province, the PRC	Chinese
Mr. Zhu Lusheng (朱路生)	Room 2001, Unit 1 Building 1, No. 7 Tonggui Road Jinjiang District, Chengdu City Sichuan Province, the PRC	Chinese
Ms. Gu Fei (谷菲)	Room 506, Unit 2, Building 3 No. 9 Yufeng 2nd Road Chenghua District, Chengdu City Sichuan Province, the PRC	Chinese
Non-executive Directors		
Ms. Qing Chen (卿晨)	Room 1101, No. 19, Lane 238 Huoxiang Road, Pudong New Area Shanghai, the PRC	Chinese
Mr. Huang He (黄河)	G4–702, Midea Huaxi Yard Huatong Road Huaxi District, Guiyang City Guizhou Province, the PRC	Chinese
Mr. Li Xiang (李祥)	Room 14, 5th Floor, Unit 1 Building 19, 71 Jianshe Road Chenghua District, Chengdu City Sichuan Province, the PRC	Chinese
Independent non-executive Directors		
Ms. Zhi Nan (支楠)	No. 902, Unit 1, Building 6 No. 333 Wandong North 3rd Road Wan'an Street Tianfu New District, Chengdu City Sichuan Province, the PRC	Chinese

Name	Address	Nationality
Ms. Liang Min (梁敏)	No. 1504, Unit 2, Building 8 99 Dongpo North 3rd Road Qingyang District, Chengdu City Sichuan Province, the PRC	Chinese
Mr. Chan Yik Pun (陳奕斌)	Flat G, 24/F, Tower 25, South Horizons, Hong Kong	Hong Kong

For further details, please see the section headed "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**Guotai Junan Capital Limited** *(A licensed corporation to conduct type 6 (advising on corporate finance) regulated activity under the SFO)* 26/F-28/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong

[REDACTED]

Legal Advisers to the Company	*As to Hong Kong laws:* **Jun He Law Offices** Suites 3701–10, 37/F Jardine House 1 Connaught Place Central Hong Kong

	As to PRC laws: **JunHe LLP** 26/F HKRI Taikoo Hui 288 Shimen Road (No. 1) Shanghai, PRC
	As to International Sanctions law: **Hogan Lovells** 11th Floor One Pacific Place 88 Queensway Hong Kong
Legal Advisers to the Sole Sponsor and the [REDACTED]	*As to Hong Kong laws:* **King & Wood** 13/F, Gloucester Tower The Landmark 15 Queen's Road Central Central Hong Kong
	As to PRC laws: **Zhong Lun Law Firm** 23/F, Units 01 & 04 of 31/F R&F Center, 10 Huaxia Road Zhujiang New Town, Tianhe District, Guangzhou Guangdong, PRC
Auditor and Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square No. 1717 Nanjing West Road Jing'an District Shanghai, PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office and Head Office in the PRC	No. 188, Huayue Road, Chenghua District Chengdu City, Sichuan Province the PRC
Place of Business in Hong Kong Registered under Part 16 of the Companies Ordinance	46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Joint Company Secretaries	**Mr. Song Zhexing (宋哲行)** No. 1, 3rd Floor, Unit 2, Building 8, 213 Shiling Linglong Road Longquanyi District, Chengdu City Sichuan Province, the PRC **Ms. Wong Mei Fung Carrie (黃美鳳)** 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Authorized Representatives	**Ms. Gu Fei (谷菲)** Room 506, Unit 2, Building 3 No. 9 Yufeng 2nd Road Chenghua District, Chengdu City Sichuan Province, the PRC **Ms. Wong Mei Fung Carrie (黃美鳳)** 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Audit Committee	Mr. Chan Yik Pun (陳奕斌) *(Chairperson)* Ms. Liang Min (梁敏) Ms. Zhi Nan (支楠)
Nomination Committee	Ms. Zhi Nan (支楠) *(Chairperson)* Mr. Zhu Lusheng (朱路生) Ms. Liang Min (梁敏)
Remuneration Committee	Ms. Liang Min (梁敏) *(Chairperson)* Mr. Li Liangjun (李良軍) Ms. Zhi Nan (支楠)
Strategy Committee	Mr. Zhu Lusheng (朱路生) *(Chairperson)* Mr. Li Liangjun (李良軍) Mr. Huang He (黃河)

CORPORATE INFORMATION

Compliance Adviser	**Zhongtai International Capital Limited** 19/F. Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong

[REDACTED]

Principal Bankers	**China Construction Bank Corporation Chengdu Longtan Sub-branch** 1st Floor, Guoji Southwest Building, Hangtian Road, Chenghua District, Chengdu City Sichuan Province, the PRC
	Industrial Bank Chengdu Xinhua Avenue Sub-branch No. 2 Huaxing Road, Jinjiang District, Chengdu City Sichuan Province, the PRC
Company's Website	**https://crprobot.com/** (A copy of this document is available on the Company's website. Except for the information contained in this document, none of the other information contained on the Company's website forms part of this document)

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 Frost & Sullivan, 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, the* **[REDACTED]**, *the***[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *any of their respective directors and advisers, or any other persons or parties involved in the* **[REDACTED]**, *and no representation is given as to its accuracy.*

SOURCES OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on global and China's industrial robot and intelligent industrial robot industry for the use in this Document, which was commissioned by us for a fee of RMB690,000. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the F&S Report. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

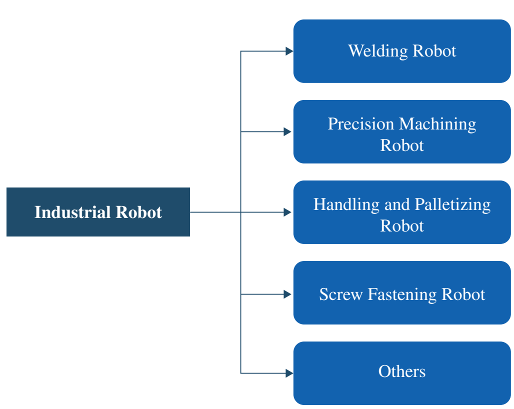
ANALYSIS OF INDUSTRIAL ROBOT AND INTELLIGENT INDUSTRIAL ROBOT MARKET

Definition and Classification of Industrial Robot

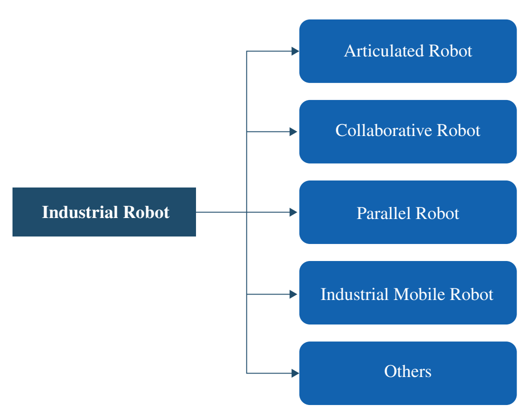
Industrial robots are multi-jointed manipulators or multi-degree-of-freedom machine systems designed for industrial applications. Capable of automated operation through self-contained power and control capabilities, they exhibit programmable and versatile characteristics, performing tasks such as welding, handling, and assembly across three or more axes, and are widely deployed in manufacturing, logistics, and related fields.

Industrial robots can be categorized based on their scenario into welding robots, precision machining robots, handling and palletizing robots, screw fastening robots and others. Based on product type, industrial robots can be categorized into articulated robots, collaborative robots, parallel robots, industrial mobile robots, and others.

Classification of Industrial Robot by Application Scenario



Classification of Industrial Robot by Product Type



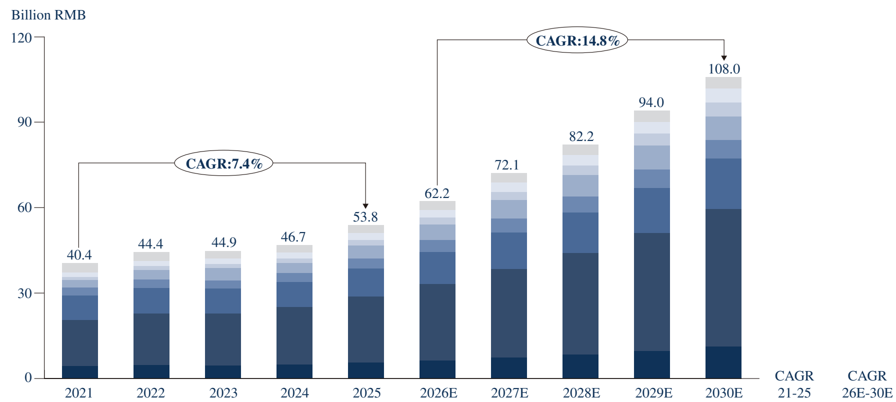
Source: Frost & Sullivan

Note: articulated robots include four-axis robots, six-axis robots, etc.

Market Size of Industrial Robot Market

China's industrial robot 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.

Market Size of Industrial Robot Market (revenue breakdown by industry), China, 2021-2030E



	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 21-25	CAGR 26E-30E
Metal and Machining	4.3	4.6	4.5	4.8	5.5	6.3	7.3	8.3	9.6	11.1	6.3%	15.1%
Automotive and Components	16.3	18.1	18.4	20.2	23.2	26.9	31.2	35.8	41.4	48.3	9.3%	15.8%
Consumer Electronics	8.5	9.0	8.6	8.9	10.0	11.2	12.7	14.1	15.8	17.8	4.0%	12.3%
FMCG	2.9	3.0	2.9	3.1	3.5	4.1	4.9	5.6	6.5	7.6	5.5%	16.6%
Semiconductor Equipment	2.5	3.4	4.4	3.5	4.5	5.6	6.6	7.6	8.5	9.3	15.7%	13.6%
Healthcare	1.2	1.4	1.4	1.6	1.9	2.3	2.8	3.4	4.1	5.0	12.3%	21.1%
New Energy	1.5	1.7	1.8	2.1	2.4	2.7	3.2	3.6	4.1	4.8	12.6%	14.9%
Others	3.3	3.2	2.8	2.6	2.9	3.1	3.4	3.7	4.0	4.1	-3.4%	6.9%

Source: Frost & Sullivan

- ***Metal and Machining:*** The metal and machining sector has maintained continuous growth, expanding from RMB4.3 billion in 2021 to RMB5.5 billion in 2025, reflecting a CAGR of 6.3%. Growth is supported by manufacturers seeking to enhance precision and efficiency through robotic welding, cutting, and machining to address higher demands on the precision, efficiency, and consistency of production processes. The sector is projected to reach RMB11.1 billion by 2030, with a CAGR of 15.1% from 2026, as industrial upgrades and demand for advanced and intelligent manufacturing continue to drive adoption.

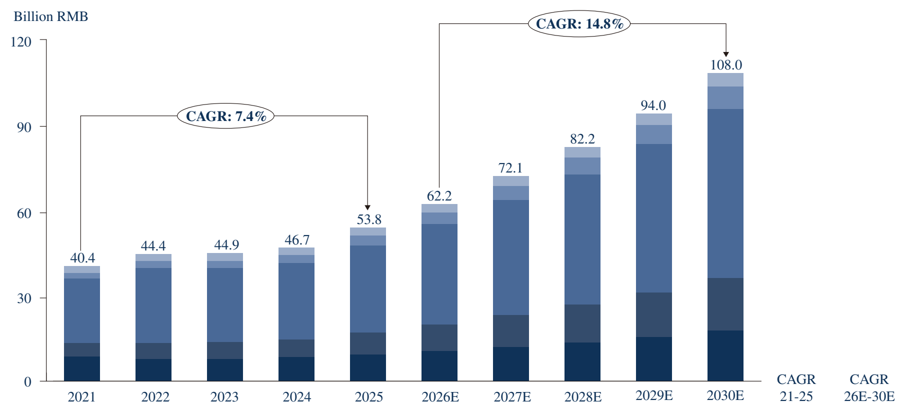
- ***Automotive and Components:*** Automotive and components remained the largest sector in industrial robot market, fueled by China's leadership in electric vehicle production and automotive assembly automation. Its market size grew from RMB16.3 billion in 2021 to RMB23.2 billion in 2025 with a CAGR of 9.3%, and is projected to reach RMB48.3 billion by 2030 with a CAGR of 15.8%, driven by electric vehicle battery assembly and lightweight component handling.

- ***Consumer Electronics:*** Consumer electronics demonstrated steady growth, with market size expanding from RMB8.5 billion in 2021 to RMB10.0 billion in 2025 with a CAGR of 4.0%, supported by demand for smartphones, wearables, and the development of automated assembly. The sector is forecasted to grow to RMB17.8 billion by 2030 with a CAGR of 12.3%, driven by 5G adoption and miniaturization trends of components.

- ***FMCG:*** FMCG showed notable growth, fueled by the need for standardized production and compliance with stringent food safety regulations. The market size expanded from RMB2.9 billion in 2021 to RMB3.5 billion in 2025 with a CAGR of 5.5%. By 2030, the sector is projected to reach RMB7.6 billion with a CAGR of 16.6% from 2026, driven by automation in snack packaging, dairy processing, and beverage filling lines.

- ***Healthcare:*** Healthcare sector increased from RMB1.2 billion in 2021 to RMB1.9 billion in 2025 with a CAGR of 12.3%, driven by demand for precision medicine and lab automation. The sector is expected to maintain continuous growth of CAGR 21.1%, reaching RMB5.0 billion by 2030 as hospitals and labs prioritize contactless and precision-driven workflows.

Market Size of Industrial Robot Market (revenue breakdown by scenario), China, 2021-2030E

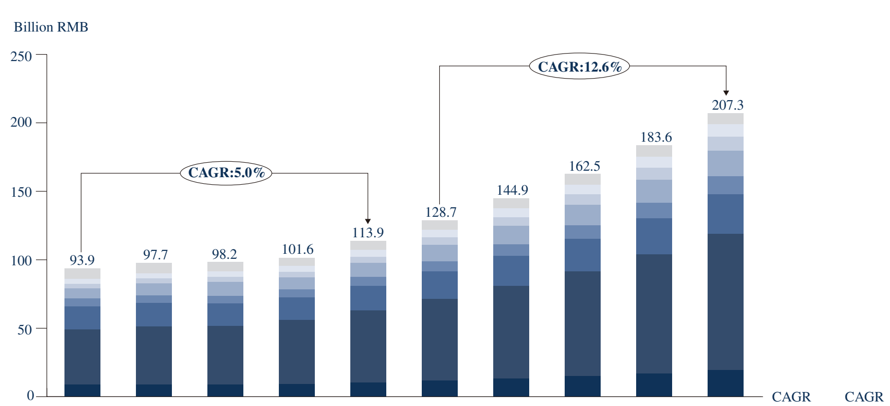


	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 21-25	CAGR 26E-30E
Welding	8.6	7.8	7.8	8.4	9.4	10.6	12.0	13.6	15.5	17.7	2.2%	13.7%
Precision Machining	4.7	5.5	5.8	6.3	7.6	9.3	11.2	13.2	15.6	18.5	12.7%	18.8%
Handling and Palletizing	22.7	26.4	26.0	26.7	30.6	35.1	40.4	45.8	52.0	59.3	7.7%	14.0%
Screw Fastening	2.0	2.5	2.6	2.9	3.5	4.1	4.9	5.8	6.7	7.9	14.3%	17.4%
Others	2.3	2.3	2.7	2.5	2.8	3.1	3.5	3.8	4.2	4.7	4.7%	10.7%

Source: Frost & Sullivan

Global industrial robot 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.

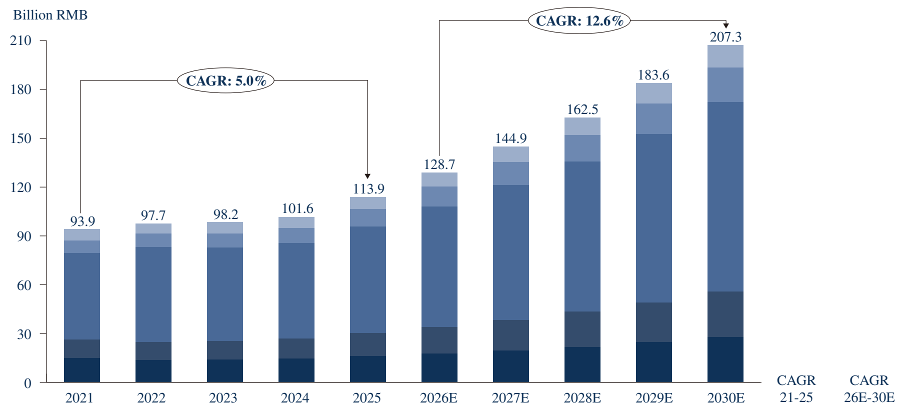
Market Size of Industrial Robot Market (revenue breakdown by industry), Global, 2021-2030E



	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 21-25	CAGR 26E-30E
Metal and Machining	8.8	9.0	8.8	9.3	10.4	11.8	13.3	15.1	17.1	19.4	4.1%	13.3%
Automotive and Components	40.2	42.3	42.9	46.7	52.5	59.7	67.6	76.3	86.9	99.4	6.9%	13.6%
Consumer Electronics	17.0	16.9	16.1	16.5	18.0	19.9	21.8	23.9	26.3	29.1	1.5%	10.0%
FMCG	5.7	5.7	5.6	5.8	6.5	7.5	8.6	9.8	11.2	12.9	3.4%	14.5%
Semiconductor Equipment	7.2	8.9	10.6	8.7	10.2	11.8	13.4	15.1	16.9	18.7	9.3%	12.3%
Healthcare	3.3	3.5	3.6	4.0	4.7	5.5	6.4	7.5	8.8	10.4	8.7%	17.4%
New Energy	3.7	3.9	4.0	4.4	4.9	5.6	6.3	7.0	8.0	9.0	7.7%	12.9%
Others	7.9	7.4	6.6	6.2	6.6	7.0	7.5	7.9	8.4	8.3	-4.5%	4.3%

Source: Frost & Sullivan

Market Size of Industrial Robot Market (revenue breakdown by scenario), Global, 2021-2030E



	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 21-25	CAGR 26E-30E
Welding	14.8	13.8	13.9	14.6	16.0	17.6	19.5	21.8	24.6	27.7	1.9%	12.1%
Precision Machining	11.5	11.0	11.4	12.3	14.2	16.4	18.8	21.5	24.5	28.2	5.4%	14.5%
Handling and Palletizing	53.1	58.1	57.3	58.4	65.4	73.8	82.8	92.3	103.4	116.1	5.4%	12.0%
Screw Fastening	7.7	8.4	8.6	9.3	10.7	12.4	14.3	16.3	18.7	21.4	8.8%	14.5%
Others	6.8	6.3	7.1	7.0	7.6	8.5	9.4	10.6	12.5	13.8	2.7%	13.0%

Source: Frost & Sullivan

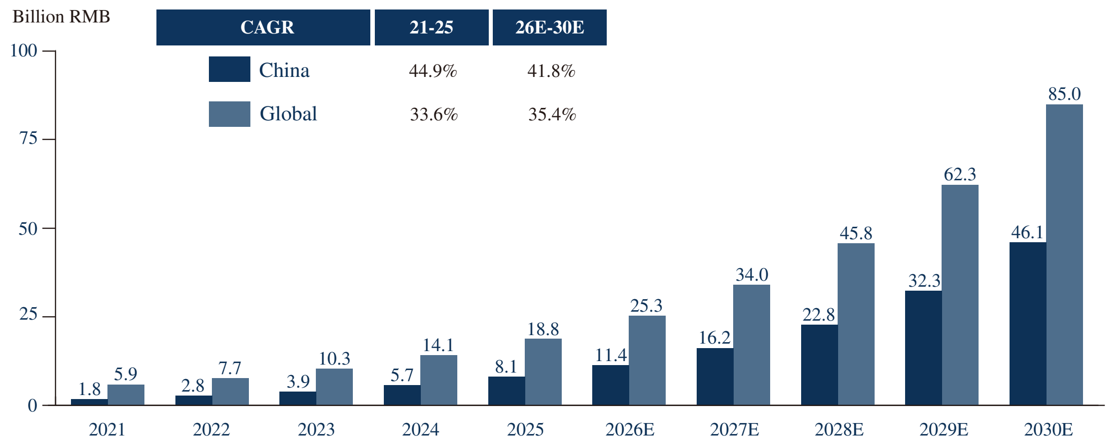
Market Size of Intelligent Industrial Robot Market

Intelligent industrial robots represent a category of advanced equipment specifically designed for industrial applications, utilizing artificial intelligence, machine learning, computer vision, and laser sensors to simulate key human capabilities in advanced perception, response and adaptation, and autonomous decision-making through collaboration between hardware and software.

The global intelligent industrial robot market grew from RMB5.9 billion in 2021 to RMB18.8 billion in 2025, achieving a CAGR of 33.6% during this period. Fueled by the rising penetration rate of industrial automation, the continued emergence of new markets, and enhancing demand in multiple downstream scenarios, the market is projected to maintain continuous growth, reaching RMB85.0 billion by 2030 with a CAGR of 35.4% from 2026 onward.

China's intelligent industrial robot market exhibited high growth, expanding from RMB1.8 billion in 2021 to RMB8.1 billion in 2025, achieving a CAGR of 44.9% during this period. As labor shortages and cost pressures continuously compel the enhancement of industrial automation, coupled with technological innovation and synergistic development of industrial chains, China's intelligent industrial robot market will continue to grow, reaching RMB46.1 billion by 2030 with a CAGR of 41.8% from RMB11.4 billion in 2026.

Market Size of Intelligent Industrial Robot Market (by revenue), Global and China, 2021-2030E

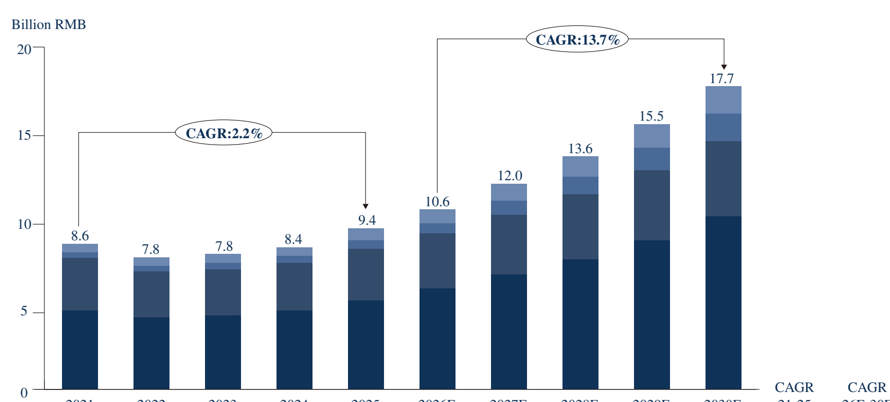


Source: Frost & Sullivan

Market Size of Welding Robot Market

China's welding robotics market exhibited high growth, expanding from RMB8.6 billion in 2021 to RMB9.4 billion in 2025, achieving a CAGR of 2.2% during this period. As downstream application scenarios and market demand continue to expand, the market is projected to accelerate further, reaching RMB17.7 billion by 2030 with a CAGR of 13.7% from RMB10.6 billion in 2026.

Market Size of Welding Robot Market (revenue breakdown by product type), China, 2021-2030E



	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 21-25	CAGR 26E-30E
Arc Welding Robot	4.6	4.2	4.3	4.6	5.2	5.9	6.7	7.6	8.7	10.1	2.9%	14.3%
Spot Welding Robot	3.1	2.7	2.7	2.8	3.0	3.2	3.5	3.8	4.1	4.4	-0.6%	8.0%
Laser Welding Robot	0.3	0.3	0.4	0.4	0.5	0.6	0.8	1.0	1.3	1.6	10.4%	26.6%
Others	0.5	0.5	0.5	0.5	0.7	0.8	1.0	1.2	1.4	1.6	5.6%	18.0%

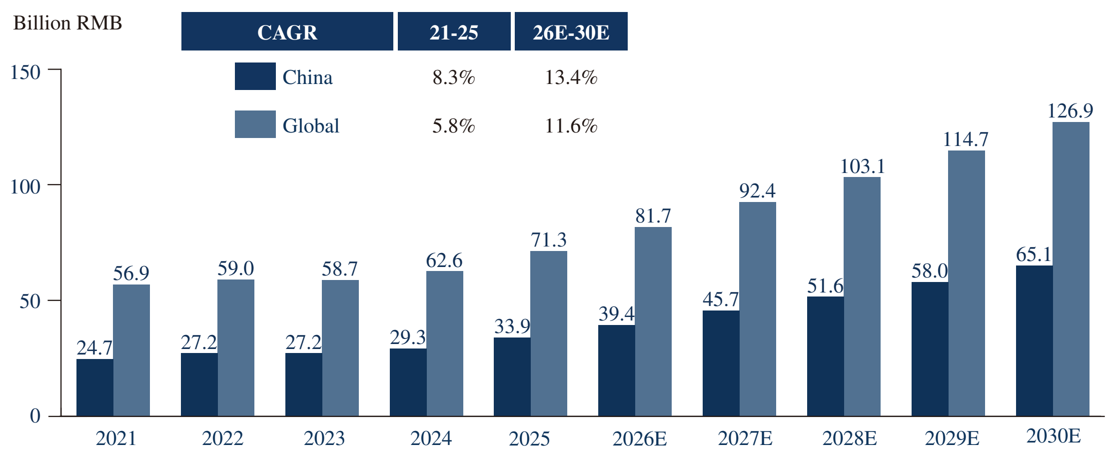
Source: Frost & Sullivan

Market Size of Six-axis Robot Market

The global six-axis robot market grew from RMB56.9 billion in 2021 to RMB71.3 billion in 2025, achieving a CAGR of 5.8% during this period. Driven by expanding usage of robotic arms in automotive and electronics manufacturing, rising demand for precision automated assembly, and continuous innovation in motion control, the market is projected to maintain continuous growth, reaching RMB126.9 billion by 2030 with a CAGR of 11.6% from 2026 onward.

China's six-axis robot market expanded from RMB24.7 billion in 2021 to RMB33.9 billion in 2025, achieving a CAGR of 8.3% during this period. As industrial automation adoption continues to expand, the market is projected to accelerate further, reaching RMB65.1 billion by 2030 with a CAGR of 13.4% from RMB39.4 billion in 2026.

Market Size of Six-axis Robot Market (by revenue), Global and China, 2021-2030E



Note: The market size of six-axis robot does not include collaborative robots.

Source: Frost & Sullivan

Market Size of Collaborative Robot Market

The global collaborative market grew from RMB3.7 billion in 2021 to RMB10.0 billion in 2025, achieving a CAGR of 27.7% during this period, and is projected to achieve year-over-year growth rate of 34.0% in 2026. Driven by accelerated adoption of AI-integrated collaboratives, breakthroughs in cost-effective modular designs, and enhancing demand from enterprises seeking flexible automation solutions amid labor shortages and supply chain resilience pressures, the market is projected to maintain continuous growth, reaching RMB49.9 billion by 2030 with a CAGR of 39.0% from 2026 onward.

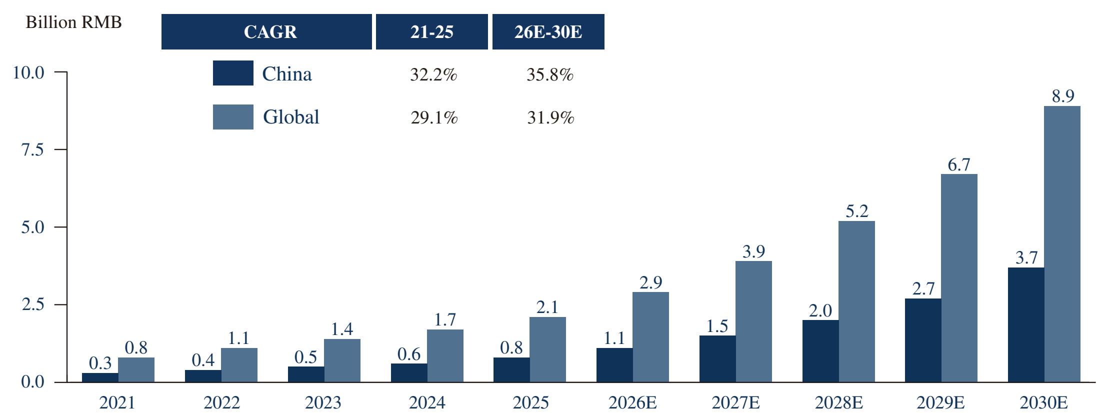
China's collaborative market exhibited high growth, expanding from RMB1.1 billion in 2021 to RMB3.0 billion in 2025, achieving a CAGR of 27.5% during this period. As downstream application scenarios and market demand continue to expand, the market is projected to accelerate further, reaching RMB18.7 billion by 2030 with a CAGR of 46.2% from RMB4.1 billion in 2026.

Market Size of Embodied Industrial Robot

Embodied robots are intelligent physical systems, including both humanoid and non-humanoid forms, equipped with a physical body that enables them to perceive, interact with, and manipulate the environment. They integrate multimodal sensing, autonomous decision-making, and adaptive execution capabilities to perform complex tasks in real-world settings, moving beyond pre-programmed actions to achieve adaptive collaboration with human workflows and machinery.

The development of embodied industrial robots is driven by advances in AI and sensing technologies, growing demand for flexible automation, and the need for enhanced human-machine collaboration in complex production environments. The global revenue of embodied industrial robot is expected to increase from RMB2.9 billion in 2026 to RMB8.9 billion in 2030, representing a CAGR of 31.9%. Meanwhile, from 2026 to 2030, the revenue of embodied industrial robot in China is projected to increase from RMB1.1 billion to RMB3.7 billion, with a CAGR of 35.8%.

Market Size of Embodied Industrial Robot Market (by revenue), Global and China, 2021-2030E



Source: Frost & Sullivan

Market Drivers of Industrial Robot Market

- ***Rising Automation Demand in Manufacturing:*** The global manufacturing sector is increasingly accelerating automation adoption driven by tangible cost and labor constraints, aiming to enhance production efficiency, reduce labor reliance, and improve product quality. Rising labor costs and tightening labor supply in key manufacturing hubs, particularly in China, have made automation a more economically necessary solution rather than a discretionary upgrade. This is further reinforced by demographic trends, with the global population aged 65 and above increasing from 9% in 2020 to 12% in 2024 and projected to reach 17% by 2050, indicating a structural decline in the working-age population. As a result, demand for industrial robots is expanding across core sectors such as automotive and electronics, driven by their ability to enable continuous operation, consistent output, and lower defect rates. Automation is also increasingly supporting flexible and scalable production models, helping manufacturers remain competitive in cost-sensitive and rapidly evolving markets.

- ***Labor Cost and Workforce Structure Changes:*** Rising labor costs and shortages of skilled workers in certain countries and regions are prompting enterprises to adopt industrial robots. These systems help alleviate human resource pressures by performing repetitive, hazardous, or high-precision tasks that are difficult to staff. This trend is particularly pronounced in industries where operational continuity and production stability are critical, further reinforcing the role of automation as a long-term strategic solution.

- ***Government Policies and Strategic Support:*** Governments worldwide are introducing industrial policies, tax incentives, and financial support programs to promote the development and adoption of industrial robots. In January 2024, China's Ministry of Industry and Information Technology, together with six other government departments, issued the "Implementation Opinions on Promoting the Innovative Development of Future Industries", which focus on achieving breakthroughs in high-end equipment products such as embodied robots and advancing research, development, and application in areas including intelligent manufacturing. Such measures aim to accelerate industrial upgrading, strengthen manufacturing competitiveness, and encourage innovation. By lowering investment barriers and fostering a favorable business environment, policy initiatives are contributing to faster industrialization of robotics and deeper market integration.

Development Trends of Industrial Robot Market

- ***Enhanced Multifunctionality and Flexibility:*** Industrial robots are evolving toward higher versatility and flexibility, enabling adaptation to different production tasks and process requirements. This trend aligns with the growing prevalence of multi-variety, small-batch manufacturing models, where quick reconfiguration and task-switching reduce downtime and improve operational efficiency. Enhanced software control, modular hardware, and adaptive tooling allow a single robot platform to handle multiple applications across varying production environments, helping manufacturers respond faster to changing market demands while maximizing equipment utilization and reducing total ownership costs.

- ***Expanding Cross-Industry Applications:*** The application scope of industrial robots is expanding beyond traditional manufacturing to emerging sectors such as logistics, healthcare, and agriculture. These industries present diverse requirements for automation, precision, and efficiency, driving the adoption of robots with advanced sensing, AI-based control, and domain-specific capabilities. In logistics, robots support order fulfillment and warehouse operations; in healthcare, they assist in device manufacturing and hospital automation; in agriculture, they enhance planting, harvesting, and quality inspection processes. This diversification reduces reliance on a single industry, stabilizes demand, and fosters long-term market growth.

- ***Shift from Specialized to Compatible Products:*** Industrial robots are transitioning from highly specialized products to platforms with broader functional compatibility. Continuous improvements in functions, interface standards, and adaptability are expected to enable deployment across multiple industries and scenarios without extensive customization. This evolution can reduce replacement and deployment costs for end users, extend product life cycles, and expand the addressable market for suppliers.

Market Challenges of Industrial Robot Market

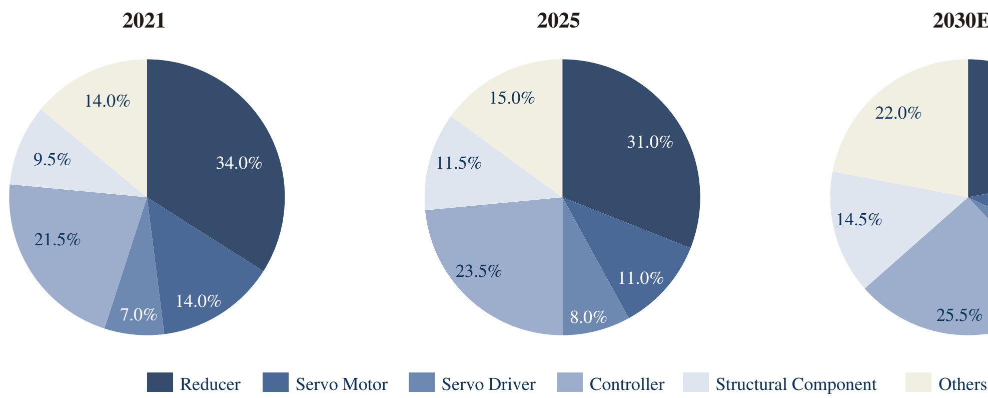
- ***High Initial Investment and Cost Pressure:*** The industrial robots market faces challenges related to high upfront investment costs, including robot hardware, system integration, software, and ongoing maintenance. For small and medium-sized enterprises, these costs can limit adoption despite long-term efficiency gains. In addition, rising prices of key raw materials and components such as precision reducers, controllers, and sensors may increase overall system costs. Globally, cost sensitivity in certain manufacturing sectors continues to constrain large-scale deployment, particularly in regions with relatively lower labor costs or limited access to financing.

- ***Technical Complexity and Workforce Adaptation:*** The deployment of industrial robots requires specialized expertise in system integration, programming, and maintenance, creating challenges in workforce readiness. Many manufacturers face shortages of skilled engineers and technicians capable of operating and maintaining advanced robotic systems. Integration complexity also increases when robots must work alongside legacy equipment or be customized for specific production processes. These challenges can extend implementation timelines, raise operational risks, and reduce the speed at which productivity benefits are realized, both in China and in global markets.

Cost Analysis of Industrial Robot

The cost structure of industrial robot components is shifting as mechanical parts gradually decline in cost while intelligent components account for a growing share of total value. In 2021, reducers and servo systems together represented a large portion of costs, reflecting reliance on imported components and high technical barriers. By 2025, domestic substitution and scale effects had reduced the cost share of key mechanical components, while lightweight design requirements increased the share of structural parts. Looking ahead to 2030, further modularization and manufacturing optimization are expected to lower mechanical component costs, while controllers and advanced structural components will account for a higher share, reflecting continued progress in intelligence, sensing, and materials technologies.

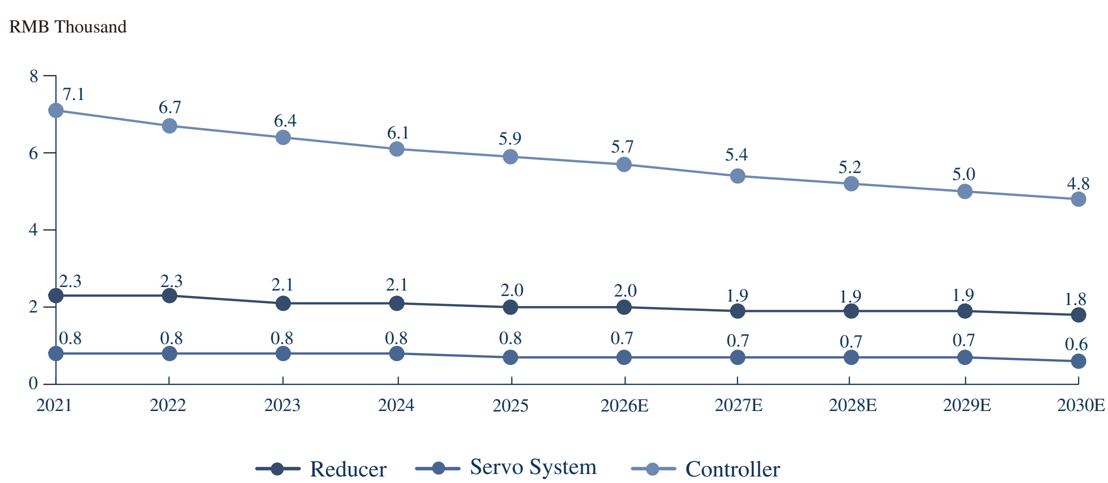
Cost Analysis of Industrial Robot Components, China, 2021, 2025, 2030E



Source: Frost & Sullivan

Industrial robot components primarily include key core parts such as controllers, servo systems, and reducers, which together form the essential hardware foundation of robot operation and motion control. Overall, prices across all three components exhibit a steady downward trend over the period, indicating gradual cost reductions in core industrial robot hardware driven by technological advancement, scale effects, and supply chain optimization.

Average Price of the Industrial Robot Components, China, 2021-2030E



Source: Frost & Sullivan

COMPETITIVE ANALYSIS OF INDUSTRIAL ROBOT MARKET

Competitive Landscape of Industrial Robot Market

In the industrial and welding robots markets, overseas companies such as Company E, Company F, Company G, Company H, and Company I, hold a relatively strong market position as first movers, particularly in the high-end welding and industrial automation applications, while domestic players such as the Company, Company A, Company B, Company C, and Company D are growing rapidly and competing with overseas players mainly through localized solutions and services, faster customization cycle, cost efficiency of products, etc. In collaborative robots, overseas companies benefit from early market entry, while domestic companies are rapidly closing the gap through faster product iteration. The embodied robot segment remains nascent, with both overseas and domestic players focusing on technological development and early application exploration.

The average selling price (ASP) of domestic welding robots generally ranges from approximately RMB50k to 70k per unit depending on the payload, configuration, and application complexity, while the ASP of overseas welding robots generally ranges from approximately RMB200k to 250k per unit.

Ranking of Welding Robot Companies

With the revenue of RMB170 million, we are the largest Chinese welding robot company in terms of related revenue in 2025. The major Chinese welding robot companies in terms of revenue mainly consist of Company A, Company B, Company C, and Company D.

TOP 5 Chinese Welding Robot Companies (by revenue)*, Global, 2025

Rank	Company	Listing Status	Welding Robot Revenue (Million RMB)
1	**The Company**	**Not Listed**	**170**
2	Company A	Listed	154
3	Company B	Listed	124
4	Company C	Listed	113
5	Company D	Listed	97

Source: Frost & Sullivan

**Note:* Refer to revenue of welding robots manufactured by Chinese companies, excluding overseas brands.

TOP 5 Welding Robot Companies (by revenue), Global, 2025

Rank	Company	Listing Status	Welding Robot Revenue (Billion RMB)
1	Company E	Listed	2.9
2	Company F	Listed	2.6
3	Company G	Listed	2.3
4	Company H	Not Listed	2.2
5	Company I	Listed	1.6

Source: Company reports, Frost & Sullivan

Entry Barriers of Industrial Robot Market

- ***Technology Barrier:*** The industrial robot market requires advanced expertise in areas such as precision mechanics, motion control, AI algorithms, sensor fusion, and real-time computing. Developing competitive products often demands long R&D cycles, specialized know-how, and integration of multiple complex subsystems, which creates high technical thresholds for new entrants. Companies with mature platforms and proprietary technologies benefit from accumulated data, optimized algorithms, and proven system architectures, making it difficult for new players to match performance, reliability, and cost efficiency in a short timeframe.

- ***Brand Barrier:*** Brand reputation plays a significant role in the industrial robot market, particularly in sectors where production uptime, precision, and safety are critical. Established brands often benefit from customer trust built through years of proven performance, consistent quality, and reliable after-sales service. This trust reduces the perceived risk for customers and influences procurement decisions, especially in capital-intensive projects. New entrants without a recognized track record face challenges in convincing customers to switch suppliers, even if they offer competitive specifications or pricing.

- ***Talent Barrier:*** The development and deployment of industrial robots require a multidisciplinary talent pool covering mechanical engineering, electronics, embedded systems, AI, and industrial process optimization. Skilled professionals in these fields are in high demand and often concentrated in leading companies or research institutions. Recruiting and retaining such talent requires competitive compensation, challenging projects, and an established innovation environment, which can be difficult for new entrants to provide.

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section summarizes the major PRC regulatory authorities and PRC laws and regulations that we believe are relevant to our business and operations in the PRC.

PRINCIPAL REGULATORY AUTHORITIES

In addition to the supervision and management by authorities that perform general regulation on companies in the PRC, the Company's operations in the PRC are mainly subject to supervision and management under the following authorities:

MIIT

The Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (the "**MIIT**") was integrated in 2008 from the former Ministry of Information Industry, the Office of Informatization under the State Council (國務院), and other related agencies.

The main responsibilities include, proposing industrial development strategies, formulating industrial sector plans and policies, reviewing or approving fixed-asset investment projects in the industrial, telecommunications, etc.

NDRC

The main responsibilities of the National Development and Reform Commission (國家發展和改革委員會) (the "**NDRC**") include, organizing the formulation of a comprehensive industrial policy, regulating and managing fixed-asset investment projects, proposing strategies and policies for the utilization of inbound and outbound investment, and proposing a negative list for foreign investment access.

MOFCOM

The main responsibilities of Ministry of Commerce of the PRC (中華人民共和國商務部) (the "**MOFCOM**") include, supervising and regulating the foreign investment activities nationwide, formulating foreign investment policies and organizing their implementation, approving the establishment of and changes of foreign-invested enterprises in accordance with applicable laws, promoting industrial restructuring in the distribution sector, guiding reforms in distribution enterprises, developing commercial services and community commerce, formulating administrative measures and specific policies for outbound investment, and authorizing, in accordance with the applicable laws, outbound investment by domestic enterprises.

PRINCIPAL REGULATORY PROVISIONS

Laws and Regulations on Robotics Industry

The Guiding Opinions on Promoting the Development of the Industrial Robotics Industry (關於推進工業機器人產業發展的指導意見) issued on December 22, 2013 by the MIIT, calls for the development of industrial robot system integration technologies, host design technologies, and key component manufacturing technologies that meet user requirements; breakthroughs of core technologies and key raw materials and components; improving reliability and stability; and promoting large-scale demonstration applications of industrial robots.

The Made in China 2025 (中國製造2025) was released on May 8, 2015 by the State Council, which includes the "Intelligent Manufacturing Program (智能製造工程)". In the area of intelligent manufacturing, it clearly prioritizes breakthroughs in intelligent manufacturing equipment and production lines such as high-end CNC machine tools, industrial robots and additive manufacturing equipment.

On December 21, 2021, the MIIT, the NDRC and other 13 departments jointly issued the 14th Five Year Plan for the Development of China's Robotics Industry (《"十四五"機器人產業發展規劃》), which seeks to promote breakthroughs in core robot technologies and high-end products. The plan raised that, by 2025, China will become a global hub for robotics innovation. By 2035, China's robotics industry will reach internationally leading levels in overall strength.

The 14th Five-Year Plan for the Development of Intelligent Manufacturing ("十四五"智能製造發展規劃) was issued on December 21, 2021 by the MIIT, the NDRC and other 6 departments. The plan calls for the vigorous development of intelligent manufacturing equipment, strengthening collaborative innovation among industry, academia, and research institutes.

On January 18, 2023, the MIIT and other 16 departments jointly issued the Implementation Plan for "Robot+" Application Action (《"機器人+"應用行動實施方案》), which sets a target to double the robot density in manufacturing by 2025 compared to 2020.

The Implementation Measures for Standardized Condition Management of the Industrial Robotics Industry (工業機器人行業規範條件管理實施辦法) ("**Measures for Standardized Condition Management**") were issued by the MIIT on July 7, 2017, last amended on July 29, 2024 and became effective on August 1, 2024. According to the Measures for Standardized Condition Management, the MIIT adopts announcement-based management for industrial robot enterprises that meet the Standard Conditions of the Industrial Robotics Industry (工業機器人行業規範條件) ("**Standard Conditions**"). Enterprises within the industrial robotics industry may apply on a voluntary basis. The MIIT discloses and publishes a list of industrial robot enterprises that meet the Standard Conditions, and revises or revokes announcements as necessary.

The Guiding Catalogue for Industrial Structural Adjustment (2024 Edition) (產業結構調整指導目錄(2024年本)) promulgated by the NDRC on December 27, 2023 and became effective on February 1, 2024, encourages the development of industries including robots and integrated systems under the intelligent manufacturing category.

Laws and Regulations on Production Safety

On June 29, 2002, the SCNPC promulgated 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 recently amended by the SCNPC on June 10, 2021 and became effective on September 1, 2021. Enterprises that are engaged in production and business activities shall abide by the relevant laws and regulations concerning work safety, strengthen work safety management.

Laws and Regulations on Product Quality

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and recently amended with immediate effect on December 29, 2018, producers shall: (i) be responsible for the quality of the products they produce; (ii) not produce products that have been explicitly eliminated by the state; (iii) not forge the place of origin; (iv) not produce or market adulterated products or use fake goods as genuine or sub-standard products as standard; and (v) ensure that the packaging quality meets the corresponding requirements, and make warning signs or warning instructions in Chinese.

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and became effective on January 1, 2021, if a defect of a product causes damage to another person, the infringed person may claim compensation against the manufacturer or the seller of the product.

Laws and Regulations on Intellectual Properties

In terms of international conventions, the PRC has entered into (including but not limited to) the Agreement on Trade-Related Aspects of Intellectual Property Rights (《與貿易有關的知識財產權協定》), the Paris Convention for the Protection of Industrial Property (《保護工業產權巴黎公約》), the Madrid Agreement Concerning the International Registration of Marks (《商標國際註冊馬德里協定》) and the Patent Cooperation Treaty (《專利合作條約》).

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on March 12, 1984, last amended on October 17, 2020 and became effective 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 were promulgated by the State Council on June 15, 2001, last amended on December 11, 2023 and became effective on January 20, 2024. The Patent Law of the PRC and its Implementation Rules provide for three types of patents, "invention", "utility model" and "design."

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC in September 1993 and last amended on April 23, 2019, the term "trade secrets" refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and impose fine on the infringing parties.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and became effective on November 1, 2019, the period of validity for a registered trademark is 10 years, commencing from the date of registration.

Copyright

Copyright in the PRC is primarily protected by 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, last amended on November 11, 2020 and became effective on June 1, 2021, and Implementation Regulations of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002 and last amended on January 30, 2013. These law and regulation provide provisions on the classification of works and the obtaining and protection of copyright.

Domain Names

In accordance with the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) which was issued by the Ministry of Information Industry on August 24, 2017 and came into effect on November 1, 2017, the Ministry of Industry and Information Technology is responsible for supervision and administration of domain name services in the PRC.

Laws and Regulations on Labor and Employee Incentives

General Labor Contracts Rules

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC in July 1994 and last amended and came into effect in December 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC in June 2007 and amended in December 2012 and came into effect in July 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council and came into effect in September 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees.

Labor, Social Insurance and Housing Provident Funds

According to the Social Insurance Law of PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC in October 2010 and last amended and came into effect in December 2018, and the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》), which was promulgated by the State Council in January 1999 and last amended in March 2019, and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council in April 1999 and last amended in March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity insurance and to housing provident funds.

According to the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law 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)), which was promulgated by the Supreme People's Court in July 2025 and came into effect in September 2025, the employer and the laborer agree, or the laborer promises the employer, that there is no need to pay social insurance premiums, such agreement or promise shall be determined invalid; where an employer fails to pay social insurance premiums in accordance with the law, and such employee requests to terminate the labor contract and for the employer to pay economic compensation, the people's court shall support such requests in accordance with the law. In the event an employer, after making up the social insurance contributions, requests the employee to return the social insurance compensation already paid, the people's court shall support such request.

Prevention and Control of Occupational Diseases

The Prevention and Control of Occupational Diseases Law of the PRC (《中華人民共和國職業病防治法》), which was promulgated by the SCNPC on October 27, 2001 and latest amended on December 29, 2018 (the "**Prevention and Control of Occupational Diseases Law**"), is the basic law for the prevention and control of occupational diseases.

Laws and Regulations on Leasing

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

According to the Civil Code of the PRC (《中華人民共和國民法典》), the relevant parties fail to complete property leasing registration and filing formality in accordance with the laws and regulations, the validity of the lease is not affected.

Laws and Regulations on Environmental Protection, Health and Safety

Environment Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) ("**the Environmental Protection Law**"), which was promulgated by the SCNPC on December 26, 1989 and last amended on April 24, 2014, came into effect on January 1, 2015, outlines the authorities and duties of various environmental protection regulatory agencies.

Environmental Impact Appraisal

According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and became effective on October 1, 2017, depending on the impact of the construction project on the environment, an construction employer shall submit an environmental impact report or an environmental impact statement, or file a registration form. According to the Environmental Impact Appraisal Law of PRC (《中華人民共和國環境影響評價法》) ("**the Environmental Impact Appraisal Law**"), which was promulgated by the SCNPC on October 28, 2002, amended on July 2, 2016 and December 29, 2018, for any construction projects that 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.

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》), promulgated and implemented by the former Ministry of Environmental Protection (now the MEE) on November 20, 2017, regulate the procedures and standards for environmental protection acceptance by construction entities upon the completion of construction projects.

Fire Prevention

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》), promulgated by the SCNPC on April 29, 1998 and last amended with effect from April 29, 2021, design and construction of the fire control facilities for a construction work shall comply with the national fire control technical standards. The developer, designer, constructors and project supervisor of a construction project shall be responsible for the quality of the design and construction of the fire control facilities for the construction work according to the relevant laws.

Management of Waste Discharge

Pursuant to the Catalog of Classified Management of Pollutant Discharge Permits 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 of the PRC and became effective on December 20, 2019, the State implements the primary management, simplified management and registration management of pollutant discharge permits based on the pollutant production, emission amount and the extent of environmental impact of the pollutant discharge entities.

Pursuant to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and became effective on March 1, 2021, based on the quantity of pollutants generated and discharged, their impacts on the environment and other factors, categorical administration of pollutant discharge permit system is implemented to regulate pollutant-discharging entities.

Laws and Regulations on Foreign Investment

Company Law of the PRC

The Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**") which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, revised on December 25, 1999, August 28, 2004, October 27, 2005 and December 28, 2013, October 26, 2018, December 29, 2023 respectively and the latest revision of which was implemented on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

Foreign Investment

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Catalogue**"), amended on October 26, 2022 and effective since January 1, 2023 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單) (2024年版)》) (the "**Negative List**"), promulgated on September 6, 2024 and effective since November 1, 2024, both of which issued by the NDRC and the MOFCOM. The Catalogue and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: "encouraged", "restricted", and "prohibited". Industries not listed in the Catalogue or the Negative List are generally deemed as falling into a fourth category, "permitted", unless specifically restricted by other PRC laws and regulations. The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**"), promulgated by the National People's Congress (全國人民代表大會) (the "**NPC**") on March 15, 2019, effective since January 1, 2020, and the Implementation Regulations for 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 for FIL**"), promulgated by the State Council (國務院) on December 26, 2019, effective since January 1, 2020, are the principal existing law and regulation governing foreign investment in the PRC. The FIL and the Implementation Regulations for FIL are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management.

On December 30, 2019, the Ministry of Commerce and the SAMR, jointly promulgated the Measures for Information Reporting on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information to the competent commerce department. On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures.

Laws and Regulations on Foreign Exchange and Taxation

Foreign Exchange

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Foreign exchange payments under current account items shall be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

On November 19, 2012, the SAFE issued the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) ("**the SAFE Circular 59**"), which came into effect on December 17, 2012 and was revised on May 4, 2015, October 10, 2018 and partially abolished on December 30, 2019. The SAFE Circular 59 aims to simplify the foreign exchange procedure and promote the facilitation of investment and trade. Later, the SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) on February 13, 2015, which was partially abolished on December 30, 2019 and prescribed that the bank instead of SAFE can directly handle the foreign exchange registration and approval under foreign direct investment while SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the bank.

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

According to the Notice of the State Administration of Foreign Exchange 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》) issued by the SAFE on December 26, 2014, 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 local branch office of state 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 domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

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 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》) ("**the SAFE Circular 16**"), which came into effect on the same day and was partially amended according to Notice of the State Administration of Foreign Exchange on Further Deepening Reforming to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) promulgated by the SAFE on December 4, 2023. The SAFE Circular 16 provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing 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).

Taxation

Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) ("**the EIT Law**"), promulgated by the NPC on March 16, 2007, came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018, as well as the Implementation Rules of the EIT Law (《中華人民共和國企業所得稅法實施條例》) ("**the Implementation Rules**"), promulgated by the State Council on December 6, 2007, came into force on January 1, 2008 and amended on April 23, 2019, are the principal law and regulation governing enterprise income tax in the PRC. According to the EIT Law and its Implementation Rules, enterprises are classified into resident enterprises and non-resident enterprises. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or sites in the PRC to the extent that such incomes are derived from their set-up institutions or sites in the PRC, or such income are obtained outside the PRC but have an actual connection with the set-up institutions or sites.

*Value-Added Tax (the "**VAT**")*

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》) amended in November 2017, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-Added Taxes (《中華人民共和國增值稅暫行條例實施細則》) amended in October 2011, all entities or individuals engaged in the sale of goods, provision of processing, repair and maintenance services, or importation of goods within China shall be value-added tax taxpayers and subject to value-added tax in accordance with relevant laws and regulations. Through the value-added tax reform in China, value-added tax rates have undergone multiple adjustments and value-added tax are regulated by the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which was implemented in January 2026.

Laws and Regulations on Import and Export of Goods

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on 12 May 1994, which was recently amended with immediate effect on 30 December 2022, and the Notice of the Department of Enterprise Management and Inspection on Matters Related to the Record-filing of Consignors and Consignees of Import and Export Goods (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) published by the General Administration of Customs of the PRC with immediate effect on January 3, 2023, if consignors and consignees of import and export goods apply for record-filing, they shall obtain the market entity qualification and are not required to obtain the record-filing of foreign trade business operators.

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》) enacted by the SCNPC on January 22, 1987, and subsequently amended on April 29, 2021, effective from the same date, the Customs of the PRC is vested with the authority for the supervision and administration of entry and exit points.

As delineated in the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021, and implemented from January 1, 2022, the term "customs declaration entities" pertains to consignees and consignors of import and export goods, as well as customs declaration enterprises officially registered with the customs authorities. Entities seeking recordation are required to hold valid market entity qualifications.

According to the Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》) promulgated by the SCNPC on October 17, 2020 and effective as of December 1, 2020, the state implements a licensing system for the export of controlled items. Pursuant to the Regulations of the People's Republic of China on the Export Control of Dual-Use Items (《中華人民共和國兩用物項出口管制條例》) promulgated by the State Council on September 30, 2024 and effective on December 1, 2024, the export of dual-use items shall obtain a single license, a general license in accordance with the provisions of the Export Control Law and these Regulations, or obtain an export certificate by means of registration and information declaration.

Laws and Regulations on Information Security and Data

Privacy Data Security and Data Export

The SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) on June 10, 2021, which became effective from September 1, 2021, for the establishment of a data classification and grading protection system to conduct classified and hierarchical protection of data.

On December 28, 2021, the Cyberspace Administration of China (the "**CAC**") and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Cyber Review Measures**"), which came into effect on February 15, 2022.

According to the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) issued by the CAC on July 7, 2022 and effective on September 1, 2022, a data processor that provides data overseas under any of the following circumstances shall apply to the national cyberspace administration for the security assessment of the outbound data transfer through local provincial cyberspace administration: (i) a data processor provides important data abroad; (ii) the CIIO or the data processor that has processed the personal information of more than 1 million people provides personal information abroad; (iii) the data processor that has provided the personal information of over 100,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the previous year provides personal information abroad; and (iv) any other circumstance where an application for the security assessment of outbound data transfer is required by the national cyberspace administration.

According to the Measures for Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) issued by the CAC on February 22, 2023 and effective from June 1, 2023, to provide personal information to an overseas recipient through the conclusion of the standard contract, a personal information processor shall meet all of the following circumstances: (i) it is not a CIIO; (ii) it has processed the personal information of less than one million individuals; (iii) it has cumulatively provided the personal information of less than 100,000 individuals to overseas recipients since January 1 of the previous year; and (iv) it has cumulatively provided the sensitive personal information of less than 10,000 individuals since January 1 of the previous year.

According to the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), which was promulgated by the CAC on March 22, 2024 and came into effect on the same day, if the data have not been informed or publicly announced as important data by relevant departments or regions, data handlers are not required to declare security assessment for cross-border provision of the data as important data.

Personal Information Protection

According to the Civil Code of the PRC (《中華人民共和國民法典》), personal information of natural persons is protected by law. The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021 further emphasizes the obligations and responsibilities of processors for the protection of personal information, and requests higher level of protective measures on the processing of sensitive personal information.

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016 and effective on June 1, 2017, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, publicly disclose the rules for collection and use, clearly state the purpose, method and scope of collecting and using information, and obtain the consent of the person whose data is being collected.

Laws and Regulations on Overseas Securities Offering and Listing by Domestic Companies

Securities Law of the PRC

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "**Securities Law**") took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The latest revised Securities Law came into effect on March 1, 2020. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC.

Overseas Listing

On February 17, 2023, the CSRC promulgated the Overseas Listing Trial Measures and relevant supporting guidelines, which came into effect on March 31, 2023. Any domestic company that is deemed to conduct overseas offering and listing activities shall file with the CSRC in accordance with the Overseas Listing Trial Measures.

Pursuant to the Overseas Listing Trial Measures, an issuer shall file with the CSRC within three business days after its application for initial public offering is submitted to competent overseas securities regulators.

H-share Full Circulation

"Full circulation" means listing and circulating on the stock exchange of the Domestic Unlisted Shares of an H-share listed company, including Unlisted Domestic Shares held by domestic shareholders prior to overseas listing, Domestic Unlisted Shares additionally issued after overseas listing, and Domestic Unlisted Shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) (the "**Guidelines for the Full Circulation**"), which was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》).

To apply for full circulation, an H-share listed company shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. After the application for full circulation has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with CSDCC of the shares related to the application has been completed.

On December 31, 2019, CSDCC and the Shenzhen Stock Exchange ("**SZSE**") jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股"全流通"業務實施細則》) (the "**Measures for Implementation**"). The businesses in relation to the H-share full circulation business are subject to the Measures for Implementation.

On September 20, 2024, the Shenzhen Branch of CSDC issued the Guidelines to the Program for "Full Circulation" of H-shares of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南》), which are applicable to the business preparation, cross-border share transfer registration and overseas centralized custody, the initial maintenance of details of domestic shareholding and the maintenance of its changes, corporate actions, clearing, settlement and risk management measures. On the same day, China Securities Depository and Clearing (Hong Kong) Company Limited issued the H-Share Full Circulation Business Guide of China Securities Depository and Clearing (Hong Kong) Limited (《中國證券登記結算(香港)有限公司H股"全流通"業務指南》), which is applicable to businesses such as share custody and depository, agent service, arrangement for settlement and delivery, and risk management measures.

Confidentiality and Archives Administration

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection and the National Archives Administration jointly released the revised Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Archives Administration Provisions**"), which came into effect on March 31, 2023. According to the Archives Administration Provisions, the domestic companies shall establish and implement a solid confidentiality and archives administration system and take necessary measures to fulfill the confidentiality and archives administration obligations.

In terms of providing accounting archives or copies thereof to any other entities or persons (such as securities companies, securities services providers and overseas regulators), the Archives Administration Provisions stipulate that relevant governmental procedures should be complied with. Any violation of the above regulations may subject the domestic companies to regulatory penalties under the Safeguarding State Secrets Law of the PRC (《中華人民共和國保守國家秘密法》) and the Archives Law of the PRC (《中華人民共和國檔案法》) and even criminal liabilities to the extent applicable.

Sanctions Laws and Regulations

United States

The Office of Foreign Assets Control ("**OFAC**") is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person.

OFAC's comprehensive sanctions programmes currently apply to Cuba, Iran, North Korea, the Crimea region of Russia/Ukraine, and the self-proclaimed Luhansk People's Republic (LPR) and Donetsk People's Republic (DPR) regions and Zaporizhzhia and Kherson regions (the comprehensive OFAC sanctions programme against Sudan was terminated on October 12, 2017). OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

United Nations

The United Nations Security Council (the "**UNSC**") can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

European Union

Under European Union sanction measures, it is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Target and not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures, provided that no funds and economic resources are made available to the Sanctioned Targets.

In recent years, the EU expanded its sanctions designation powers related to Russia's invasion of Ukraine to reach beyond traditional jurisdictional boundaries. These measures function similarly by enabling the designation of non Russian and non Belarussian persons or entities if they are deemed to contribute to or benefit from Russia's actions.

The EU has increasingly designated Mainland Chinese and Hong Kong individuals and companies for allegedly "frustrating" or "supporting" sanctions against Russia, or for materially supporting activities that threaten Ukraine's territorial integrity, sovereignty, and independence.

Similarly, EU sanctions against Russia permit the listing of persons or entities, regardless of nationality, who "support or implement" actions undermining Ukraine's integrity or "materially or financially" back such actions. As a result, these regimes have introduced what market practitioners now commonly refer to as "EU secondary sanctions" or "ancillary listings."

United Kingdom and United Kingdom overseas territories

Starting from January 1, 2021, the United Kingdom applies its own sanctions programs and has extended its autonomous sanctions regimes to apply to and in the United Kingdom overseas territories.

Similar to the EU, under the UK's Russia sanctions regulations, authorities may designate any person they have "reasonable grounds to suspect" of being "involved" in destabilizing Ukraine or supporting the Russian government. The UK has relied on these provisions to target individuals and entities with no UK connection other than their association with Russian-linked activities.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

U.S. Export Controls

The United States has implemented and has proposed additional restrictions, some of which may impact Chinese companies, including us. The United States has increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce (the "**BIS**"), which includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the "**Entity List**"). Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of items which are subject to the EAR generally is prohibited unless the specified license requirements are met.

In addition, EAR also maintains a list of items, software, and technology that are subject to export controls (the "**Commerce Control List**"). The Commerce Control List is primarily based on multilateral export control lists, such as the Wassenaar Arrangement's List of Dual-Use Goods and Technologies and Munitions List, BIS can also implement unilateral licensing requirements and other controls on items subject to U.S. export controls jurisdiction that can restrict exports and reexports to certain countries, as well as transfers within a country to a different end-user or end-use. The Commerce Control List is divided into ten categories, represented by the first digit of the Export Control Classification Number ("**ECCN**"). Each ECCN is subject to the respective control(s) and licensing requirement applicable for sales to controlled countries and/or entities.

OUR HISTORY

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.

Milestones

The following sets out a summary of our key development milestones:

Year	Milestones
2012	Our inception
2013	We launched our industrial robot controller product and achieved its commercial application
2014	Our domestically produced industrial robot controllers accounted for the majority of the market share in the Chinese mainland, accounting for 90% of sales in the arc welding field
2018	We launched fully assembled industrial robot
2019	We became the first domestic robot manufacturer to achieve annual sales exceeding 1,000 units in the first year after the market launch of robot units
2023	We achieved comprehensive coverage throughout most of the entire robotics industry chain
2024	We established a subsidiary in Malaysia

OUR MAJOR SUBSIDIARY

We have one wholly-owned subsidiary, Jiangsu CRP Robot Technology Co., Ltd.* (江蘇卡諾普機器人有限公司) ("**Jiangsu CRP**"), which made a material contribution to our results of operations during the Track Record Period. Jiangsu CRP was established in the PRC on 8 December 2021, and its principal activities comprise the sales and service of industrial robots.

During the Track Record Period, two of the Company's wholly-owned subsidiaries, Chengdu CRP Intelligent CRP Intelligent Equipment Co., Ltd.* (成都卡諾普智能裝備有限公司) ("**CRP Intelligent**") and Chengdu Junnuo Weishi Intelligent Technology Co., Ltd.* (成都鈞諾威視智能科技有限公司) ("**Junnuo Weishi**"), were deregistered. CRP Intelligent was established on December 22, 2017, and deregistered on January 3, 2025. Its principal business was the R&D and manufacturing of industrial automation equipment, robots, and their components. Junnuo Weishi was established on March 7, 2018, and deregistered on March 19, 2025. Its principal business involved technology development and transfer in the fields of intelligent equipment, instrumentation, mechanical equipment. From their establishment until their deregistration, CRP Intelligent and Junnuo Weishi did not have any material non-compliance issues. Since their establishment, CRP Intelligent and Junnuo Weishi have not conducted any active business operations and only incurred nominal expenses related to the personnel expenses and amortization of intangible assets, respectively, resulting in a modest net loss. The reason for their dissolution was the Company's voluntary cancellation based on adjustments to its operational strategy.

HISTORY AND DEVELOPMENT

A. Incorporation of our Company

Our Company was established on September 6, 2012. Upon establishment, the registered capital of our Company was RMB500,000 and our Company had five Shareholders at the time. Details of the shareholding structure of our Company at the time of our establishment were as follows:

No.	Name of Shareholder	Number of Registered Capital (RMB)	Approximate shareholding
1.	Mr. Li	200,000	40.0%
2.	Mr. Zhu	200,000	40.0%
3.	Ms. Gu	40,000	8.0%
4.	Mr. Zeng	30,000	6.0%
5.	Mr. Deng	30,000	6.0%
Total:		**500,000**	**100.00%**

B. Changes in the shareholding structure of our Company

Since the establishment of our Company, it has undertaken a series of equity transfers and **[REDACTED]** Investment by way of capital injections to, amongst others, raise funds for the development of our business and diversify our Shareholders base. Please see "– **[REDACTED]** Investment" in this section for details of our principal **[REDACTED]** Investors and their corresponding investments.

(i) Equity transfers, capital increase and Series A Investment from April 2017 to December 2017

Equity transfers in April 2017

In April 2017, our then Shareholders conducted certain equity transfers. The considerations were determined based on arm's length negotiation taking into account, the status of our Group's business development at the time. The equity transfers was completed on March 3, 2017. Details of the equity transfer are as follows:

No.	Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
1.	Mr. Li	Mr. Xia	34,000	34,000
2.	Mr. Li	Mr. Que Hongyu (闕宏宇)	13,000	1,300,000
3.	Mr. Zhu	Mr. Que Hongyu	2,000	200,000
4.	Mr. Zhu	Mr. Wang Zhibin (王志斌)	30,000	3,000,000
5.	Mr. Zhu	Mr. Liao Xiaolong (廖曉龍)	15,000	1,500,000
6.	Ms. Gu	Mr. Liao Xiaolong	6,000	600,000
7.	Mr. Zeng	Mr. Liao Xiaolong	4,500	450,000
8.	Mr. Deng	Mr. Liao Xiaolong	4,500	450,000
Total:			**109,000**	**7,534,000**

Setting up of employee shareholding platform, equity transfers and capital increase in December 2017

In December 2017, our Company set up Chengdu CRP Technology Center (Limited Partnership)* (成都卡諾普科技中心(有限合夥) (now known as Changzhou Hongzhi Investment Partnership (Limited Partnership)* (常州鴻志投資合夥企業(有限合夥)) ("**Changzhou Hongzhi**"), our employee shareholding platform for the purpose of incentivizing and rewarding its core employees. In December 2017, Mr. Li and Mr. Zhu entered into separate equity transfer agreements with Changzhou Hongzhi to transfer RMB8,333 of our registered capital held by each to Changzhou Hongzhi at nil consideration. Details of the equity transfer are as follows:

In December 2017, our registered capital further increased from RMB500,000 to RMB555,556, and the additional RMB55,556 registered capital was subscribed by Changzhou Hongzhi.

*Series A Investment in December 2017 ("**Series A Investment**")*

In December 2017, we and our then Shareholders entered into a capital increase agreement with Beta Achieve Limited (越焯有限公司) ("**Beta Achieve**") (the "**Series A Investor**"). Pursuant to the agreement, Beta Achieve subscribed for RMB98,039 of the Company's registered capital at a total consideration of RMB35,290,000. After the completion of the Series A Investment, our registered capital increased from RMB555,556 to RMB653,595.

(ii) Series B Investment, equity transfers and capital increase from August 2018 to December 2020

*Series B Investment in August 2018 ("**Series B Investment**")*

In August 2018, we and our then Shareholders entered into a capital increase agreement with two investors ("**Series B Investors**"). Pursuant to the agreement, (i) Beta Achieve subscribed for RMB11,519 of the Company's registered capital at a total consideration of RMB8,812,078; and (ii) Suzhou Zhongxin Emerging Industry Investment Partnership (Limited Partnership)* (蘇州中新興富新興產業投資合夥企業(有限合夥)) ("**Richen Emerging Industry**") subscribed for RMB65,359 of the Company's registered capital at a total consideration of RMB50,000,000. After the completion of the Series B Investment, our registered capital increased from RMB653,595 to RMB730,473.

Equity transfers in August 2018

In August 2018, Richen Emerging Industry entered into respective equity transfer agreement with six then Shareholders, pursuant to which Richen Emerging Industry agreed to acquire an aggregate of RMB10,458 of our registered capital for an aggregate consideration of RMB8,000,000, which was determined based on arm's length negotiation taking into account of the timing of the investment and the status of our Group's business development at the time. Specifically, Richen Emerging Industry acquired from (i) Mr. Li registered capital of RMB3,730 at a consideration of RMB2,853,147; (ii) Mr. Zhu registered capital of RMB3,730 at a consideration of RMB2,853,147; (iii) Ms. Gu registered capital of RMB804 at a consideration of RMB615,385; (iv) Mr. Zeng registered capital of RMB658 at a consideration of RMB503,496; (v) Mr. Deng registered capital of RMB658 at a consideration of RMB503,496; and (vi) Mr. Xia registered capital of RMB878 at a consideration of RMB671,329. The latest settlement date of the transfers was August 31, 2018.

Capital Increase in January 2019

On January 22, 2019, the Board resolved that our registered capital further increased from RMB730,473 to RMB10,000,000. The increased RMB9,269,527 registered capital was allotted and issued to all the then existing shareholders of our Company on the basis of one share to be issued for every one Share held according to their then shareholding, using part of the capital reserve of our Company.

(iii) Series C Investment and equity transfers from May 2020 to December 2020

*Series C Investment in May 2020 ("**Series C Investment**")*

In January 2020, we and our then Shareholders entered into a capital increase agreement with two investors ("**Series C Investors**"). Pursuant to the agreement, (i) Zhejiang Shuanghuan Driveline Co., Ltd. (浙江雙環傳動機械股份有限公司) ("**Shuanghuan Driveline**") subscribed for RMB135,135 of the Company's registered capital at a total consideration of RMB10,000,000; and (ii) Zhangjiagang Guohong Jiyuan Investment Partnership (Limited Partnership)* (張家港國弘紀元投資合夥企業(有限合夥)) ("**Guohong Jiyuan**") subscribed for RMB540,541 of the Company's registered capital at a total consideration of RMB40,000,000. After the completion of the Series C Investment, our registered capital increased from RMB10,000,000 to RMB10,675,676. The capital increase was completed in May 2020.

Equity transfers in December 2020

In December 2020, Ms. Jiang Jie (姜潔) entered into equity transfer agreement with six then Shareholders, pursuant to which Ms. Jiang Jie agreed to acquire an aggregate of RMB160,135 of our registered capital for an aggregate consideration of RMB15,000,000, which was determined based on arm's length negotiation taking into account of the timing of the investment and the status of our Group's business development at the time. Specifically, Ms. Jiang Jie acquired from (i) Mr. Li registered capital of RMB56,731 at a consideration of RMB5,314,050; (ii) Mr. Zhu registered capital of RMB56,731 at a consideration of RMB5,314,050; (iii) Ms. Gu registered capital of RMB13,352 at a consideration of RMB1,250,688; (iv) Mr. Zeng registered capital of RMB9,999 at a consideration of RMB936,639; (v) Mr. Deng registered capital of RMB9,999 at a consideration of RMB936,639; and (vi) Mr. Xia registered capital of RMB13,323 at a consideration of RMB1,247,934. The latest settlement date of the transfers was December 11, 2020.

(iv) Series D Investment and equity transfers in April 2021

*Series D Investment in April 2021 ("**Series D Investment**")*

In April 2021, we and our then Shareholders entered into a capital increase agreement with five investors ("**Series D Investors**"). After the completion of the Series D Investment, our registered capital increased from RMB10,675,676 to RMB11,237,554. The respective subscription amount and consideration paid by the Series D Investors were as follows:

No.	Name of Series D Investor	Registered capital subscribed for *(RMB)*	Consideration paid *(RMB)*
1.	Taicang Eastern Bell No. 6 Equity Investment Partnership (Limited Partnership)* (太倉市鐘鼎六號股權投資合夥企業(有限合夥)) ("**Eastern Bell Equity**")	327,876	61,424,938
2.	Wuxi Dianke Haimei Venture Capital Partnership (Limited Partnership)* (無錫電科海美創業投資合夥企業(有限合夥)) ("**Dianke Haimei**")	78,947	14,790,140
3.	Taicang Eastern Bell No. 6 Qinglan Equity Investment Partnership Enterprise (Limited Partnership)* (太倉市鐘鼎六號青藍股權投資合夥企業(有限合夥)) ("**Eastern Bell Qinglan**")	71,973	13,483,523
4.	Suzhou Zhongxin Richen Digital Intelligence Venture Capital Partnership (Limited Partnership)* (蘇州中新興富數智創業投資合夥企業(有限合夥)) ("**Richen Digital Intelligence**")	54,632	10,234,777
5.	Guohong Jiyuan	28,450	5,329,780
Total:		**561,878**	**105,263,158**

Equity transfers in April 2021

In April 2021, our six then Shareholders entered into respective equity transfer agreement with Gongqingcheng Huatuo Zhiying Wuhao Equity Investment Partnership (Limited Partnership)* (共青城華拓至盈伍號股權投資合夥企業(有限合夥)) ("**Huatuo Zhiyin**"), pursuant to which Huatuo Zhiyin agreed to acquire an aggregate of RMB80,068 of our registered capital for an aggregate consideration of RMB15,000,000. The consideration was determined based on arm's length negotiation taking into account of the timing of the investment and the status of our Group's business development at the time. On the same date, Mr. Que Hongyu entered into equity transfer agreement with Xinyu Sunmao Investment Management Partnership (Limited Partnership)* (新餘榫卯投資管理合夥企業(有限合夥)) ("**Xinyu Sunmao**"), pursuant to which Xinyu Sunmao agreed to acquire an aggregate of RMB205,000 of our registered capital for nil consideration due to Mr. Que Hongyu is the ultimate beneficial owner of Xinyu Sunmao. The latest settlement date of the transfers was April 26, 2021. Details of the equity transfer are as follows:

No.	Transferor	Transferee	Registered capital transferred *(RMB)*	Consideration *(RMB)*
1.	Mr. Li	Huatuo Zhiyin	28,365	5,314,050
2.	Mr. Zhu	Huatuo Zhiyin	28,365	5,314,050
3.	Ms. Gu	Huatuo Zhiyin	6,684	1,250,688
4.	Mr. Zeng	Huatuo Zhiyin	4,996	936,639
5.	Mr. Deng	Huatuo Zhiyin	4,996	936,639
6.	Mr. Xia	Huatuo Zhiyin	6,662	1,247,934
7.	Mr. Que Hongyu	Xinyu Sunmao	205,000	nil
Total:			**285,068**	**15,000,000**

(v) Conversion into a joint stock company in June 2021

In anticipation of the proposed **[REDACTED]**, pursuant to a promoters' agreement dated June 3, 2025 and Shareholders' resolutions passed on June 18, 2025 by all our existing Shareholders, on June 30, 2025, our Company was converted from a limited liability company to a joint stock company with limited liability and was renamed Chengdu CRP Robot Technology Co., Ltd.* (成都卡諾普機器人技術股份有限公司). Upon completion of the conversion, the total issued share capital of our Company was 45,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all our existing Shareholders in proportion to their respective interests in Chengdu CRP Automation Control Technology Co., Ltd.* (成都卡諾普自動化控制技術有限公司) before the conversion.

(vi) Equity transfers from September 2024 to November 2025

In September 2024, Changzhou Hongzhi entered into equity transfer agreement with Hangzhou TTGG Zhixin Venture Capital Partnership (Limited Partnership)* (杭州天堂硅谷智新創業投資合夥企業(有限合夥)) ("**TTGG Zhixin**"), pursuant to which Changzhou Hongzhi transferred 450,000 shares to TTGG Zhixin for an aggregate consideration of RMB15,000,000, which was determined based on arm's length negotiation taking into account of the timing of the investment and the status of our Group's business development at the time. The transfer was settled on September 29, 2024.

In October 2025, Xinyu Sunmao entered into equity transfer agreement with Chengdu Chenghua Industrial Revitalization Equity Investment Fund Partnership (Limited Partnership)* (成都成華產業振興股權投資基金合夥企業(有限合夥)) ("**Chengdu Chenghua**"), Shanghai Zhangke Yaokun Venture Capital Partnership (Limited Partnership)* (上海張科垚坤創業投資合夥企業(有限合夥)) ("**Zhangke Yaokun**"), Chengdu Jincheng Music Technology Industrial Equity Investment Partnership (Limited Partnership)* (成都錦成音樂科技產業股權投資合夥企業(有限合夥)) ("**Jincheng Music Technology**"), pursuant to which Xinyu Sunmao transferred 820,908 Shares to them with an aggregate consideration of RMB24,627,240, which was determined based on arm's length negotiation taking into account of the timing of the investment and the status of our Group's business development at the time. Specifically, Xinyu Sunmao transferred 273,636 Shares to each of Chengdu Chenghua, Zhangke Yaokun and Jincheng Music Technology at a consideration of RMB8,209,080 per transferee. The latest settlement date of the transfers was October 16, 2025.

In October 2025, Ms. Jiang Jie entered into an equity transfer agreement with Yangzhou Qixin Chuangli No. 3 Equity Investment Partnership Enterprise (Limited Partnership)* (揚州齊芯創力三號股權投資合夥企業(有限合夥)) ("**Yangzhou Qixin**"), pursuant to which Yangzhou Qixin agreed to acquire an aggregate of 641,249 Shares for an aggregate consideration of RMB19,949,256, which was determined based on arm's length negotiation taking into account of the timing of the investment and the status of our Group's business development at the time. The transfer was settled on November 6, 2025.

(vii) Share Split approved in November 2025

On November 7, 2025, our Shareholders resolved to approve the Share Split. The Share Split took effect upon completion of the filing as required by applicable laws and regulations on May 12, 2026. Immediately after the Share Split, the registered share capital of our Company in the amount of RMB45,000,000 was divided into 450,000,000 Shares with a nominal value of RMB0.10 per Share.

The following table sets out the shareholding structure of our Company as at the Latest Practicable Date and upon **[REDACTED]** (assuming (i) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the completion of the **[REDACTED]**; and (ii) the **[REDACTED]** is not exercised):

No.	Name of Shareholder	Number of Shares held as at the Latest Practicable Date	Number of Shares held upon [REDACTED]	Approximate shareholding upon [REDACTED]
1.	Mr. Li	73,837,840	[REDACTED]	[REDACTED]%
2.	Mr. Zhu	73,837,840	[REDACTED]	[REDACTED]%
3.	Beta Achieve	60,066,450	[REDACTED]	[REDACTED]%
4.	Richen Emerging Industry and Richen Digital Intelligence	43,753,680	[REDACTED]	[REDACTED]%
5.	Changzhou Hongzhi	35,143,860	[REDACTED]	[REDACTED]%
6.	Guohong Jiyuan	22,784,850	[REDACTED]	[REDACTED]%
7.	Ms. Gu	17,377,790	[REDACTED]	[REDACTED]%
8.	Mr. Xia	17,339,780	[REDACTED]	[REDACTED]%
9.	Mr. Liao Xiaolong	16,458,210	[REDACTED]	[REDACTED]%
10.	Mr. Wang Zhibin	16,458,210	[REDACTED]	[REDACTED]%
11.	Eastern Bell Equity and Eastern Bell Qinglan	16,011,680	[REDACTED]	[REDACTED]%
12.	Mr. Zeng	13,014,600	[REDACTED]	[REDACTED]%
13.	Mr. Deng	13,014,600	[REDACTED]	[REDACTED]%
14.	Yangzhou Qixin	6,412,490	[REDACTED]	[REDACTED]%
15.	Shuanghuan Driveline	5,411,390	[REDACTED]	[REDACTED]%
16.	TTGG Zhixin	4,500,000	[REDACTED]	[REDACTED]%
17.	Huatuo Zhiyin	3,206,270	[REDACTED]	[REDACTED]%
18.	Dianke Haimei	3,161,380	[REDACTED]	[REDACTED]%
19.	Chengdu Chenghua	2,736,360	[REDACTED]	[REDACTED]%
20.	Zhangke Yaokun	2,736,360	[REDACTED]	[REDACTED]%
21.	Jincheng Music Technology	2,736,360	[REDACTED]	[REDACTED]%
Total:		**450,000,000**	[REDACTED]	[REDACTED]%

Our PRC Legal Advisers have confirmed that the abovementioned Share transfers, capital increase, capital reduction and joint stock conversion have been properly and legally completed and settled and all requisite regulatory approvals have been obtained in accordance with the applicable PRC laws and regulations in all material respects.

CONCERT PARTY AGREEMENT

Mr. Li, Mr. Zhu, Changzhou Hongzhi, Ms. Gu, Mr. Zeng, Mr. Xia and Mr. Deng share a mutual understanding on the Group's business development. Since becoming our Shareholders, they have been acting in concert in their capacity as Shareholders to exercise shareholder rights and make relevant shareholder decisions in relation to the Company. To formalise such Shareholders arrangement, they entered into the Concert Party Agreement in June 2021, which is a shareholder-level agreement and governs the concerted conduct of the relevant parties in their capacity as Shareholders.

Pursuant to the Concert Party Agreement, at shareholder-level, each of them confirmed and acknowledged that since becoming our Shareholders (i) they had acted and would continue to act in concert on all matters requiring Shareholder approval at Shareholders' meetings; (ii) they would discuss and reach consensus with each other in respect of the shareholder-related matters before proposing motions and casting votes; and (iii) in the event that they are unable to reach consensus, the final decisions of Mr. Li and Mr. Zhu shall prevail. In the event that a mutual agreement cannot be reached between Mr. Li and Mr. Zhu, the decisions of Mr. Li shall prevail.

The Concert Party Agreement is a pure shareholder-level agreement and does not regulate the daily operation and management of the Board, nor restrict or mandate the independent fiduciary duties and daily decision-making powers of any individual Director. Accordingly, Mr. Li, Mr. Zhu, Changzhou Hongzhi, Ms. Gu, Mr. Zeng, Mr. Xia and Mr. Deng constitute the controlling shareholders of our Company and collectively held 54.13% of our registered capital as at the Latest Practicable Date. The Concert Party Agreement will expire five years after the Company's listing on any stock exchange. Unless either party proposes to terminate it prior to expiry, the Concert Party Agreement will be automatically renewed for successive five-year periods.

EMPLOYEE SHAREHOLDING PLATFORM

As at the Latest Practicable Date, we had established Changzhou Hongzhi as our Company's employee shareholding platform, which was a registered Shareholder of our Company. As at the Latest Practicable Date, Changzhou Hongzhi was owned as to (i) approximately 1.13% by Mr. Li as the general partner; (ii) approximately 73.21% by Mr. Zhu, the executive Director, as a limited partner; (iii) approximately 2.64% by Mr. Li Xiang (李祥), the non-executive Director, as a limited partner; (iv) approximately 7.65% by Ms. Song Qiong Lian (宋瓊蓮), the chief financial officer and one of the senior management of our Company, as limited partner; (v) approximately 2.04% by Mr. Song Zhexing (宋哲行), a joint company secretary of our Company, as limited partner; (vi) approximately 2.04% by each of Mr. Xu Chunke (徐純科), Mr. Chen Hui (陳輝) and Mr. Long Yan (龍燕), our core R&D members, as limited partners; (vii) approximately 0.76% by Mr. Yang Jinqiao (楊金橋), one of our core R&D members, as a limited partner; approximately 6.46% by 10 other individuals, as the other limited partners and none of the 10 individuals holds more than 10% of the equity interest in Changzhou Hongzhi. The 10 other individuals are all current employees of our Company and hold positions of team leaders, directors and associate director of departments, engineers, manager and deputy manager of departments of the Company or its subsidiaries.

On November 7, 2025, Changzhou Hongzhi adopted a share subscription rights scheme, pursuant to which eligible participants shall have the right to subscribe for up to approximately 31.61% of the equity interests in Changzhou Hongzhi held by Mr. Zhu at nil consideration when certain criteria are fulfilled. The vesting of the share subscription rights will only take place after the **[REDACTED]** and it will not increase the number of Shares of the Company and no further share **[REDACTED]** right will be granted after the **[REDACTED]**.

PUBLIC FLOAT

With respect to the indicative **[REDACTED]** range of HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]** (being the low-end, mid-point and the high-end of the **[REDACTED]**, respectively), the expected **[REDACTED]** of the Company's H Shares would be over HK$6,000 million but not exceeding HK$30,000 million. Pursuant to Rule 19A.13A(1) of the Listing Rules, the minimum number of H Shares held by the **[REDACTED]** at the time of **[REDACTED]** as a percentage of the total number of shares in the class to which H Shares belong is determined at the higher of: (i) the percentage that would result in the expected **[REDACTED]** of such securities held by the **[REDACTED]** to be HK$1,500 million at the time of **[REDACTED]**; and (ii) 15%.

Apart from **[REDACTED]** H Shares to be converted from (a) Domestic Unlisted Shares held by the Controlling Shareholders, namely Mr. Li, Mr. Zhu, Ms. Gu, Mr. Zeng, Mr. Deng, Mr. Xia and Changzhou Hongzhi, and (b) Domestic Unlisted Shares held by Beta Achieve Limited, a substantial shareholder of our Company, all the H Shares will be counted towards the **[REDACTED]** float for the purpose of Rule 19A.13A(1) of the Listing Rules upon completion of the **[REDACTED]** and conversion of the Domestic Unlisted Shares into H Shares.

Based on the above and assuming (i) an indicative **[REDACTED]** range of HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]** (being the low-end, mid-point and the high-end of the **[REDACTED]**, respectively) and (ii) immediately upon completion of the **[REDACTED]** and the conversion of Domestic Unlisted Shares into H Shares, taking into account **[REDACTED]** H Shares to be **[REDACTED]** pursuant to the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) and **[REDACTED]** H Shares to be converted from Domestic Unlisted Shares, an aggregate of **[REDACTED]** H Shares will count towards the **[REDACTED]** float of our Company for the purpose of Rule 19A.13A(1) of the Listing Rules, representing approximately **[REDACTED]**% of the total **[REDACTED]** Shares of our Company, the **[REDACTED]** of the H Shares held by the **[REDACTED]** at the time of **[REDACTED]** will be approximately HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]**, respectively. Therefore, our Company will be able to meet the minimum public float requirement under Rule19A.13A.

FREE FLOAT

Under Rule 19A.13C of the Listing Rules, a PRC issuer with no other **[REDACTED]** shares at the time of **[REDACTED]** must ensure that a portion of the total number of its **[REDACTED]** shares **[REDACTED]** on the Stock Exchange (namely H shares) that are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of **[REDACTED]** (i) represent at least 10% of the total number of **[REDACTED]** shares in the class to which H shares belong at the time of **[REDACTED]**, with an expected **[REDACTED]** at the time of **[REDACTED]** of not less than HK$50,000,000; or (ii) have an expected **[REDACTED]** at the time of **[REDACTED]** of not less than HK$600,000,000.

Based on the minimum **[REDACTED]** of HK$**[REDACTED]** per H Share, the Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

PREVIOUS [REDACTED] ATTEMPT

Our Company previously considered the possibility of seeking an **[REDACTED]** on the STAR Market of the Shanghai Stock Exchange in the PRC ("**STAR Market [REDACTED] Attempt**"). In December 2021, our Company engaged China International Capital Corporation Limited (中國國際金融股份有限公司) (the "**CICC**" or "**Tutoring Company**") to provide guidance and preliminary compliance advice in regards to the requirements of the CSRC. Due to market conditions and our strategic considerations, we adjusted our **[REDACTED]** plan and terminated our engagement with Tutoring Company in October 13, 2025 and that such termination were filed to the CSRC Sichuan Regulatory Bureau (中國證券監督管理委員會四川監管局) and thus, our Company has voluntarily decided not to make formal **[REDACTED]** to any stock exchange in the PRC. Besides, the Company has not made any explicit A-share **[REDACTED]** to any stock exchange in the PRC. Furthermore, the Company has not received any enquiries from the CSRC, the Shanghai Stock Exchange, or any other regulatory authority in respect of its attempt to list on the STAR Market of the Shanghai Stock Exchange.

The Directors confirm that the Company did not receive any material inquiries or comments from the CSRC, the Shanghai Stock Exchange, or any other regulatory authority in respect of the STAR Market **[REDACTED]** Attempt. Nothing material has come to the Sole Sponsor's attention that would reasonably cause them to cast doubt on these views of our Directors.

For the STAR Market **[REDACTED]** Attempt, in addition to the Tutoring Company, the Company also engaged a PRC legal counsel and reporting accountants. In compliance with the mandatory tutoring requirements under PRC laws for A-share **[REDACTED]**, the Company was obliged to maintain a sponsor-tutoring relationship with a qualified sponsor institution during its previous STAR Market **[REDACTED]** Attempt. Following the change in the Company's **[REDACTED]** strategy in 2025, the tutoring engagement with CICC was subsequently terminated, and a corresponding announcement was duly made in accordance with applicable regulations. The Company has reengaged its previous PRC legal counsel for this **[REDACTED]** to leverage their in-depth knowledge of the Company's business and history, ensuring working continuity and efficiency. However, to better meet the specific demands of a **[REDACTED]**, the Company has appointed Ernst & Young as its new reporting accountants, leveraging their extensive experience, expertise, and resources to provide stronger support for the **[REDACTED]**.

Our Directors are of the view that there is no material issue regarding the STAR Market **[REDACTED]** Attempt that should be brought to the attention of the Stock Exchange or would affect our suitability for the **[REDACTED]**, and there was no disagreement with other professional parties in the STAR Market **[REDACTED]** Attempt.

Based on the Sole Sponsor's due diligence work, the Sole Sponsor is not aware of matter to be brought to the attention of the Stock Exchange regarding the STAR Market **[REDACTED]** Attempt.

[REDACTED] INVESTMENTS

Our **[REDACTED]** Investments consist of several rounds of investments from the **[REDACTED]** Investors by way of transfer of equity interests and/or subscription of our additional registered share capital. Pursuant to paragraph 3 of Chapter 4.2 of the Listing Guide, given that our latest **[REDACTED]** Investment was settled on November 6, 2025, falling within the 28-clear-day period immediately preceding the submission of our first **[REDACTED]**, our **[REDACTED]** will commence 120 days after the completion of this last **[REDACTED]** Investment.

The table below summarizes the principal terms of the **[REDACTED]** Investments:

	Series A Investment	**Series B Investment**	**Series C Investment**	**Series D Investment**	**Latest [REDACTED] Investments**			
Date of agreement	December 20, 2017	August 2018	January 15, 2020	April 23, 2021	April 22, 2021	September 19, 2024	October 14, 2025	October 28, 2025
Name of investors	Beta Achieve	Beta Achieve and Richen Emerging Industry	Shuanghuan Driveline and Guohong Jiyuan	Eastern Bell Equity, Dianke Haimei, Eastern Bell Qinglan, Richen Digital Intelligence and Guohong Jiyuan	Huatuo Zhiyin	TTGG Zhixin	Chengdu Chenghua, Zhangke Yaokun, Jincheng Music Technology	Yangzhou Qixin
Date on which investment was fully settled	April 13, 2018	December 20, 2018	March 16, 2020	April 27, 2021	April 26, 2021	September 29, 2024	October 16, 2025	November 6, 2025
Registered capital subscribed/ Shares purchased	RMB98,039	RMB76,878	RMB675,676	RMB561,878	RMB80,068	450,000 Shares	820,908 Shares	641,249 Shares
Total consideration paid *(RMB)*	35,290,000	58,812,078	50,000,000	105,263,158	15,000,000	15,000,000	24,627,240	19,949,256
Approximate cost per Share *(RMB)*(1)	0.66	1.40	1.85	4.68	4.68	3.33	3.00	3.11
Discount to the **[REDACTED]**(2)	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%
Pre-money valuation of our Company *(RMB)*(4)	200.00 million	500.00 million	740.00 million	2,000.00 million	–	–	–	–
Post-money valuation of our Company *(RMB)*(4)	235.29 million	558.81 million	790.00 million	2,105.26 million	–	–	–	–

	Series A Investment	Series B Investment	Series C Investment	Series D Investment	Latest [REDACTED] Investments
Basis of consideration	The consideration of **[REDACTED]** Investments was determined based on arm's length negotiations between our Company and the **[REDACTED]** Investors with reference to our Company's business development stage, financial performance and the timing of the investments and the prospects of our business. The consideration of Series A Investment was grounded in the Company's position as a core component supplier. The consideration of Series B Investment was based on the Company's strategic transformation into a high-end intelligent equipment manufacturer, evidenced by significant progress in fully assembled industrial robot development. The consideration of Series C valuation was supported by positive market response during the first year of robot commercialization. The consideration of Series D was justified by the continuous increase in sales and market share of the Company's welding industrial robots.				
[REDACTED] from the **[REDACTED]** Investments	We utilized most of the proceeds from the **[REDACTED]** Investments for the development and operation of our principal business and other general working capital purposes. As of the Latest Practicable Date, we had utilized 100% proceeds from the **[REDACTED]** Investments.				
Strategic benefits to our Company	Our Directors are of the view that our Group could benefit from the additional capital provided by the **[REDACTED]** Investors and their knowledge and experience, including but not limited to (i) assisting us validate whether our current R&D roadmap aligns with future market demands; (ii) providing advice on how to position our products, specifically, which industries to target first to achieve the fastest adoption; (iii) providing key raw materials and components such as joint reduction gears as our key supplier; and (iv) advising on automation in manufacturing to reduce unit costs and improve gross margins. Moreover, the investments by the **[REDACTED]** Investors demonstrated their confidence in the business operations of our Group and served as an endorsement of our performance and prospects.				
Special rights	Pursuant to the Shareholders' agreement and the amendments thereto from time to time and the capital increase agreements, the **[REDACTED]** Investors were entitled to certain special rights, namely, directors nomination rights, repurchase rights, information rights, liquidation preferences, anti-dilution preferential dividend rights, pre-emptive rights, tag-along rights, and co-sale rights. Pursuant to a termination agreement entered into between our Company and the **[REDACTED]** Investors on April 28, 2021, all special rights granted to the **[REDACTED]** Investors have been terminated. The Directors confirm that any redemption or repurchase rights that were terminated on April 28, 2021 have been irrevocably and unconditionally terminated, and such rights will not be reinstated upon the occurrence of any event, including events beyond the control of the Company.				
Lock-up period	Pursuant to the applicable PRC laws, each of the existing Shareholders of the Company (including the **[REDACTED]** Investors) are subject to a lock-up period of 12 months following the **[REDACTED]**.				

Notes:

(1) The calculation is based on the total number of **[REDACTED]** Shares with a nominal value of RMB0.10 each in **[REDACTED]** immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised).

(2) The discount percentages are based on (i) an **[REDACTED]** of HK$**[REDACTED]**, being the mid-point of the indicative range of the **[REDACTED]**; and (ii) the exchange rate of HKD1 to RMB0.9120 as set out in the section headed "Information about this Document and the **[REDACTED]**". The progressive reduction in the discount to the **[REDACTED]** from Series A Investment through Series D Investment was attributable to the continued growth in our Company's valuation. As the valuation increased, the cost per Share subscribed by **[REDACTED]** investors correspondingly rose, thereby narrowing the discount to the **[REDACTED]**. For further details on the factors contributing to the increase in our Company's valuation, please refer to note (5) below.

(3) Apart from the newly issued capital of our Company subscribed for by the investors, there have been equity transfers carried out between our existing Shareholders. For details, please see "– Equity transfers in April 2017", "– Equity transfers in August 2018", "– Equity transfers in December 2020", "– Equity transfers in April 2021" and "– Equity transfers from September 2024 to November 2025" in this section. Such consideration is excluded from the total consideration paid set out in the above table.

(4) The post-money valuation is calculated by dividing the total consideration of equity subscriptions under the relevant round of the **[REDACTED]** investment by the percentage of the new subscribed equity interest in the total registered capital of our Company at the relevant time. The pre-money valuation is calculated by excluding the total consideration of equity subscriptions from the post-money valuation under the relevant round of the **[REDACTED]** investment. The valuation of our Company has been increasing along with our business development.

(5) The increase in valuation from Series A Investment to Series B Investment was mainly due to significant progress in the development of fully assembled industrial robot which marks the Company's strategic transformation from a core component supplier to a high-end intelligent equipment manufacturer. The increase in valuation from Series B Investment to Series C Investment was mainly due to the positive market response to our fully assembled industrial robot in the first year of the Company's commercialization of fully assembled industrial robot, which provided investors with the strongest confidence assurance. The increase in valuation from Series C Investment to Series D Investment was mainly due to that the sales and market share of welding industrial robots of the Company continue to increase. All latest **[REDACTED]** investors after Series D Investment acquired their Shares by way of transfer from existing Shareholders. The consideration for the share transfers that took place between 2021 and 2025 was determined on an arm's length basis, having regard to the respective commercial considerations of the transferors and transferees, and no separate valuation of the Company was conducted in connection with such transfers.

Since the completion of its Series D Investment in 2021, the Company has consistently invested in research and development as well as sales and marketing initiatives to further advance its technological capabilities and expand its market presence. In 2022, the Company commenced production at its R&D and Manufacturing Base of Southwest China, with production capacity and output recording year-on-year growth. During the period from 2023 to 2025, the Company achieved a series of product launches, developing and introducing over 70 products to the market. In 2024, the Company became the largest welding robot provider in China in terms of revenue. In 2025, the Company further accelerated its expansion into the embodied intelligence sector, launching multiple embodied intelligent robot products. Since 2022, the Company has achieved year-on-year growth in revenue. In particular, the Company recorded a notable acceleration in revenue and profit growth in 2025, which underpinned the higher valuation attributed to the Company upon **[REDACTED]**. Collectively, these initiatives have provided strong support for the growth in the Company's valuation following its Series D Investment. Such investments have driven sustained growth in both revenue and profit of the Company.

Information about our key [REDACTED] Investors

Set out below is a description of our Sophisticated Independent Investors (as defined in Chapter 2.5 of the Listing Guide). We have two Pathfinder SIIs, both of which (i) respectively held more than 3% ; and (ii) in aggregate held more than 10% of the total issued Shares of the Company as at the Latest Practicable Date. Including the Pathfinder SIIs, we have a total of four Sophisticated Independent Investors, who will in aggregate hold **[REDACTED]** of our total issued Shares upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised). Save for being a Shareholder of our Company and as disclosed otherwise, each of our Sophisticated Independent Investors is independent from and not connected with any Director, chief executive or substantial shareholder of our Company, its subsidiaries or any of their respective associates (within the meaning of the Listing Rules). Save as disclosed below, each of the **[REDACTED]** Investors is independent from each other. Each of the ultimate beneficial owners of the **[REDACTED]** Investors is an Independent Third Party.

Our Pathfinder SIIs

Northern Light SII (being Beta Achieve):

Beta Achieve is a limited liability company established in the Hong Kong and owned by Northern Light Venture Fund V, L.P., Northern Light Strategic Fund V, L.P. and Northern Light Partners Fund V, L.P. (collectively, the "**NLVC Funds**"). The three limited partnerships are exempted limited partnerships established in the Cayman Islands and are managed by Northern Light Partners V, L.P. which is managed by Northern Light Venture Capital V, Ltd. as its general partner. Northern Light Venture Fund V, L.P. has 23 limited partners, Northern Light Strategic Fund V, L.P. has four limited partners, and Northern Light Partners Fund V, L.P. has nine limited partners. No limited partner holds 30% or more of the interests of NLVC Funds. The limited partners of the three limited partnerships primarily consist of institutional investors, such as endowments & foundations.

"Northern Light Venture Capital" collectively refers to Northern Light Venture Capital V, L.P. and other funds in the same group. Northern Light Venture Capital was founded by Mr. Deng Feng in 2005 and is a venture capital firm focusing on early-stage technology-driven innovative companies. Since 2005, Northern Light Venture Capital has invested in over 400 companies. Its investment portfolio includes multiple listed companies. We were introduced to the partners of Northern Light Venture Capital through an introduction by industry peers. As at the Latest Practicable Date, the Beta Achieve held approximately 13.35% of the total issued shares of the Company. Mr. Huang He, our Non-Executive Director, has served successively as vice president, executive director, and partner at Northern Light Consulting (Beijing) Co., Ltd. (北極光諮詢顧問(北京)有限公司) (the "**Northern Light Consulting**") since August 2010. As of the Latest Practicable Date, Mr. Huang He holds no shares, equity interests or other position in Beta Achieve and is therefore not its close associate. Mr. Huang He has maintained clear professional boundaries between his roles, and his responsibilities at Northern Light Consulting do not conflict with his fiduciary duties to the Company. Appropriate safeguards have been established to ensure objective judgment in the Board's deliberations, including, in accordance with the Articles of Association, Mr. Huang He's abstention from voting on matters in which Northern Light Venture Capital has conflict of interest. The Directors are of the view that the involvement of Mr. Huang He in Northern Light SII does not impair his independence, and that he continues to fulfill his director duties with integrity and in the best interests of the Company. Nothing material has come to the Sole Sponsor's attention that would reasonably cause them to cast doubt on these views of our Directors.

The AUM of Northern Light Venture Capital was approximately HK$21.56 billion as of September 30, 2017[1], and approximately HK$24.69 billion as of March 31, 2026, respectively. Beta Achieve is a subsidiary of Northern Light Venture Fund V, L.P., Northern Light Strategic Fund V, L.P. and Northern Light Partners Fund V, L.P. As the AUM of Northern Light Venture Capital meets the threshold set out in Chapter 2.5 of the Listing Guide, and the investment decisions of Beta Achieve are ultimately managed and controlled by Northern Light Venture Capital, Beta Achieve qualifies as a Sophisticated Independent Investor. In compliance with Rule 18C.05 of the Listing Rules, the Northern Light SII held approximately 13.35% and 13.35% of the total issued share capital of the Company, as at November 17, 2025 (being the date of submission of the Company's first **[REDACTED]**) and November 17, 2024 (being the commencement date of the **[REDACTED]** 12-month period), respectively.

Richen Capital SIIs (being Richen Emerging Industry and Richen Digital Intelligence):

Each of the Richen Capital SIIs is an exempted limited partnership established in the PRC, and is managed by Richen Investment Management Co., Ltd.* (興富投資管理有限公司) ("**Richen Investment**") as the general partner, a venture capital firm ultimately controlled by Mr. Wang Tingfu (王廷富) with several funds in USD and RMB targeting early stage opportunities in enterprise of digital technologies, smart manufacturing, and digital-intelligent applications.

Richen Emerging Industry has 15 limited partners, none of whom holds 30% or more of the interests therein. Among the 15 limited partners, Ningbo Richen Xinhe Venture Capital Partnership (Limited Partnership)* (寧波興富新禾創業投資合夥企業(有限合夥)), Suzhou Richen Xingrun Equity Investment Partnership (Limited Partnership)* (蘇州興富興潤股權投資合夥企業(有限合夥)), Ningbo Richen Cangling Venture Capital Partnership (Limited Partnership)* (寧波興富滄凜創業投資合夥企業(有限合夥)), Jinjiang Richen Cangxiang Equity Investment Partnership (Limited Partnership)* (晉江興富滄響股權投資合夥企業(有限合夥)), and Ningbo Richen Xinchuang Venture Capital Partnership (Limited Partnership)* (寧波興富新創創業投資合夥企業(有限合夥)) are managed by Richen Investment.

Richen Digital Intelligence has 20 limited partners, none of whom holds 30% or more of the interests therein. Among the 20 limited partners, Jinjiang Richen Bowei Equity Investment Partnership Enterprise (Limited Partnership)* (晉江興富博威股權投資合夥企業(有限合夥)) and Ningbo Richen Xinchuang Venture Capital Partnership (Limited Partnership) are ultimately managed by Richen Investment. The remaining limited partners of Richen Capital SIIs comprise various A-share listed companies, investment management firms and equity investment funds who are Independent Third Parties. We became acquainted with Richen Capital SIIs by way of personal acquaintance with the partners of Richen Investment.

As at the Latest Practicable Date, the Richen Capital SIIs, including Richen Emerging Industry and Richen Digital Intelligence, held approximately 9.72% of the total issued Shares of the Company. Ms. Qing Chen, our non-executive Director, currently serves as a partner at Richen Investment since July 2017. As of the Latest Practicable Date, Ms. Qing Chen holds no shares, equity interests or other position in Richen Capital SIIs and is therefore not their close associate. Ms. Qing Chen has maintained clear professional boundaries between her roles, and her responsibilities at Richen Investment do not conflict with her fiduciary duties to the Company. Appropriate safeguards have been established to ensure objective judgment in the Board's deliberations, including, in accordance with the Articles of Association, Ms. Qing Chen's abstention from voting on matters in which Richen Investment has an interest. The Directors are of the view that the involvement of Ms. Qing Chen in Richen Investment does not impair her independence, and that she continues to fulfill her director duties with integrity and in the best interests of the Company. Nothing material has come to the Sole Sponsor's attention that would reasonably cause them to cast doubt on these views of our Directors.

The AUM of Richen Investment was approximately RMB4.32 billion as of July 31, 2018[(1)], and approximately RMB8.50 billion as of March 31, 2026, respectively. According to the breakdown of investment portfolio of Richen Investment, the AUM of Richen Investment was derived primarily from the valuation of their investments in Specialist Technology Companies in the sectors of digital technology, intelligent manufacturing, and digital application. The growth of Richen Investment's AUM from RMB4.32 billion to RMB8.50 billion is

(1) being a date not more than six months prior to the date on which the relevant investor signed the relevant definitive agreement for their investment in the Company.

attributable to the investor's investment experience, knowledge and expertise. As each of Richen Capital SIIs is ultimately managed by Richen Investment, the different shareholding entities are purely different funds managed by the same fund manager and should be aggregated as one Pathfinder SII pursuant to Chapter 2.5 of the Listing Guide. In compliance with Rule 18C.05 of the Listing Rules, the Richen Capital SIIs held approximately 9.72% and 9.72% of the total issued share capital of the Company, as at November 17, 2025 (being the date of submission of the Company's first **[REDACTED]**) and November 17, 2024 (being the commencement date of the **[REDACTED]** 12-month period), respectively.

Our Pathfinder SIIs, in aggregate, held approximately 23.07% and 23.07% of the total issued share capital of the Company, as at November 17, 2025 (being the date of submission of the Company's first **[REDACTED]**) and November 17, 2024 (being the commencement date of the **[REDACTED]** 12-month period), respectively.

Our Other Sophisticated Independent Investors

Shuanghuan Driveline:

Shuanghuan Driveline is a company incorporated in the PRC. Shuanghuan Driveline is ultimately controlled by Mr. Wu Changhong (吳長鴻), Mr. Jiang Yiqing (蔣亦卿), Mr. Chen Jianfeng (陳劍峰) and Chen Juhua (陳菊花), who hold approximately 7.06%、3.43%、3.22% and 0.09% of the shares respectively, and who are independent third parties. Shuanghuan Driveline is a company listed on the Shenzhen Stock Exchange (stock code: 002472). None of its shareholders holds 30% or more of shares therein. We became acquainted with Shuanghuan Driveline through discussions on business cooperations. In November 2018, we announced cooperation with Shuanghuan Driveline for the supply of joint reduction gears (關節減速器) by Shuanghuan Driveline. The supply of joint reduction gears is currently undertaken by Zhejiang Fine Motion Robot Joint Technology Co., Ltd.* (浙江環動機器人關節科技股份有限公司) (the "**Fine Motion Technology**"), a subsidiary controlled by Shuanghuan Driveline and our largest supplier in terms of purchase amount for the years ended December 31, 2023, 2024 and 2025, respectively. For more information, please refer to "Business – Raw Materials and Suppliers – Our Suppliers – Major suppliers" in this document. As at the Latest Practicable Date, Shuanghuan Driveline holds approximately 1.20% of the total issued shares of the Company. According to Frost & Sullivan, Shuanghuan Driveline is a key participant in the upstream industry of the Company in terms of sales volume of all types of mechanical transmission gears and related components in the PRC as of December 31, 2019[1] and December 31, 2025, while Fine Motion Technology holds a leading position in China's RV reduction gears industry, accounting for approximately 25% of the domestic RV reduction gears market in the year of 2025 and ranking first among all domestic manufacturers of RV reduction gears.

TTGG Zhixin:

TTGG Zhixin is a limited partnership established under the laws of the PRC. The general partner of TTGG Zhixin is Zhejiang TTGG Zhaoyang Venture Capital Co., Ltd.* (浙江天堂硅谷朝陽創業投資有限公司), which is wholly-owned by TTGG Venture Capital Group Co., Ltd.* (天堂硅谷創業投資集團有限公司) ("**TTGG Ventures**"). TTGG Ventures is ultimately controlled by Mr. Li Guoxiang (李國祥) and Mr. Wang Linjiang (王林江), both of whom are Independent Third Parties. TTGG Zhixin has 14 other limited partners, none of whom holds 30% or more of the interests therein.

TTGG Ventures focuses on three investment areas, namely, technology, manufacturing, and healthcare. We became acquainted with TTGG Ventures while actively seeking reputable investment partners. As at the Latest Practicable Date, TTGG Zhixin holds approximately 1.00% of the total issued shares of the Company. The AUM of TTGG Ventures derived primarily from Specialist Technology investments was approximately RMB6.31 billion as of June 30, 2024(1) and approximately RMB5.65 billion as of December 31, 2025, respectively. According to the breakdown of investment portfolio of TTGG Ventures, the investments of TTGG Ventures in Specialist Technology Companies are primarily in the sectors of synthetic biological materials, advanced inorganic materials, new energy storage and transmission technology, electric and autonomous vehicles, advanced communication technology, semiconductors, robotics and automation, artificial intelligence, and cloud-based services.

Other key* [REDACTED] *Investors

As set out below, our SIIs and other key **[REDACTED]** Investors, together with our Controlling Shareholders, held more than 75% of our total issued share capital as of the date of this document:

Eastern Bell Equity and Eastern Bell Qinglan:

Each of Eastern Bell Equity and Eastern Bell Qinglan is an exempted limited partnership established in the PRC. Shanghai Dingxiao Enterprise Management Consulting Center (Limited Partnership)* (上海鼎蕭企業管理諮詢中心(有限合夥)) (formerly known as Jiaxing Dingxiao Venture Capital Investment Partnership Enterprise (Limited Partnership)* (嘉興鼎蕭創業投資合夥企業(有限合夥)) ("**Eastern Bell Capital**") is the general partner of each of Eastern Bell Equity and Eastern Bell Qinglan. Shanghai Dingman Enterprise Management Co., Ltd.* (上海鼎蔓企業管理有限公司) is the general partner of Eastern Bell Capital, ultimately controlled by Mr. Yan Li (嚴力), an Independent Third Party. Eastern Bell Equity has 39 limited partners, none of whom holds 30% or more of the interests therein. Eastern Bell Qinglan has 10 limited partners, none of whom holds 30% or more of the interests therein. As at the Latest Practicable Date, Eastern Bell Equity and Eastern Bell Qinglan together held approximately 3.56% of the total issued Shares of the Company.

Yangzhou Qixin:

Yangzhou Qixin is a limited partnership established under the laws of the PRC, managed by its general partner, Beijing Qixin Investment Management Co., Ltd.* (北京齊芯投資管理有限公司) ("**Qixin Capital**"). Qixin Capital is a private equity fund management company, ultimately controlled by Mr. You Wentao (尤文濤), an Independent Third Party. Yangzhou Qixin has nine limited partners, none of whom holds 30% or more of the interests therein. Among the limited partners, Yangzhou Qixin Yuanli No. 8 Equity Investment Partnership (Limited Partnership)* (揚州齊芯原力八號股權投資合夥企業(有限合夥)) and Yangzhou Qixin Xieli No. 10 Equity Investment Partnership (Limited Partnership)* (揚州齊芯協力十號股權投資合夥企業(有限合夥)) are managed by Qixin Capital as the general partner, while the remaining limited partners are natural persons. As at the Latest Practicable Date, Yangzhou Qixin held approximately 1.43% of the total issued Shares of the Company.

Guohong Jiyuan:

Guohong Jiyuan is a limited partnership established under the laws of the PRC. Its limited partners are Hainan Jiasui Industrial Development Partnership (Limited Partnership)* (海南嘉穗實業發展合夥企業(有限合夥)) (the "**Hainan Jiasui**") which holds approximately 33.33% interests therein, Zhoushan Fusheng Investment Partnership (Limited Partnership)* (舟山富盛投資合夥企業(有限合夥)) which holds approximately 22.22% therein, and 14 other limited partners each holding less than 10% of the interests therein. Hainan Jiasui is ultimately controlled by Ms. Li Yongfen (李永芬), an Independent Third Party. The general partner of Guohong Jiyuan is Shanghai Grand Yangtze Capital Co. Ltd.* (上海長江國弘投資管理有限公司) which is ultimately controlled by Mr. Li Chunyi (李春義), is an Independent Third Party. As at the Latest Practicable Date, Guohong Jiyuan held approximately 5.06% of the total issued Shares of the Company.

Huatuo Zhiying:

Huatuo Zhiying is a limited partnership established under the laws of the PRC. Huatuo Zhiying is owned by Shenzhen Huatuo Private Equity Investment Fund Management Co., Ltd.* (深圳市華拓私募股權投資基金管理有限公司) as the general partner which is ultimately controlled by Mr. Chen Yunxing (陳運興), an Independent Third Party and 27 other limited partners, none of whom holds 30% or more of the interests therein. As at the Latest Practicable Date, Huatuo Zhiying held approximately 0.71% of the total issued Shares of the Company.

Dianke Haimei:

Dianke Haimei is a limited partnership established under the laws of the PRC. Its limited partners are Wuxi Huikai Chuangyuan Venture Capital Partnership (Limited Partnership)* (無錫惠開創源創業投資合夥企業(有限合夥)) (the "**Wuxi Huikai**") which holds approximately 48.0% interests therein, Shanghai Haizhong Enterprise Management Partnership (Limited Partnership)* (上海海眾企業管理合夥企業(有限合夥)) (the "**Shanghai Haizhong**") which holds approximately 30.0% therein, Shanghai Robotics Industry Technology Research Institute Co., Ltd.* (上海機器人產業技術研究院有限公司) which holds approximately 6.0% therein, and Wang Zhuoying (王卓穎), who holds approximately 14.0% therein. The general partner of Wuxi Huikai is Wuxi Huikai Zhenghe Private Equity Fund Management Co., Ltd.* (無錫惠開正合私募基金管理有限公司) (the "**Huikai Zhenghe**"), which holds approximately 0.1% interests therein. The other two limited partners of Wuxi Huikai are Wuxi Huihe Xinchuang Industrial Investment Co., Ltd.* (無錫惠合新創產業投資有限公司) (the "**Huihe Xinchuang**") and Wuxi Huikai Investment Management Co., Ltd.* (無錫惠開投資管理有限公司) (the "**Huikai Investment**"), which hold 56.17% and 43.73% interests therein, respectively. Huikai Zhenghe is wholly-owned by Huihe Xinchuang, which is ultimately controlled by the Enterprise Development Promotion Center of Wuxi Huishan Economic & Technological Development Zone* (無錫惠山經濟技術開發區企業發展促進中心) (the "**Huishan State**"). Huikai Investment is wholly-owned by Wuxi Huikai Economic Development Group Co., Ltd.* (無錫惠開經濟發展集團有限公司), which is held as to 51% and 49% by Wuxi Huishan Hi-Tech Group Co., Ltd.* (無錫惠山高科集團有限公司) (the "**Huishan Hi-Tech**") and Wuxi Huishan Industrial Transformation Agglomeration Area Construction and Development Co., Ltd.* (無錫惠山工業轉型集聚區建設發展有限公司) (the "**Huishan Industrial**"), respectively. The ultimate beneficial owner of both Huishan Hi-Tech and Huishan Industrial is Huishan State. Shanghai Haizhong is held as to 70% and 30% by Mr. Lu Funan

(陸福楠) and Shanghai Haimei Investment Holding Co., Ltd.* (上海海美投資控股有限公司) (the "**Shanghai Haimei**"), respectively. The ultimate beneficial owner of both Shanghai Haizhong and Shanghai Haimei is Mr. Lu Funan. Both Huishan State and Mr. Lu Funan are Independent Third Parties. The general partner of Dianke Haimei is Wuxi Kehai Investment Partnership (Limited Partnership)* (無錫科海投資合夥企業(有限合夥)) which is ultimately controlled by Mr. Chen Dezhong (陳德忠), an Independent Third Party. As at the Latest Practicable Date, Dianke Haimei held approximately 0.70% of the total issued Shares of the Company.

Chengdu Chenghua:

Chengdu Chenghua is a limited partnership established under the laws of the PRC. Its limited partners are Chengdu Chenghua Development Group Co., Ltd.* (成都市成華發展集團有限責任公司) which holds approximately 24.0% interests therein, Chengdu Xinghua Ecological Construction Development Co., Ltd.* (成都興華生態建設開發有限公司), Chengdu Chenghua Industrial & Urban Operation Group Co., Ltd.* (成都成華產城運營集團有限責任公司) (formerly known as Chengdu Chenghua Shantytown Area Beneficial People Reconstruction and Construction Co., Ltd.* (成都成華棚戶區惠民改造建設有限責任公司)), Chengdu Chenghua Urban Renewal Group Co., Ltd.* (成都成華城市更新集團有限責任公司) (formerly known as Chengdu Chenghua Old City Renovation Investment Co., Ltd.* (成都成華舊城改造投資有限責任公司)), Chengdu Chenghua State-owned Assets Operation and Investment Co., Ltd.* (成都成華國資經營投資有限責任公司) and Chengdu Dongfang Guangyi Investment Co., Ltd.* (成都東方廣益投資有限公司) which holds approximately 15.0% respectively therein. The general partner of Chengdu Chenghua is Chengdu Chenghua Zhiyuan Tengyue Enterprise Management Co., Ltd.* (成都成華智遠騰悅企業管理有限公司) (formerly known as Chengdu Dongguang Tengyue Trading Co., Ltd.* (成都東廣騰悅貿易有限公司)) which holds approximately 1.0% therein and is ultimately controlled by Chengdu Chenghua District State-owned Assets Supervision and Administration Commission (成都市成華區國有資產監督管理局), an Independent Third Party. As at the Latest Practicable Date, Chengdu Chenghua held approximately 0.61% of the total issued Shares of the Company.

Zhangke Yaokun:

Zhangke Yaokun is a limited partnership established under the laws of the PRC. Its limited partners are Shanghai Pudong Science and Technology Innovation Investment Fund Partnership (Limited Partnership)* (上海浦東科技創新投資基金合夥企業(有限合夥)) which holds approximately 28.57% interests therein, Shanghai Zhangju Yibiao Technology Development Co., Ltd.* (上海張炬壹標科技發展有限公司) which holds approximately 16.19% therein, Hangzhou Shengxia Shiguang Investment Co., Ltd.* (杭州盛夏時光投資管理有限公司) which holds approximately 10.48% therein, and 10 other limited partners, none of whom holds 30% or more of the interests therein. The general partner of Zhangke Yaokun is Shanghai Zhangke Yaokun Enterprise Management Co., Ltd.* (上海張科垚坤企業管理有限公司) which has no actual controller. The fund manager of Zhangke Yaokun is Shanghai Zhangjiang Technology Venture Capital Co., Ltd.* (上海張江科技創業投資有限公司), which is ultimately controlled by Shanghai Pudong New Area State-owned Assets Supervision and Administration Commission* (上海市浦東新區國有資產監督管理委員會), an Independent Third Party. As at the Latest Practicable Date, Zhangke Yaokun held approximately 0.61% of the total issued Shares of the Company.

Jincheng Music Technology:

Jincheng Music Technology is a limited partnership established under the laws of the PRC. Its limited partners are Ningbo Meishan Bonded Port Area Weiying Mingxin Investment Partnership (Limited Partnership)* (寧波梅山保稅港區微影明鑫投資合夥企業(有限合夥)) (the "**Weiying Mingxin**"), Chengdu Chenghua Industrial Revitalization Equity Investment Fund Partnership Enterprise (Limited Partnership)* (成都成華產業振興股權投資基金合夥企業(有限合夥)), and Chengdu Industrial Guidance Equity Investment Fund Co., Ltd.* (成都市產業引導股權投資基金有限公司). Weiying Mingxin holds approximately 55.56% of the interest in Jincheng Music Technology, which is ultimately controlled by Mr. Wang Fushun (王福順). None of the other limited partners of Jincheng Music Technology holds 30% or more of the interest therein. The general partner of Jincheng Music Technology is Ningbo Meishan Bonded Port Area Heying Investment Management Co., Ltd.* (寧波梅山保稅港區和溋投資管理有限公司) which is ultimately controlled by Mr. Deng Kai (鄧凱), an Independent Third Party. As at the Latest Practicable Date, Jincheng Music Technology held approximately 0.61% of the total issued Shares of the Company.

Meaningful investment from Sophisticated Independent Investors

We have received investments from two Pathfinder SIIs, namely the Northern Light SII and Richen Capital SIIs, each having invested in the Group for at least 12 months prior to the first submission of our **[REDACTED]** to the Stock Exchange for the purpose of the **[REDACTED]**. In accordance with Chapter 2.5 of the Listing Guide, each of the Northern Light SII and Richen Capital SIIs holds more than 3%, and in aggregate more than 10%, of the issued share capital of the Company as of the date of our **[REDACTED]** and throughout the **[REDACTED]** 12-month period.

As of the Latest Practicable Date, our Sophisticated Independent Investors (as identified above) held, in aggregate, approximately 25.27% in the total issued share capital of our Company. At **[REDACTED]**, such Sophisticated Independent Investors will hold, in aggregate, no less than 20% in the total issued share capital of our Company, assuming that our expected **[REDACTED]** at the time of **[REDACTED]** will exceed HK$4 billion but less than HK$15 billion.

The table below sets out the list of persons who are, together with their respective close associates, subject to lock-up requirements pursuant to Rule 18C.14 of the Listing Rules:

Name	Capacity	Aggregate number of H Shares held immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	Aggregate shareholding in the total issued share capital of our Company following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	Lock-up period
Key Persons and their close associates[1]				
Mr. Li	Founder, chairman of the Board, general manager and executive Director	**[REDACTED]**	**[REDACTED]**%	Commencing on the date of this document and ending on expiry of 12 months from the **[REDACTED]**
Mr. Zhu	Founder, executive Director, vice general manager and the director of R&D	**[REDACTED]**	**[REDACTED]**%	
Changzhou Hongzhi[1]	Mr. Li's close associate	**[REDACTED]**	**[REDACTED]**%	
Ms. Gu	executive Director and vice director of research and development	**[REDACTED]**	**[REDACTED]**%	
Mr. Xia	vice general manager and vice director of research and development	**[REDACTED]**	**[REDACTED]**%	
Mr. Zeng	Director of operations and vice general manager	**[REDACTED]**	**[REDACTED]**%	
Mr. Deng	vice general manager and director of general administration	**[REDACTED]**	**[REDACTED]**%	
Existing investors				
Northern Light SII (being Beta Achieve)	Pathfinder SII	**[REDACTED]**	**[REDACTED]**%	Commencing on the date of this document and ending on expiry of 12 months from the **[REDACTED]**
Richen Capital SIIs (being Richen Emerging Industry and Richen Digital Intelligence)	Pathfinder SII	**[REDACTED]**	**[REDACTED]**%	

Note:

(1) As at the Latest Practicable Date, Changzhou Hongzhi was owned as to (i) approximately 1.13% by Mr. Li as the executive general partner; (ii) approximately 73.21% by Mr. Zhu, an executive Director, as a limited partner; (iii) approximately 2.64% by Mr. Li Xiang (李祥), a non-executive Director, as a limited partner; (iv) approximately 7.65% by Ms. Song Qiong Lian (宋瓊蓮), the chief financial officer and one of the senior management of our Company, as limited partner; (v) approximately 2.04% by Mr. Song Zhexing (宋哲行), a joint company secretary of our Company, as limited partner; (vi) approximately 2.04% by each of Mr. Xu Chunke (徐純科), Mr. Chen Hui (陳輝) and Mr. Long Yan (龍燕), our core R&D members, as limited partners; and (vii) approximately 0.76% by Mr. Yang Jinqiao (楊金橋), one of our core R&D members, as a limited partner.

Compliance with [REDACTED] Investment Guidance

On the basis that all special rights granted to the **[REDACTED]** Investors pursuant to the terms of the **[REDACTED]** Investment will be terminated upon the **[REDACTED]**, the Sole Sponsor is of the view that the **[REDACTED]** Investment is in compliance with Chapter 4.2 under the Guide for New Listing Applicants.

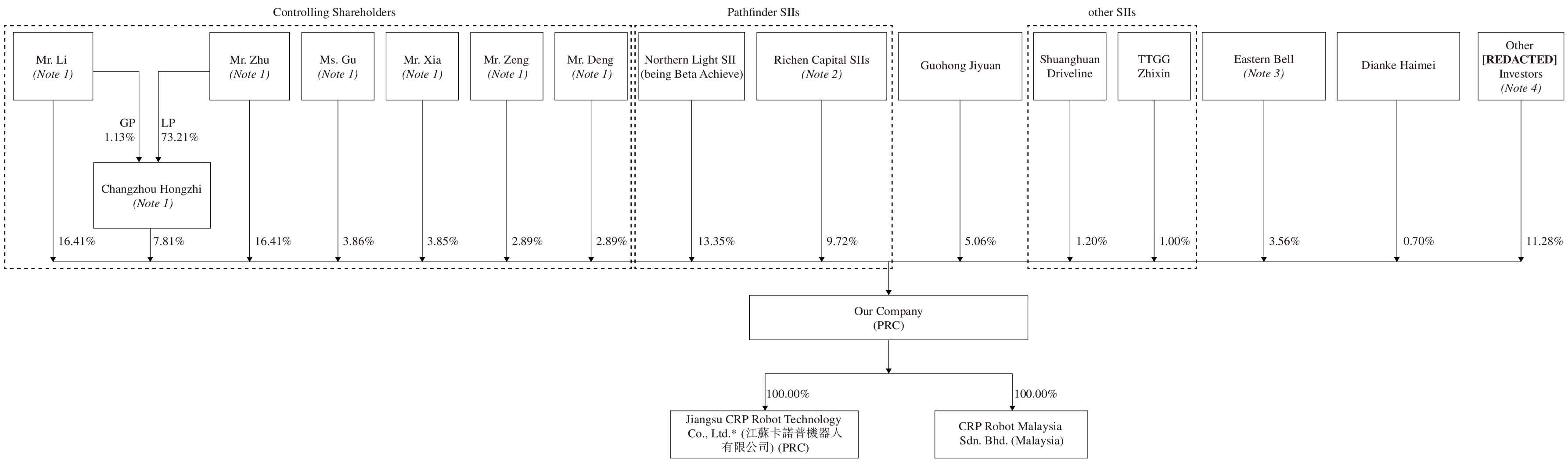
MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and as at the Latest Practicable Date, our Group did not have any major acquisitions, disposals or mergers.

CORPORATE STRUCTURE OF THE COMPANY

Corporate Structure as at the Latest Practicable Date

The following chart illustrates the shareholding structure and corporate structure of our Group as at the Latest Practicable Date:



Note:

(1) Changzhou Hongzhi is a limited partnership established in the PRC as the employees' shareholding platform. For further details of Changzhou Hongzhi, see "– Employee Shareholding Platform" above. For further details of our Controlling Shareholders, see "Relationship with our Controlling Shareholders". Pursuant to the Concert Party Agreement, Mr. Li, Mr. Zhu, Changzhou Hongzhi, Ms. Gu, Mr. Zeng, Mr. Xia and Mr. Deng confirmed and acknowledged their acting-in-concert relationship in our Company since they became our direct Shareholders and serving as the Company's members of senior management. For details of the Concert Party Agreement, please see "– Concert Party Agreement" above.

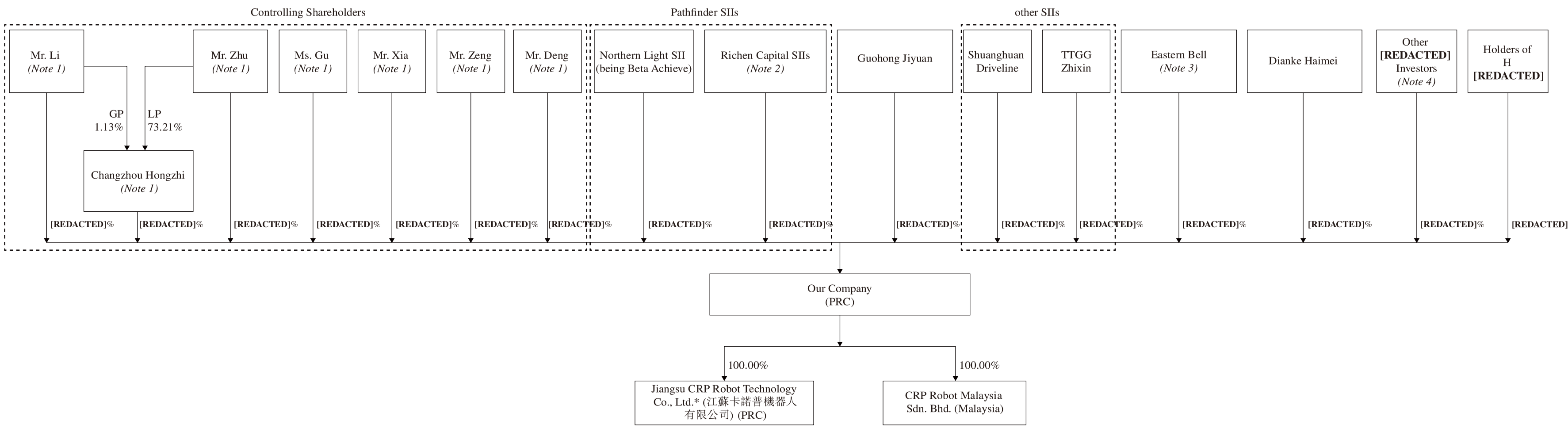
(2) Richen Capital SIIs include Richen Emerging Industry and Richen Digital Intelligence, which held 9.24% and 0.49% of our issued Shares as at the Latest Practical Date, respectively.

(3) Eastern Bell includes Eastern Bell Equity and Eastern Bell Qinglan, which held 2.92% and 0.64% of our issued Shares as at the Latest Practical Date, respectively.

(4) For details of the other **[REDACTED]** Investors, please refer to the paragraph headed "Information about our key **[REDACTED]** Investors" above.

Corporate Structure Immediately Following the Completion of the [REDACTED]

The following chart illustrates the shareholding structure and corporate structure of our Group immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised):



Note: Please refer to the notes (1) to (4) to the paragraph headed "Corporate Structure as at the Latest Practicable Date" above for more information.

OVERVIEW

Who We Are

We are an advanced industrial robotics company in China and 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.

In line with market trends, we have built a "dual-driven" growth model that strengthens our domestic base while pursuing strategic expansion overseas. 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.

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 Fully Self-developed Product Matrix and Comprehensive Application Scenarios

Our full-stack product matrix

With full-stack self-developed robotic technologies at the core, we integrate the flexibility of six-axis industrial robots, the efficiency of four-axis industrial robots, the human-machine collaboration of collaborative robots, and the intelligent autonomy of embodied intelligent robots to build a comprehensive product matrix. As advised by Frost & Sullivan, our products are suitable for a wide range of industrial application scenarios.

For more details about our products, please refer to "– Our Products" below.

Comprehensive product application scenarios

Our industrial robotic products are deployed across sectors including metal and machining, automotive and components, electronics, new energy, consumer goods and healthcare. Within these sectors, our robots cover most scenarios including welding, grinding, handling, cutting, gluing, and more. Our embodied intelligent robots also address specific application scenarios, for example, intelligent welding for power transmission towers, intelligent photovoltaic panel paving, intelligent grain sampling, intelligent board handling for woodworking, and intelligent airport luggage handling.

Our Technical Features

Through the synergy of hardware, software, and control systems, we deliver welding capabilities with high precision, low spatter, and broad adaptability. Building on this foundation, we have created modular process libraries that can be flexibly configured to meet diverse customer requirements across all scenarios. In mechanical design, the integrated use of simulation, structural design, and custom components has collectively enhanced our robot rigidity and service life, while maintaining cost-effectiveness. Furthermore, we have achieved key breakthroughs in three core technologies: (i) high-precision calibration, (ii) weld seam recognition and trajectory planning, and (iii) cross-scenario visual adaptation. These innovations lead to improvements in the industry's longstanding challenges in robotic precision, operational stability, and application adaptability.

Our specific technical features mainly include: (a) ***scalable control software system from the underlying layer to the cloud.*** We have successfully achieved in-house development across the entire technology stack, from the physical robot and its core software to applications and the cloud. Our system enables "plug-and-play" functionality across multiple industrial scenarios while balancing both technical sophistication and ease of use. According to Frost & Sullivan, our control software is recognized for its strengths in process adaptability and user-friendliness; (b) ***algorithmic advantages.*** Our robots demonstrate leading capabilities in three key performance benchmarks for industrial robots, namely, positioning accuracy, trajectory accuracy, and cycle time performance. According to Frost & Sullivan, (i) our full-chain high-precision controller for industrial robots meets advanced industry standards. In particular, the trajectory repeatability error range of our flagship models of LH and RH series robots is leading in the industry; (ii) in trajectory accuracy, our trajectory deviation is reduced to ± 0.06 mm, outperforming the industry average of ± 0.08 mm; (iii) our cycle time performance is competitive within the industry in China; and (c) ***leading innovative hardware control system.*** We have developed an innovative hardware control architecture and were an early integrator of embedded technologies, contributing to efficiency improvements and enhanced operational precision within the industry. Please also refer to "– Competitive Strengths – Strong In-house R&D Capabilities and Comprehensive R&D Platform System" and "– Research and Development" below.

Our Market Presence

During the Track Record Period, our products have been sold to customers located in 40 countries or regions outside the PRC. Our products' proven process stability and adaptability have led to their adoption by leading local manufacturers.

In addition, to enhance responsiveness in overseas markets and accelerate localized operations, we established a subsidiary in Malaysia in 2024 to become our regional operations center for Southeast Asia in the near future, serving surrounding markets. We selected Malaysia as our regional operational center in Southeast Asia primarily due to (a) its emerging investment markets, sustainable economic growth and comprehensive legal framework; and (b) it implements a free and open foreign trade policy, a regime that is expected to facilitate the import and export of our products. In 2025, we launched "24/7" response by sending our personnel to India, Turkey, and Mexico, which significantly shortens issue resolution cycles. Meanwhile, during the Track Record Period, we have developed partnerships with more than 80 local professional system integrators overseas. Through our "local partners + technology empowerment" model, we adapt to the process requirements and industrial characteristics of different regions.

Our Business Growth

We achieved sustained growth in revenue and gross profit during the Track Record Period. Our revenue increased by 5.2% from RMB222.4 million in 2023 to RMB234.0 million in 2024, and further to RMB324.2 million in 2025, a 38.5% increase compared with 2024. Correspondingly, our gross profit demonstrated growth, rising from RMB60.2 million in 2023 to RMB71.2 million in 2024, and further to RMB106.9 million in 2025. Our gross profit margin recorded at 27.1% in 2023, 30.4% in 2024, and 33.0% in 2025.

COMPETITIVE STRENGTHS

An advanced industrial robotics company in China and among the early market entrants in developing embodied intelligent robotics, with notable performance in welding functionality

We are an advanced industrial robotics company in China and were among the early market entrants in developing embodied intelligent robotics. 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. This concept is an accepted industry term according to Frost & Sullivan. 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. 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.

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 addition, the development of embodied industrial robots is being propelled by advances in AI and sensing technologies, growing demand for flexible automation, and the need for enhanced human-robot collaboration in complex production environments, which laid a foundation for future development of our embodied intelligent robots. Globally, revenue from embodied industrial robots is expected to increase from RMB2.3 billion in 2025 to RMB8.0 billion in 2029, representing a CAGR of 37.0%. In China, revenue in this segment is projected to grow from RMB0.8 billion to RMB3.3 billion during the same period, at a CAGR of 40.6%.

We are committed to empowering industrial upgrading worldwide by delivering professional and user-friendly intelligent industrial robots.

Strong In-house R&D capabilities and comprehensive R&D platform

We establish competitive barriers across multiple dimensions, mainly including: (a) ***internationally competitive algorithm barriers.*** Our adaptive accuracy compensation algorithm enables our robots to achieve internationally leading performance on key precision metrics, with repeat positioning accuracy as low as 0.02 mm, positioning accuracy as low as 0.2 mm, and path repeatability as low as 0.1 mm, as confirmed by Frost & Sullivan; (b) ***deeply embedded technological barriers.*** We believe our embedded technological barriers are established by integrating our process technologies directly into customer production workflows and lines, where our robots become critical operational components. Furthermore, our process parameter optimization fosters stable operational habits among long-term users, significantly reducing their incentive to switch. This, combined with designs featuring a mean time between failures ("**MTBF**") exceeding 100,000 hours and comprehensive lifecycle services, ensures continuous and stable production line operation, thereby strengthening customer satisfaction and loyalty; (c) ***AI empowerment.*** Guided by our "scenario-defined product" strategy, we see AI as the core force behind driving performance improvements and advancing our products. We leverage AI to enhance our products. For instance, our specialized robots use AI vision and force control to perform high-precision tasks like welding and grinding. Our six-axis multifunctional industrial robots use an AI-powered "control cerebellum" that allows them to work together safely, navigate around obstacles, and plan their own paths; and (d) ***platform-based R&D system balancing short-term execution and long-term innovation***. Our R&D strategy strikes a balance between fundamental research and applied solutions, aligning our technological development with fast-paced market demands. Structurally, we have built a core technology base organized around dedicated platforms for software, drive-and-control, robot hardware, and welding power sources. This is powered by a dual-track R&D model. Our R&D team plans the long-term technology roadmap, while our product team focuses on industry needs to develop commercial solutions for the coming year. This model accelerates product development, improves market responsiveness, controls costs, and creates a closed-loop innovation path from technology to product to application. For further details on our R&D achievements, please refer to "– Research and Development" below.

A comprehensive and fully self-developed product matrix for diverse applications

Building on multidisciplinary expertise and experience, we have developed a comprehensive industrial robotic product matrix. Empowered by AI and guided by core scenario-driven demands, our products achieve multi-scenario coverage, from core industrial operations to cross-industry specialized applications, allowing us to meet the intelligent production needs of different sectors and processes: (a) ***comprehensive product categories.*** With full-stack self-developed robotic technologies at the core, we integrate the flexibility of six-axis industrial robots, the efficiency of four-axis industrial robots, the human-machine collaboration of collaborative robots, and the intelligent autonomy of embodied intelligent robots to build a comprehensive product matrix. Through our strategy of "full-category support for all-scenario", our products have been applied from light-load operations in electronic precision manufacturing to heavy-duty tasks in automobile production, and even to specialized scenarios in public infrastructure industries; and (b) ***adaptability to multiple scenarios and complex environments.*** Beyond achieving upgrades from single-task equipment to intelligent production lines, we have further expanded the boundaries of scenario adaptability. We are committed to providing comprehensive intelligent robotic products for key phases in industrial production, covering diverse scenarios such as welding, handling, palletizing, spraying, gluing, polishing, and grinding. Moreover, to meet the flexible production demands of small-batch and multi-variety manufacturing, we have developed multiple embodied robot solutions that significantly reduce the ease of use and broaden the application of robotics in flexible manufacturing. Our products also demonstrate environmental adaptability and reliability, capable of stable operation under extreme temperatures. They also perform in complex industrial electromagnetic environments with anti-interference performance. In projects with stringent environmental requirements, our robots meet high standards of voltage resistance and insulation under special working conditions.

Proven commercialization capabilities

Throughout our ten years of operations, we have developed a commercialization model that integrates a partner ecosystem, proprietary technologies, and global services. This model enables long-term, collaborative relationships with established clients across industries, alongside broad worldwide market coverage: (a) ***ecosystem partnership network:*** we have developed a global network encompassing a number of downstream partners, with our products applied vertically across core industries including metal and machining, automotive and components, electronics, new energy, consumer goods and healthcare. Our direct sales and support capabilities cover a wide range of customers, from small teams to large system integrators. This range allows us to serve both broad industrial applications and more targeted scenarios. In addition, we maintain long-term cooperation with core partners whose businesses focus on robotic applications; and (b) ***global service network:*** during the Track Record Period, our products have been sold to customers located in 40 countries or regions outside the PRC. To address the diverse requirements of overseas markets, we employ a strategy of technical adaptation and localized service. For more details on our overseas commercialization layout, please refer to "– Overview – Our Market Presence" above.

Supply chain integration advantages

Through collaboration, we have established a supply chain system founded on co-development, stable supply, and cost efficiency. This system serves as a competitive edge, solidly supporting our diverse product matrix and broad market application: (a) ***stable relationships with core suppliers***. We have established stable partnerships with leading suppliers in the industry. During the Track Record Period, our relationships with the vast majority of our core suppliers have remained stable. Through collaboration with suppliers in customized benchmarking and technology improvements, we have jointly promoted industrial upgrading; (b) ***maintaining high localization rate.*** Throughout the Track Record Period, in terms of procurement amount, approximately 95.0% of the raw materials for key raw materials and components of our robotic products are sourced domestically. Consequently, our products are typically priced lower than imported brands of comparable quality. This dual value proposition of international-level technology and domestic cost structure has been key to competing effectively against major foreign brands and gaining market share; and (c) ***customized component supply system supporting our products.*** We have established a collaborative model with suppliers centered on joint definition and customized development. By co-developing key raw materials and components, we have significantly optimized the overall performance and production adaptability of our robots, thereby strengthening the core competitiveness of our products.

Experienced core team

We are led by an experienced management team. Our management team, represented by Mr. Li Liangjun (李良軍), our Chairman, and Mr. Zhu Lusheng (朱路生), our executive Director and head of our R&D team, combines strategic technology planning which enables our products to meet international standards, steering the company through a decade-long transformation from a controller supplier to an industry leader with full-stack self-developed core technologies as well as a fully self-developed product matrix.

Since entering the field, Mr. Li has made contributions to advancing China's industrial robotics industry through his expertise and breakthroughs in the sector. As the driving force behind our technological innovation, Mr. Zhu has led our team to overcome various key industry challenges. Our core team adheres to a "technology commercialization" pathway, directing R&D investment precisely toward frontier areas such as embodied intelligence, while implementing a "specialization + localization" dual-track strategy for global expansion. The stability and expertise of our core team, coupled with their passion and forward-looking industry insight, have continuously led to our growth. In addition, we have received investments from several institutions, such as Northern Light Venture Capital, Eastern Bell Equity and Shuanghuan Driveline as strategic industrial chain investors. Their contributions exceeded financial investment, having simultaneously elevated our brand reputation, strengthened our industry insight, and expanded our ability to seize future opportunities through their extensive networks.

GROWTH STRATEGIES

Strengthening research and development capabilities to upgrade core technologies and enhance product competitiveness

Going forward, we will focus on strengthening technological R&D across three key dimensions, namely, (i) robotic underlying technologies, (ii) multimodal models, and (iii) robotic "brain" (for central planning), robotic "cerebellum" (for motion execution), as well as key raw materials and components. This will enable us to achieve technical coverage from industrial intelligent manufacturing to household services, while continuously expanding our product portfolio and application scenarios:

Core underlying robotic technologies: We will prioritize R&D efforts into (i) high-lifespan, high-consistency, high-efficiency and high-safety robotic core technologies (including transmission mechanisms and power electronics hardware); (ii) robot vibration control and suppression technologies; (iii) robot precision and precision maintenance technologies; and (iv) research into industrial processes such as welding, grinding, cutting, and spraying.

Scenario-specific multimodal vertical models: For process scenarios like welding, spraying, and grinding, we will focus on the development of industry-specific control models and scenario datasets integrating processes and sensors. For assembly scenarios, we will create similar industry control models and datasets combining force and tactile sensors. By fusing multiple sensing capabilities to synergistically process visual, force, and tactile information, we aim to equip robots with near-human judgment and operational capabilities in industrial and household service scenarios. We will also research multi-robot collaboration technologies and build multimodal control models to enable flexible adaptation across scenarios. Through integration of AI with processes, robot control, and perception, we will develop simulation data twin software systems, collect industry scenario data, and build a robot computing power platform to achieve cross-platform delivery of multi-category robots.

Continuous expansion of product portfolio and application scenarios

Through dedicated and ongoing investment in R&D, production, and sales and marketing, we will be positioned to continuously optimize and upgrade our product matrix. Specifically, we plan to further develop large and extra-large payload products for automotive and components, electronics, new energy, and other sectors. We also aim to introduce our products to a broader range of scenarios, with the goal of benefiting occupational groups that we have not covered or have rarely reached before. In the pan-industrial sector, we plan to further expand robot technology applications into construction, agriculture, and other fields. In the commercial services field, we aim to further extend robot applications to improve operational efficiency. For household scenarios, we plan to develop robots for daily chores, companionship, health monitoring, and emotional interaction to meet home-based elderly care needs.

Expand our influence among current and future customers, both domestically and internationally

We plan to continue focusing on key domestic growth industries such as automotive and components, electronics, and new energy. We strive to deepen and consolidate our partnerships with existing clients, further expand our customer base, and provide intelligent industrial robots for more clients and scenarios. In the domestic market, we will intensify marketing efforts and systematically develop our China-based sales network and service teams to strengthen our local market foundation.

In overseas markets, we plan to increase marketing investments and channel development to build a sales and service network covering major counties or regions in the international market. We plan to establish local teams in key international markets and advance our global deployment specifically, we plan to establish local presence in (i) both northern and southern India; (ii) North America, Latin America, and Europe; and (iii) Japan, South Korea and Southeast Asia. For details, please refer to "Future Plans and **[REDACTED]**". We aim to complete our overseas localization setup in the near future, creating a "local-for-local" service model through ongoing channel development, key account partnerships, and participation in industry exhibitions. We expect that this approach will help us build a globally integrated yet locally adapted brand presence.

Optimize supply chain and enhance internal operation efficiency

Our production capabilities and production capacity directly impact product quality, delivery efficiency, and market competitiveness. Our Chengdu facility serves as our production base, offering complete in-house production capabilities that ensure full control from research to delivery. This will be achieved primarily by strengthening our manufacturing capabilities and expanding production capacity, in support of our expansion into both domestic and international markets. Our production expansion initiative involves procurement of equipment, production plant leasing, development of new production lines, and formation of specialized operations and quality teams.

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). 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.

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 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	*ASP[1]*	*Sales volume*	*ASP[1]*	*Sales volume*	*ASP[1]*
	Unit	*RMB'000/unit*	*Unit*	*RMB'000/unit*	*Unit*	*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) The average selling price is calculated by dividing total revenue excluding tax for a product type or series by the sales volume of that product type or series.

The table below sets forth a breakdown of our revenue generated from other products during the Track Record Period.

	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[(1)]	30	0.5	36	0.4	–	–
(iii). four-axis PCB loading robots[(1)]	–	–	–	–	–	–
(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**

Note:

(1) We determine which robots to customize based on industry-wide demand rather than individual downstream customer requirements, and accordingly, sales of our customized robots may be impacted by industry cyclicality.

We developed three-axis PCB loading and unloading robots and four-axis PCB loading robots for specific workstations in the PCB industry. No revenue was generated from the four-axis PCB loading robots during the Track Record Period, and no revenue was generated from the three-axis PCB loading and unloading robots in 2025, due to our strategic adjustment in the PCB industry, which limited the commercial application of these products.

For detailed analysis, please see "Financial Information – Year to Year Comparison of Results of Operations".

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

Industrial Robots

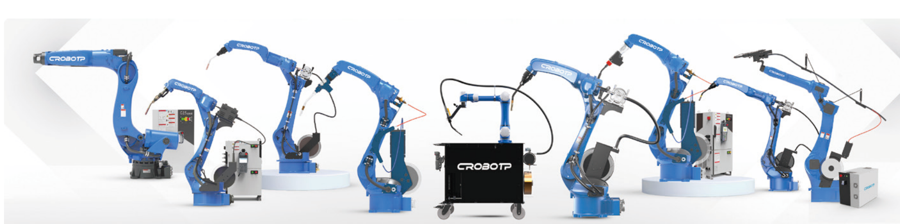
We have categorized our industrial robots into six-axis industrial robots and four-axis industrial robots in terms of structure, and further subcategorized them into various series or models in terms of functionality.

Six-axis industrial robots

Our six-axis industrial robots offer a wide payload capacity ranging from 6 kg to 360 kg with arm spans extending from 700 mm to 3,500 mm. They are designed for welding as well as multi-functional applications, including but not limited to handling, assembly, grinding, palletizing, laser welding, cutting, cladding, quenching, cleaning, and laser-arc hybrid welding.

Six-axis welding industrial robots

The following image illustrates the key product series of our six-axis welding industrial robots.



Our six-axis welding industrial robots are specialized industrial robots engineered to perform automated welding tasks with high precision and consistency. These robots are designed for applications that require repetitive, high-precision welding, such as arc welding and spot welding. The key advantage of our six-axis welding industrial robots lies in their ability to deliver consistent welding performance, coupled with enhancements in production efficiency and workplace safety. By reducing human exposure to hazardous working conditions, our six-axis welding industrial robots help to create safer and more efficient workplaces across various manufacturing processes.

Each of our six-axis welding industrial robots series is designed to meet specific industry needs, providing solutions that improve efficiency, reduce costs, and enhance weld quality across various applications. Our range of six-axis welding industrial robots is built to support industries facing increasing demands for automation and precision in their manufacturing processes.

Below table sets out the key product series of our six-axis welding industrial robots, including their features and applications.

	Key Product Series of Six-axis Welding Industrial Robots				
	RH Series	PRO Series	Nynhan Series	Laser Welding Series	Spot Welding Series
Arm Span	1,400 mm to 2,000 mm	1,400 mm to 2,000 mm	1,400 mm to 2,000 mm	1,500 mm to 2,000 mm	2,600 mm
Payload Capacity	6 kg to 20 kg	6 kg to 10 kg	6 kg	12 kg to 20 kg	210 kg
Typical application Processes	Gas shielded welding	Gas shielded welding	Gas shielded welding	Laser welding, laser cutting	Spot welding
Compatible External Axes	Six axes	Two axes	Six axes	Four axes	Four axes
Key Functions	Arc welding, weaving, seam finding, arc tracking, multi-layer multi-pass welding, medium-thick plate expert database	Arc welding, weaving	Arc welding, weaving, seam finding, arc tracking, multi-layer and multi-pass welding, medium-thick plate expert database	Laser process package	Spot welding process package
Suitable Welding Materials/Thickness	Thin/medium-thick plate welding, aluminum welding, flame cutting, plasma welding	Thin plate welding	Thin/medium-thick plate welding, aluminum welding	Medium-thin plate welding, cutting	Spot welding
Technical Features and Advantage	Hollow wrist design for cable routing, preventing tangling	Hollow wrist design for cable routing, preventing tangling	Hollow wrist design for cable routing, preventing tangling	Direct laser and head control, high usability	Hollow wrist design for cable routing, preventing tangling
Programming Speed	Medium	Medium	High	High	High
Accuracy	Medium	Medium	Medium	High	Medium
Speed	Medium	Medium	High	Medium	High
Key Models	CRP-RH14-10-W	CRP-RH14-10-W (PRO)	RH14-06-W (Nynhan)	CRP-RA15-12-J	CRP-RH26-210-W
	CRP-RH18-20-W	CRP-RH20-06-W (PRO)	RH18-06-W (Nynhan)	CRP-RA18-20-J	
	CRP-RH20-06-W		RH21-06-W (Nynhan)	CRP-RA20-12-J	
Market Positioning	Full-featured product	Economical product	High-end application product	Full-featured product	Full-featured product

Six-axis multifunctional industrial robots

The following image illustrates the key product series of our six-axis multifunctional industrial robots.

Our six-axis multifunctional industrial robots feature industry-leading comprehensive product coverage, comprising more than 20 models with payloads ranging from 6 kg to 360 kg and arm spans extending from 700 mm to 3,500 mm.

We have made innovations in the field of six-axis multifunctional industrial robots. For instance, while traditional industrial robots typically combine long arm span with heavy payloads, we identified specific industrial scenarios where clients require longer reach without the need for high payload capacity. In response, we developed robots with extended arm span and medium payload capacity in the domestic market, comprehensively addressing client needs.

Our six-axis multifunctional industrial robots also demonstrate core performance advantages. For example, we have raised the Mean Time Between Failures ("**MTBF**") validation benchmark from 80,000 hours to 100,000 hours. Our products maintain low failure rates and high precision, with Tool Center Point ("**TCP**") errors controlled within 0.6 mm per robot, which, according to Frost & Sullivan, meets a high industry standard.

Our multifunctional robots differ from welding robots and customized robots in that they are equipped with a variety of process and function packages, and are compatible with a wide range of equipment of ours and of third-parties. Unlike welding robots, which are purpose-built for welding applications only, and customized robots, which are tailored for specific industries, our multifunctional robots are capable of performing multiple tasks across diverse applications, such as material handling, loading and unloading, adhesive dispensing, assembly, without requiring significant reconfiguration or setup changes.

Our flagship six-axis multifunctional robot series and models primarily include the light-load series, heavy-load series, and all-purpose series. Below table sets out these series of our six-axis multifunctional industrial robots, including their features and applications.

	Light-load Series	Heavy-load Series[1]	All-purpose Series
Arm Span	700 mm to 3,200 mm	2,600 mm to 3,200 mm	1,500 mm to 1,800 mm
Payload Capacity	1 kg to 100 kg	150 kg to 360 kg	15 kg to 35 kg
Typical application Processes	Material handling, loading/unloading, gluing, assembly, palletizing	Material handling, gluing, grinding, palletizing, spot welding, assembly, sheet metal hemming	Grinding, metal cutting, laser cutting, etc.
Compatible External Axes	Six axes	Six axes	Six axes
Key Functions	Visual recognition, conveyor belt tracking, input/output expansion, communication protocol expansion, and palletizing	Visual recognition, conveyor belt tracking, input/output expansion, communication protocol expansion, palletizing, and grinding	Visual recognition, trajectory tracking, and grinding
Technical Features and Advantage	– Lightweight design – Suitable for use in complex industrial environments – Integrates smooth motion control and collision detection for safe human-robot collaboration – Offers longer reach and a larger working range under the same payload. – Minimizes cable interference, allowing more flexible positioning and higher operational accuracy	– Longer reach under the same payload – Features a gas spring structure and built-in motors, resulting in a smaller footprint – Requires less installation space and enables multi-robot collaboration and narrow production line layout – Offers flexible posture adaptation; built-in arm motors enable operation in confined or complex spaces	– Hypoid gear design increases overall rigidity by approximately 70%. – High overload capacity allows the robot to handle temporary load fluctuations
Programming Speed	Medium	Medium	High
Accuracy	Medium	Medium	High
Working Speed	High	Medium	High
Key Models	CRP-RA09A-07 CRP-RA12-10	CRP-RA28-360	CRP-RH15-15-HP CRP-RH18-25-HP CRP-RH18-35-HP

Note:

(1) Both our Spot Welding Series (under category of our six-axis welding industrial robots) and Heavy-load Series have spot welding functions, as such functions are realized through the respective accessories that are equipped to them, while we determine the categories of products by their main body.

Four-axis industrial robots

Our four-axis industrial robot portfolio mainly consists of four-axis palletizing robots (四軸碼垛機器人) and SCARA robots (水平關節機器人), encompassing more than ten different models.

The following image illustrates the key product models of our four-axis industrial robots.

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.

Below table sets out the details including key features and applications of four-axis palletizing robots and SCARA robots.

	Four-axis Palletizing Robots	SCARA Robots
Arm Span	1,500 mm to 3,200 mm	400 mm to 1,200 mm
Payload Capacity	15 kg to 180 kg	3 kg to 60 kg
Typical application Scenarios	Handling and palletizing	Handling, picking, assembly and gluing
Compatible External Axes	Two axes	Two axes
Key Functions	Visual recognition, trajectory tracking, palletizing	Visual recognition, trajectory tracking, pick-and-place/assembly
Technical Features	Palletizing configuration robot	Horizontal articulated structure as main architecture; compact design allows them to work in tighter spaces
Programming Speed	Medium	Medium
Accuracy	Medium	High
Speed	High	High

Collaborative Robots

Traditional industrial robots typically rely on teach pendant programming, which involves complex programming logic and requires specialized operational expertise. This results in a steep learning curve for users, making it difficult to adapt to flexible production needs such as small-batch, high-variety manufacturing. Furthermore, traditional industrial robots are usually required to operate within isolated and guarded environments, and therefore cannot share workspace with human operators without physical barriers, limiting their applicability in human-robot collaboration scenarios.

Our collaborative robots (協作機器人) 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. By incorporating drag-to-teach functionality and a programming handle, our system allows users to intuitively guide the robot for path teaching, significantly reducing programming complexity and enhancing production line setup efficiency. This makes our collaborative robots particularly suitable for small and medium-batch production with frequent changeovers.

In terms of safety, our collaborative robots are equipped with torque limiting and collision detection capabilities. They can promptly detect contact with humans or obstacles and halt movement immediately, enabling safe collaborative operation without the need for safety fences. This significantly expands their applicability in space-constrained environments or scenarios requiring close human-robot interaction.

Our collaborative robots are ideal for tasks requiring high flexibility and ease of programming, particularly in small-scale or customized production runs. The main advantage of our products is their ability to quickly adjust to different tasks and easily integrate into production lines with minimal setup time. Our collaborative robot supports drag teaching (hand-guiding). Its lightweight body makes it easy to move, making it suitable for human-robot collaborative operations. For example, in medium-to-thick plate welding scenarios involving small batches, multiple varieties, and no fixture positioning, the robot can be manually carried or moved on a cart to quickly switch workstations. Workers can intuitively program the robot through drag teaching, lowering the barrier to use. It adapts to a wide range of long-tail industrial applications. It can also be used in consumer-facing scenarios that require direct human-robot contact, such as massage and milk tea preparation.

The following image illustrates our collaborative robots.

Embodied Intelligent Robots

Embodied intelligent robots (具身智能機器人) are designed to bring a higher level of flexibility and intelligence to industrial automation. Our embodied intelligent robots integrate human-like capabilities, enabling them to perform complex, dexterous operations in diverse environments. These robots are equipped with advanced sensory systems, mobility, and decision-making capabilities, which allow them to adapt to a wide variety of tasks that traditionally require human intervention. Their primary advantage lies in their ability to handle real-world tasks with high flexibility, making them suitable for environments where precision, adaptability, and human-like interaction are essential.

Our series of embodied intelligent robots (具身智能機器人) includes (i) industrial embodied intelligent robot (工業具身智能機器人), comprising the Lingshuo Industrial Humanoid Robot (靈爍工業人型機器人), the Lingxun Industrial AI Composite Robot (靈迅工業AI複合機器人) and the Industrial intelligent robot (工業智能機器人); and (ii) the LH Series. These robots are classed under embodied intelligent robots because they possess a physical entity (a 'body') that interacts with the environment in real time via multimodal perception, autonomously decides and performs physical actions, and continuously learns and evolves through sustained interaction. Our LH Series consists of three models and falls under the category of embodied intelligent robots, integrating a lightweight process model and a servo-driven push-pull wire feeding mechanism, which enables real-time multimodal detection of welding parameters including current, voltage, and short-circuit transition signals. During operation, the system collects operational data in a closed loop to perform local optimization of welding process parameters. Aggregated welding data can also be used to further train and update the lightweight process model, supporting continuous improvement of performance over time. Our embodied intelligent robots are designed to meet the demands of next-generation intelligent manufacturing.

	Industrial embodied intelligent robot (工業具身智能機器人)			LH (冷焊) Series
	Lingshuo Industrial Humanoid Robot (靈爍工業人型機器人)	Lingxun Industrial AI Composite Robot (靈迅工業AI複合機器人)	Industrial intelligent robot (工業智能機器人)	
Arm span	1,890 mm (single-arm)	900 mm to 1,800 mm	1,400 mm to 2,000 mm	1,400 mm to 2,000 mm
Payload capacity	3kg (single-arm)	3kg (single-arm)	6kg to 20kg	6kg to 20kg
Key features	(i). humanoid design (ii). powered with a "brain" capable of 275 Tera Operations Per Second ("**TOPS**") computing power for real-time decision-making and control (iii). wheeled mobile base design (iv). industrial-grade high precision performance	(i). Adopts a multicomponent architecture combining an Automated Guided Vehicle ("**AGV**"), a collaborative robotic arm, an end effector, wrist vision, and global vision systems (ii). multi-agent collaborative capability (iii). AI Visual Recognition (iv). intelligent decision-making and execution, equipped with a Vision-Language-Action ("**VLA**") model, which are neither procured from third parties nor self-developed by us[1]. We customize such models through training on our application scenarios.	(i). integrates the robot body, high-precision sensors (such as 3D vision and torque feedback), external execution equipment, and intelligent control systems	(i). specializes in the cold arc transition welding technology, which reduces the overall heat input and provides welding solutions (ii). reduces spatter and improves weld quality by controlling the arc more precisely than products equipped with traditional welding techniques

	Industrial embodied intelligent robot (工業具身智能機器人)			LH (冷焊) Series
	Lingshuo Industrial Humanoid Robot (靈爍工業人型機器人)	**Lingxun Industrial AI Composite Robot (靈迅工業AI複合機器人)**	**Industrial intelligent robot (工業智能機器人)**	
Capabilities and tasks performed	Independently or collaboratively perform precision tasks such as handling, sorting, assembly, grinding, and quality inspection, while also undertaking management duties including equipment inspection and production line coordination, replacing human labor in harsh environments such as high temperatures and high dust conditions.	Primarily suited for high-frequency, repetitive workstation scenarios such as precision welding processing, incoming material sorting, and fixture loading/unloading.	Mainly used for work tasks where incoming materials are non-standard, positioning is inaccurate, and trajectories are uncertain.	Mainly used for welding tasks that require high speed, high precision, and involve non-ferrous metals

Note:

(1) Such VLA model uses publicly available open-source foundation models as its base; and we do not directly purchase third-party finished model services. However, since the core foundation comes from the open-source community and was not fully trained and built from scratch by us, it does not fall under our wholly proprietary R&D. Our team's efforts are limited to specialized algorithm optimization, dataset adaptation, and engineering deployment research for robot vision-language-action manipulation scenarios, all layered on top of this open-source foundation.

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. They have a wide range of application scenarios, including assembly, material handling, precision machining, quality inspection, grinding, and equipment maintenance, particularly in harsh environments unsuited for prolonged human presence, such as those with high temperatures, intense arc light, or high dust levels. By effectively replacing manual labor, our series of embodied intelligent robots enhance production flexibility and operational safety. Our LH Series is primarily applied in high-precision welding scenarios. They are classed under embodied intelligent robots because the robot body and welding system integrate multi-modal sensing signals generated during the welding process, such as current, voltage, wire feed speed, arc characteristics, dynamic behavior of the molten pool, as well as stick-out length and position, to enable real-time perception of such process. It dynamically adjusts the actuators at a frequency of several hundred times per second, achieving a "perception-decision-execution-feedback" closed loop.

Lingshuo Industrial Humanoid Robot

Lingxun Industrial AI Composite Robot

Major Downstream Industries and Market Opportunity

Our industrial robotic products are deployed across sectors including metal and machining, automotive and components, electronics, new energy, consumer goods and healthcare. Within these sectors, our robots cover most scenarios including welding, grinding, handling, cutting, gluing, and more. Our embodied intelligent robots also address specific application scenarios, for example, intelligent welding for power transmission towers, intelligent photovoltaic panel paving, intelligent grain sampling, intelligent board handling for woodworking, and intelligent airport luggage handling.

Listed below are selected examples of the downstream industries that our products serve. For more information on addressable markets of our robotic products, please refer to "Industry Overview – Analysis of Industrial Robotics and Intelligent Industrial Robotics Market – Market Size of Industrial Robotics Market" in this document.

Selected example of downstream industry – metal and machining

As advised by Frost & Sullivan, our products are suitable for a wide range of industrial application scenarios.

In the metal and machining industry, our robotic products have brought benefits to manufacturers by enhancing precision and efficiency through robotic welding, cutting and machining. Looking ahead, we intend to further penetrate emerging markets, including the shipping industry, delivering autonomous solutions for applications such as welding, cutting and grinding of the hull and its core components.

According to Frost & Sullivan, the metal and machining sector has maintained continuous growth, expanding from RMB4.3 billion in 2021 to RMB5.5 billion in 2025, reflecting a CAGR of 6.3%. Growth is supported by manufacturers seeking to enhance precision and efficiency through robotic welding, cutting, and machining to address rising labor costs and skilled worker shortages. This sector is projected to reach RMB11.1 billion by 2030, with a CAGR of 15.1% from 2026, as industrial upgrades and demand for high-quality manufacturing continue to drive adoption.

Selected example of downstream industry – automotive and components

We have focused on the supply chain for companies manufacturing automotive and components in recent years, especially in the new energy vehicle sector.

According to Frost & Sullivan, automotive and components remained the largest sector in industrial robotics market, fueled by China's leadership in electric vehicle production and automotive assembly automation. Its market size grew from RMB16.3 billion in 2021 to RMB23.2 billion in 2025 with a CAGR of 9.3%, and is projected to reach RMB48.3 billion by 2030 with a CAGR of 15.8%, driven by electric vehicle battery assembly and lightweight component handling.

Our products cover various applications in this field, including key processes such as body welding, chassis assembly, and vehicle door positioning, and handling key raw materials and components such as automotive sheet metal and pipelines. We plan to fully cover this sector with our advanced welding robot and other products in the next three years, gradually positioning ourselves as a comprehensive competitor with a full product range in the automotive industry.

Selected example of downstream industry – electronics

Our robots are applied in precision operations for components in mobile phones, laptops and other electronics. Especially, our six-axis industrial robots are specifically designed to meet the stringent requirements of this sector, providing solutions for complex assemblies and high-precision tasks.

According to Frost & Sullivan, consumer electronics demonstrated steady growth, with market size expanding from RMB8.5 billion in 2021 to RMB10.0 billion in 2025 with a CAGR of 4.0%, supported by demand for smartphones, wearables, and the development of automated assembly. This sector is forecasted to grow to RMB17.8 billion by 2030 with a CAGR of 12.3%, driven by 5G adoption and miniaturization trends of components.

The need for higher efficiency, precision, and automation is driving the adoption of robotic products in the electronics industry. As demand for electronic devices continues to grow, particularly in emerging markets, the application of welding and multifunctional robots are expected to ensure consistent product quality and faster production times.

COMMERCIALIZATION

During the Track Record Period, we specialized in the design, development, and manufacturing of (i) industrial robots, primarily including six-axis industrial robots and four-axis industrial robots, and expanded into a full series of (ii) collaborative robots and (iii) embodied intelligent robots. We have adopted a transaction-based model for the sales of our robotics products. 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.

The table below sets out a summary of how our robot portfolio falls within acceptable sectors of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

Specialist Technology Product	Relevant Specialist Technology Industry Sector	Major Function Analysis	Major Customer and Customer Demand Driver
All of our robotic products sold during the Track Record Period as mentioned above.	Robotics and automation (robot technology)	Our revenue model is primarily based on 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 "– Sales, Marketing and Customers – Sales Models" below.	Our customer base spans across various industries, including metal and machining, automotive and components, electronics, new energy, consumer goods and healthcare. The demand for our robotic products is driven by several key factors, including increased automation, and the need for high-precision manufacturing. For further details of industry background of our major customers during the Track Record Period, please refer to "– Sales, Marketing and Customers – Our Customers" below.
		Leveraging our full-stack R&D capabilities and proprietary technologies, our robots meet the high standards of precision, reliability, and flexibility required by modern manufacturing systems. For further details, please refer to "– Our Products" above.	As industrial businesses strive for greater efficiency and quality, robotics technology plays a crucial role in optimizing production lines and improving operational flexibility. For further details of our products as well as their major applications in downstream sectors and corresponding market opportunities, please refer to "– Our Products" above and "– Overview – Our Fully Self-developed Product Matrix and Comprehensive Application Scenarios" above. During the Track Record Period, our products have been sold to customers located in 40 countries or regions outside the PRC. Additionally, the global push for automation in manufacturing and the growing emphasis on smart factories contribute to the expanding market for industrial robots. Our company is well-positioned to capture this demand through our innovative products and long-term customer relationships. We will intensify marketing to systematically develop sales and service networks in China, while building a global presence through local teams in key overseas markets. For further details about our market expansion strategies, please refer to "– Overview – Our Market Presence", "– Growth Strategies – Expand our influence among current and future customers, both domestically and internationally" and "Future Plans and **[REDACTED]**".

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.

Further Analysis about Our Other Robotic Products

During the Track Record Period, our revenue from the sale of products was derived from the following categories of robotic products: (i) industrial robots (comprising six-axis and four-axis), (ii) collaborative robots, (iii) embodied intelligent robots, and (iv) other products, which represented (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. For detailed revenue breakdown, please refer to "– Our Products" above.

Our customized robots for specific industries included five-axis palletizing robots (五軸碼垛機器人), three-axis PCB loading and unloading robots (三軸PCB放板機器人), four-axis PCB loading robots (四軸PCB放板機器人), and six-axis PCB loading robots (六軸PCB放板機器人). We do not include these robots in our "industrial robots" category because our industrial robots cover standardized, well-established series primarily for a wide range of automation, while these robots were primarily designed as customized products for specific application scenarios. Their mechanical structure and functional focus also differ from those of our standardized six-axis and four-axis industrial robots. Our components for external sales that are used in our robots mainly included robot structural parts and robot motion modules.

Our industry consultant, Frost & Sullivan, is of the view that all of our customized robots for specific industries and components used in our robots fall within an acceptable sector of a Specialist Technology Industry under Chapter 2.5 of the Guide, as the Guide explicitly enumerates "Advanced Hardware and Software" as a core acceptable sector, which specifically includes "robotics and automation". Our business for customized robots involves the research and development, commercialization, and sales of robots, directly aligning with this designated sector. Our components are fundamental to enabling advanced robotics and automation systems, directly aligning with this designated sector.

Our robot control cabinet is the central unit in the robotics and automation systems, handling motion planning, processing sensor data, and motor control. It contains our in-house developed components mainly including electrical expansion components and electrical-related accessories. For industrial use, it also includes Input/Output interface modules (the "**I/O modules**") for connecting external equipment, and safety units with emergency stop and door detection features for human-robot collaboration.

Our industry consultant, Frost & Sullivan, is of the view that all of our robot control cabinet products fall within an acceptable sector of a Specialist Technology Industry under Chapter 2.5 of the Guide, as the Guide explicitly enumerates "Advanced Hardware and Software" as a core acceptable sector, which specifically includes "robotics and automation". Our robot control cabinet products are the central unit in the robotics and automation systems, directly aligning with this designated sector. Our components are fundamental to enabling advanced robotics and automation systems, directly aligning with this designated sector.

OUR CORE TECHNOLOGIES

Scalable Robotic Control Software from Underlying Layer to Cloud

We have launched a robot operating system tailored to China's industrial scenarios, which integrates process libraries. Our process libraries are self-developed, comprising standardized process knowledge and parameter packages for industrial applications such as welding, cutting, and polishing. They package expert experience, equipment parameters, and quality control rules into reusable modules, enabling users to perform processes consistently without requiring deep professional expertise. This approach shortens project implementation time and helps maintain consistent quality in mass production. The libraries are developed through our R&D process, from application scenario analysis to on-site validation, and are compatible with our in-house hardware and motion control algorithms. Combined with our parameter scenario-adaptive algorithms, our products achieve "plug-and-play" functionality across multiple industrial settings. According to Frost & Sullivan, our robotic control software is recognized for its strengths in process adaptability and user-friendliness.

Built around our core operating system, our software provides full-chain coverage from hardware to OS to application to cloud, enabling us to offer one-stop services without relying on third-party systems. Additionally, our system's modular, multi-language, and extensible architecture ensures high scalability, enabling our robots to seamlessly adapt to multiple industrial environments. Furthermore, our system supports comprehensive applications, enabling online or offline programming, operation free of venue restrictions, and covering the full cycle from R&D to production and operations.

Core Technologies that Improve Performance in Positioning Accuracy, Path Accuracy, and Cycle Time

We hold significant advantages in the three key dimensions used to evaluate industrial robot performance.

Positioning accuracy

We achieve full-chain high-precision control. For each robot model, we build customized models. Through kinematic algorithms, we implement full-scenario adaptive compensation to handle varying loads and installation conditions, significantly outperforming traditional single-parameter compensation methods.

We developed a "20-point multidimensional spatial mapping algorithm" and a high-precision calibration system, which has enhanced absolute positioning accuracy by 5 to 10 times to 0.1 mm level. Our LH and RH series have achieved trajectory reproduction errors no more than 0.05 mm.

Path accuracy

We ensure stable path reproduction under complex conditions and meet high-precision demands. For low-speed applications affected by friction and environmental interference, such as laser cladding, we have established a speed-friction correlation model and harmonic injection. This model reduces trajectory deviation from ±0.29 mm to ±0.15 mm, enabling successful application in multiple laser cutting scenarios. Moreover, to enhance trajectory optimization, we have developed an integrated control-drive electronic unit. It adjusts trajectories in real time, making it well-suited for processes such as laser cutting and precision welding.

Cycle time

We strike a balance between high speed and stability. By using adaptive algorithms, adaptive parameters, vibration suppression, and faster convergence, we have been able to improve positioning and efficiency of our products. Through system-level coordination and more than 20 innovations, we reduced cycle time by over 30% compared to our previous generation of robot series, while maintaining end-effector vibration amplitudes within 0.1 mm.

Advanced Hardware Control Architecture

Leveraging our strong independent R&D capabilities, we have developed an innovative centralized hardware control architecture for robotic products in China. Our system adopts a centralized layout that integrates the main controller and servo drives, providing an efficient foundation for motion control. Furthermore, we have developed integrated control technology that seamlessly combines robots, control systems, and welding machines into a unified unit. This integration enables more precise welding control and enhanced operational efficiency, allowing our robots to meet the demanding requirements of high-speed, high-precision, high-end welding applications.

A Full-chain Technology System of Welding Power Sources

We have developed a full-chain technology system for welding power sources, covering hardware structure, software collaboration, algorithm innovation, process breakthroughs, and product implementation. This synergetic approach enables us to achieve low spatter, improve welding efficiency, and enhance broad workpiece compatibility.

Our robotic welding systems are built upon a proprietary topology and control architecture that enables high-resolution waveform control. This supports stable welding of plates ranging from 0.4 mm to 3 mm and above while minimizing deviation. At the hardware level, specialized integrated circuits for arc sustaining and neck-shrink detection suppress spatter and ensure arc continuity, while optimized high-frequency transformers balance heat dissipation and insulation. Dedicated hardware designs prevent deformation, and a dust-proof construction enhances durability. Complementing this hardware, our software extracts and analyzes waveform features to quantify welding stability. Furthermore, our suite of algorithms focuses on automation and precision, namely, an automated wire-stick detection and recovery system, a waveform feature extraction algorithm for objective quality assessment, and a current adjustment algorithm that enables stable, low-spatter welding through real-time optimization.

Multi-scenario Welding Processes

We developed a series of welding processes covering diverse materials and thicknesses, from ultra-thin to thick plates.

(a) Cold Metal Transfer ("**CMT**"), which is suitable for carbon steel, stainless steel, copper, and aluminum alloys;

(b) Hybrid waveform process, which is combines short-circuit and pulsed arcs for high-speed "fish-scale" welds with enhanced aesthetics;

(c) Positive and negative connection low-spatter process, which is supports ultra-thin plate (0.35–0.6 mm) welding with low spatter and stable penetration;

(d) Long/short arc pulse process, which is suitable for carbon steel, aluminum, stainless steel; adjustable arc length for deeper penetration or reduced spatter.

Synergistic Optimization of Mechanical Performance in Stiffness, Lifespan, and Cost

- *Simulation predictions:* We utilize finite element analysis and rigid-flexible coupling models to evaluate the robotic arm's structural strength, stiffness, and modal characteristics during the design phase, shortening development cycles and reducing trial costs. Through co-simulation, we replicate motion and vibration states to precisely optimize dynamic parameters, ensuring a high-stiffness foundation. Thermal and vibration simulations for control cabinets and robot bodies help identify weak points for iterative refinement, preventing costly late-stage failures and supporting data-driven long-life insights.

- *Design innovations:* We adopt a high-rigidity structural design, including the use of a RV reducer with variable tooth thickness gears, which increases the single-joint rigidity by 70% and effectively enhances the rigidity limitations of traditional synchronous belt transmission.

- *Customized components:* We incorporate a range of tailored components to enhance performance and cost efficiency. For example, customized harmonic drives with enlarged inner bores lower customization costs for welding torches. Customized double-support RV reducers achieve 1.5 times increase in speed ratio while reducing unit costs.

By integrating simulation predictions, design innovations, and customized components, our products achieve a 70% increase in mechanical rigidity, a lifespan of up to 20 million cycles, and an 100,000 hours MTBF, meeting both extreme working conditions and mass-production demands.

Robotic Sensor Fusion and Intelligence

We have made key breakthroughs in three core technology areas of robotic sensor fusion and intelligence, namely, high-precision calibration, weld seam recognition and trajectory planning, and cross-scenario visual adaptation. These breakthroughs address core pain points of traditional robots in accuracy, stability, and adaptability. Our integrated technology system has been deployed across industries such as automotive components, steel structures, and grain processing, replacing imported robotic products and enabling intelligent production with high precision, efficiency, and adaptability:

(a) *high-precision calibration technology:* we have innovated high-precision calibration methods for robots and 3D cameras, using sub-pixel edge positioning technology to achieve a circle center positioning accuracy of 0.1 mm. We achieve calibration accuracy with angular error within 0.05 degree and positional error within 0.36 mm, over three times more accurate than our previous algorithms. Vision calibration technology incorporating digital model data achieves 98% accuracy in wheel hub type recognition and positioning errors within ±0.2 mm; (b) *welding intelligence:* we have built a dual-mode perception system combining "laser vision + arc tracking" to monitor the welding process comprehensively. Using line laser point cloud imaging for 3D workpiece modeling, we address seam deviation caused by assembly errors and welding deformation. Our arc current data analysis algorithm measures groove gap in real time adjusts torch position, enabling automated multi-layer, multi-pass weld planning. This replaces traditional teaching methods that some of our customers employ, reducing switching time by 80%. As for specialized scenarios such as power steel pipe towers and angle steel towers, simply entering workpiece parameters automatically calculates the positioner angle and welding path; (c) *cross-scenario visual application:* we have developed specialized processing modules to counter interference from reflection and noise, maintaining feature extraction accuracy above 95% under diverse working conditions. For instance, our system completes image capture and trajectory prediction in milliseconds, enabling coordinated grasping by multiple robots on production lines, with positioning errors within 1.0 mm. Our grain defect detection system uses dedicated visual recognition algorithms and builds classification models based on features of grains such as rice and wheat, enabling robots to achieve a fully automated feeding – inspection – discharge process, with a defect recognition rate of no less than 99.5%.

RESEARCH AND DEVELOPMENT

We have established an R&D framework that supports our strategic objectives in the industrial robotics sector. Our R&D efforts are focused on advancing key technologies in robot control systems, motion control, and mechanical transmission, with particular emphasis on creating industrial robots, collaborative robots, and embodied intelligent robots. We adopt a collaborative approach that integrates cross-disciplinary research to ensure our products maintain technologically advanced and competitive across various industrial applications. Through continuous technological innovation and in-house development, we aim to enhance the precision, reliability, and flexibility of our products to meet the diverse needs of modern manufacturing systems. During the Track Record Period, our research and development expenses amount to RMB36.0 million, RMB36.0 million and RMB48.9 million for the years ended December 31, 2023, 2024 and 2025, respectively, accounting for 16.2%, 15.4% and 15.1% of our total revenue for the same years, respectively.

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. In addition, we have not in-licensed any material intellectual property rights.

Our R&D Process

Our R&D process follows a structured approach, from concept development to product launch, ensuring that all projects meet technical, quality, and timeline expectations.

Each project undergoes the following stages: (a) ***market and technical research:*** at this stage, we determine the objectives, rationale, and feasibility of the project. We start by understanding and recording customer needs and technological trends, and then arrange for internal discussion and review; (b) ***product definition and design:*** at this stage, the project manager will be responsible for establishing functional and technical requirements, formulating detailed design specifications to ensure alignment with business objectives and guiding subsequent development activities (including technical milestones and development timelines); (c) ***prototyping and testing:*** upon successful validation of the prototype, the project manager submits a pilot production request to the operations center. Upon approval, the project proceeds to the pilot production phase, where relevant personnel are responsible for carrying out the corresponding pilot production tasks; (d) ***commercialization:*** once pilot products are introduced into the market, the project enters the trial-use phase. During this stage, the technical services department is responsible for collecting trial-use reports to evaluate product performance and user feedback, thereby informing decisions for mass production and broader market delivery.

Each project usually takes six months to one and a half years, depending on its specific nature. While iterations of existing products may take six months, projects that are with entirely new products typically take longer. During each phase, various departments, including those focusing on mechanical, electrical, software, and algorithms, collaborate to ensure that the product meets all functional and performance standards. We have also adopted various project management tools such as "OpenProject" and "OA", allowing us to track the progress of each project in a timely and systematic manner.

Our R&D Team, Core Members and Historical Shift in R&D Focus to Industrial Robotic Products

As of the Latest Practicable Date, we have developed a R&D team comprising of 141 personnel, including experts specializing in robotics, electronics, software, mechanical engineering, scenario application, algorithm and craftsmanship.

We progressed from a supplier of robot controllers and electrical systems to an industrial robotic products manufacturer, and shifted our R&D focus from core components to complete industrial robotic products, prior to the Track Record Period:

(i). Up to 2017, our core business was the development of robot controllers and electrical systems. Success in this field provided us with a solid customer base in the robotics industry and, more importantly, core motion control algorithms, servo drive technology and robot kinematics, the essential "brain and nervous system" of a complete industrial robotic product. We also accumulated application expertise across robotic functions such as welding, handling, spraying and palletizing.

Our core R&D members during this period established the technical foundations described above through their collective efforts. They included: (a) Mr. Li Liangjun (our Chairman of the Board) and Mr. Deng Shihai (our senior management), with a focus on hardware development; (b) Mr. Xia Huisheng (our senior management), with a focus on structural design and technical services; (c) Mr. Zhu Lusheng (our executive Director) and Mr. Huang Guiliang (still a member of our R&D team), with a focus on controller software development; and (d) Ms. Gu Fei (our executive Director), one of the founders of our Company, who focused on robot control algorithms and calibration systems during this period. She developed our robot body calibration technology and kinematic and dynamic control models, which addressed the challenges of calibration difficulty and inconsistent trajectory accuracy in domestic robots. Her work on calibration methods supported the application of our welding robots in complex scenarios. All of these members have demonstrated strong stability, with no resignations up to the Latest Practicable Date.

(ii). From 2018 onwards, we transitioned into a complete robotic product provider. As our business expanded, our executive Directors and senior management, who were part of the aforementioned core R&D members, adjusted their roles in R&D: (a) Mr. Li and Mr. Deng transitioned from hands-on R&D activities to overall management in R&D; (b) Mr. Xia took charge of product planning and technical services; (c) Mr. Zhu remained a core R&D member and led our team to overcome various key industry challenges; and (d) Ms. Gu Fei led the development and establishment of our project management framework.

During this period, our core R&D members made significant contributions to the shift of our R&D focus from core components to complete industrial robotic products through their collective efforts. In addition to Mr. Zhu and Mr. Huang, the core R&D members also included: (a) Mr. Chen Hui, who joined our Group in 2017, with a focus on embedded systems and power electronics hardware design; (b) Mr. Xu Chunke, who joined our Group in 2017, with a focus on motor control algorithms and servo software development; (c) Mr. Long Yan, who joined our Group in 2019, with a focus on robot control system software and process library iteration; (d) Mr. Yang Jinqiao, who joined our Group in 2017, with a focus on robot control algorithm optimization; (e) Mr. Li Xiang (our non-executive Director), with a focus on robot body development; and (f) Mr. Wang Hongsen, who joined our Group in 2017, with a focus on robot body development. Their collaborative efforts led to the successful design of our robot body systems and integrated drive-control systems, and the successful launch and continuous development of our complete robotic products. All of these members have demonstrated strong stability, with no resignations up to the Latest Practicable Date.

The aforementioned core R&D members have developed their core technical expertise and industry experience mainly through their tenure with our Group:

Mr. Zhu, our executive Director, has led our team to overcome various key industry challenges. As one of the founders of our Company, he has long been engaged in R&D activities in industrial robotic industry and led the development of our first-generation robot controller software system. He possesses extensive experience in the development of motion control technology for industrial robots, functional process control technology (including spraying and welding), and R&D management. He led our team to build a multidisciplinary team focusing on controllers, servos, sensors and mechanics, and spearheaded the development of our welding robot series, which provided product support for our transition into a complete robotic product provider. Mr. Zhu also led the establishment of our standardized R&D framework. For further details of Mr. Zhu, please also refer to "Directors and Senior Management".

Mr. Chen Hui (陳輝), who obtained his master's degree in Control Theory and Control Engineering (控制理論與控制工程) from the University of Electronic Science and Technology of China in 2008 and also a Professor-level Senior Engineer (正高級工程師). He joined us in January 2017 and has been primarily engaged in the research and development of drive and control systems for industrial robots and collaborative robots. During his tenure, as the primary inventor, Mr. Chen has been granted one invention patent, two utility patents and four design patents, all of which were developed through team collaboration, primarily focusing on drive control components. In the event of Mr. Chen's departure, our Directors do not believe it would pose a material risk to our technological development as a result of the patents he holds, as core invention patents related to our R&D are owned by our Group.

In terms of R&D achievements, Mr. Chen has led the progress to successfully develop integrated drive and control system platforms for industrial robots as well as power component.

Mr. Xu Chunke (徐純科), who held a master's degree and holds the professional title of Senior Engineer and also a Professor-level Senior Engineer (高級工程師). He graduated from Shenyang University of Technology in 2010 with a major in Power Electronics and Electric Drive. He is currently responsible for the research and development of embedded software in our R&D team. He was responsible for improving the performance of servo controllers and optimizing robot motion trajectories, thereby enhancing the robot's control precision, motion cycle and operational efficiency. Mr. Xu has served as the project lead for several national and provincial research initiatives, collaborating with universities and industry partners to tackle cutting-edge robotics challenges. He also participates in joint talent development programs with universities.

Mr. Long Yan (龍燕), who joined us in 2019 and currently serves as the manager of our software development department, leading the overall architecture design and core development of our new-generation control system software platform. He leads our R&D team in building this platform successfully implemented it across our full product series, establishing it as the core control system for our new generation robotic products and enhancing our technological competitiveness and market position. He has led the development of multiple supporting software systems to enhance the performance of our intelligent industrial robots, such as a laser beam tracking system and robot offline programming software.

Mr. Yang Jinqiao (楊金橋), who obtained his master's degree in Control Engineering from Zhejiang University of Technology. He has approximately ten years of experience in the field of industrial robotics, specializing in robot motion control algorithms. He led the design of our motion control algorithms, covering controller function development, position accuracy compensation and simulation verification. He also led the development of robotic systems, including a positioning calibration system and a motion control system, and was responsible for kinematic and dynamic algorithms for various robot structures. As the primary inventor, Mr. Yang has led the development of seven patents, all of which are invention patents primarily focusing on specialized segments of robotics algorithms. In the event of Mr. Yang's departure, our Directors do not believe it would pose a material risk to our technological development as a result of the patents he holds, as core invention patents related to our R&D are owned by our Group.

During his tenure, Mr. Yang has led the development of key robotic systems such as the High-Accuracy Absolute Position Calibration System and the Advanced Motion Control System, and has been responsible for core algorithms including kinematics and dynamics for multiple robot structures.

Mr. Huang Guiliang (黃貴良), who joined our Group in 2013. From 2013 to 2022, he was primarily responsible for software function development and system architecture optimization for motion controllers. He participated in the development of our first-generation control system and led the development of several core control algorithms and industry-specific process libraries, which have been productized and commercially deployed. Since 2022, he has served as the project manager for our robot operating system, overseeing the full project lifecycle, including technical roadmap planning, core module development, cross-team coordination, and version delivery.

Mr. Li Xiang (李祥), who is our non-executive Director and joined our Group in 2017. He led the development of multiple series of welding robots, overcoming key technical challenges such as the design of four-axis and six-axis hollow structures. He also led the development of multiple series of fully digital welding power sources, achieving ultra-low spatter control that reduces welding spatter. He developed a cold arc process that further reduces heat input compared to conventional processes, enabling ultra-thin plate welding. His work on the expert database system also simplified the commissioning of welding parameters. Please also refer to "Directors and Senior Management" section in this document.

Mr. Wang Hongsen (王鴻森), who obtained a master's degree from Southwest Jiaotong University and joined our Group in 2017 and has been engaged in mechanical R&D design and project management. He led and participated in the design of our first-generation robot bodies across multiple categories, as well as various derivative models with different transmission mechanisms and customized configurations, including collaborative robot bodies, six-axis industrial robot bodies, four-axis palletizing robot bodies, and SCARA robot bodies, contributing to the establishment of a comprehensive robot body portfolio. He also developed our in-house standards for body R&D and design, process management and testing protocols, material coding systems and documentation, engineering drawing management systems and specifications, and quality management systems and acceptance criteria for purchased components.

We regard our R&D team, along with the technical innovations they deliver, as the driving force behind our long-term business growth and have consistently strived to offer them support, both in their professional work and across other aspects of their personal roles. We retain key management and technical staff with competitive remuneration packages and welfare benefits. We also invest in training programs to upskill our key management and technical staff. In the event of termination of employment requested by a key staff, we closely communicate with the staff for the reason of departure and feedback for us. We generally recruit candidates via, among others, online recruitment, internal referrals and employment agencies. With respect to our key R&D personnel, we primarily focus on their relevant technical expertise and industry experience, while also valuing other qualities such as self-motivation, growth potential, and teamwork capabilities.

The key terms of agreements with management and technical staff are set out below: (1) *no conflict:* during the employment, the employee shall not engage in any other job, whether full-time or part-time without our consent; (2) *ownership of intellectual property rights:* any work product created by employees during their employment as a result of performing their duties or primarily utilizing our materials and technological equipment, and business information, among other things, including trade secrets, shall belong to us. We have the right to use or transfer the aforementioned intellectual property. Employees shall actively provide all necessary information, materials, and research, and take all necessary actions to assist us in obtaining and exercising the relevant intellectual property rights; (3) *confidentiality:* employees shall undertake not to disclose or use any confidential information to any third party; and (4) *non-competition and non-solicitation:* we reserve the right to unilaterally impose a non-competition period of up to two years following the termination of employment, with appropriate compensation provided accordingly. During the term of employment and the non-competition period imposed by us, the employee shall not engage in any competitive behavior, and they shall not solicit or attempt to solicit our employees to leave their employment.

INTELLECTUAL PROPERTIES

We depend on our proprietary technologies and production know-how to maintain a competitive market position. We adopt a proactive approach to intellectual property protection, regularly applying for patents for commercially significant developments. Our portfolio of intellectual property covers core technologies used in our products, as well as various aspects of product design and manufacturing processes.

Our intellectual property portfolio includes a diverse range of assets designed to protect our proprietary technologies and innovations. These include: (1) **patents:** we hold a portfolio of invention patents and utility model patents covering key raw materials and components of our robotic products. Our patents primarily cover technologies related to robot control systems, servo drive systems, and mechanical transmission mechanisms used in our industrial robots; (2) **software copyrights:** we have developed and protected various software systems integral to our robots, including control software for motion management and AI-driven systems for robotic collaboration; and (3) **trademarks:** we have registered trademarks for our key products, and continue to expand our trademark portfolio globally, particularly in regions where we are actively selling or planning to enter.

We hold a portfolio of intellectual property rights primarily in PRC. 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. Additionally, 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 such as robot bodies, control technologies, servo drive technologies, process solutions, and end effectors. We independently develop and own all material intellectual property rights pertaining to structure, control, software development and algorithms for our robotic products. The following table demonstrates patents and software copyrights which we consider to be material to our robotic products:

Patents

Name of Patent	Patent Type	Jurisdiction	Authorization Date	Status
Training Method and Operational State Detection Method for Support Vector Data Description Model (支持向量數據描述模型的訓練方法及運行狀態檢測方法)	Invention	China	October 18, 2024	Valid
An Inverse Solution Method for a Seven-axis Robot and the Seven-axis Robot (一種七軸機器人逆解方法及七軸機器人)	Invention	China	December 19, 2023	Valid
Multi-Axis Motion Control Method for Industrial Robots (工業機器人的多軸運動控制方法)	Invention	China	April 1, 2015	Valid
Consistency Compensation Method for Robotic Manipulators (用於機器人機械臂的一致性補償方法)	Invention	China	October 29, 2021	Valid
A Method for Optimizing Joint Motion Trajectories Based on Robot Dynamics (一種基於機器人動力學的關節運動軌跡優化方法)	Invention	China	March 5, 2021	Valid
A Method for Detecting the Stability of Short-Circuit Transition Welding (一種短路過渡焊接的穩定性檢測方法)	Invention	China	May 9, 2023	Valid
Robot Joint Friction Compensation Adjustment Method, Robot Friction Compensation Method (機器人關節摩擦力補償調節方法、機器人摩擦力補償方法)	Invention	China	May 9, 2023	Valid
A Harmonic Drive for Industrial Robots (一種工業機器人用諧波減速器)	Utility model	China	December 27, 2019	Valid
An Integrated Drive-Control System (一種驅控結合一體式控制系統)	Utility model	China	December 3, 2019	Valid
A Dual-Encoder Collaborative Robot Joint (一種雙編碼器協作機器人關節)	Utility model	China	August 2, 2024	Valid
A Humanoid Robot Joint (一種人型機器人關節)	Utility model	China	August 2, 2024	Valid
Collaborative Robots with Torque Sensors (協作機器人用力矩傳感器)	Design	China	April 29, 2022	Valid
Robot Welding Torch Servo Wire Feeding Device (機器人用焊槍伺服送絲裝置)	Design	China	May 9, 2023	Valid

Software copyrights

Name of Software copyright	Version	Jurisdiction	Registration Date	Status
Welding Tracking Sensor System (焊接跟蹤傳感系統)	V1.0	China	January 15, 2018	Valid
Collaborative Robots System (協作機器人系統)	V1.0	China	November 14, 2018	Valid
3D Vision Robots System (3D視覺機器人系統)	V1.0	China	July 1, 2019	Valid
Welding Machine Power Software (焊機電源軟件)	V1.0	China	July 4, 2022	Valid
Crobotp Smart Cloud Operations Management System (卡諾普智慧雲運營管理系統)	V1.0	China	March 17, 2023	Valid
Industrial Robots Control System (工業機器人控制系統)	V3.0	China	November 21, 2024	Valid
Industrial Robots Servo System (工業機器人伺服系統)	V2.0	China	November 21, 2024	Valid

All intellectual property underpinning our technological developments has been created through internal innovation and R&D efforts. We have not acquired intellectual property from third parties, nor do we rely on third-party licensing arrangements for our core technologies. To maintain our core intellectual property barriers, we consistently apply for patents as part of our technology commercialization strategy. We have implemented confidentiality agreements with employees to protect our intellectual property during the development phase. 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. Given the necessity to disclose certain information (such as our technical proposals, R&D data and product specifications) to our partners in the course of collaboration, we have entered into confidentiality agreements with our partners to protect our intellectual property rights.

Looking ahead, we plan to continue expanding our intellectual property portfolio to support our growth and technological leadership in the industrial robotics market. Apart from trademarks that we are currently pursuing, we plan to file more than 200 IP applications within the next three to five years, focusing strategically on invention and utility model patents. Our aim is to ensure that the number of invention and utility model patents is no less than 80% of the total number of applications in a specific year. For further details about our R&D strategies, please also refer to "– Growth Strategies" and "Future Plans and **[REDACTED]**".

As advised by our PRC Legal Advisers, pursuant to the Patent Law of the People's Republic of China (中華人民共和國專利法), an invention patent registered in China is valid for a term of 20 years from the date of filing of the application for the patent, an utility model patent registered in China is valid for a term of 10 years from the date of filing of the application for the patent, and since June 1, 2021, a design patent registered in China is valid for a term of 15 years from the date of filing of the application for the patent. Despite our precautions and efforts, however, third parties may obtain and use our intellectual property without our consent. Unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights from such unauthorized use may adversely affect our business and results of operations.

We may rely, under certain circumstances, on trade secret and/or confidential information to protect aspects of our industrial robots. Confidential clauses and/or intellectual property ownership clauses are generally incorporated into our contracts with partners and employees. However, these agreements may not provide sufficient protection of our trade secret and/or confidential information. These agreements may also be breached, resulting in the misappropriation of our trade secret and/or confidential information, and we may not have an adequate remedy for any such breach. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to copy aspects of our proprietary products without our consent. As a result, we may be unable to sufficiently protect our trade secrets and proprietary information. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises as well as physical and electronic security of our information technology systems. See the paragraphs headed "Risk Factors – Risks Relating to the Research and Development and Intellectual Property Rights in Our Products" for a description of risks related to our intellectual property.

During the Track Record Period and up to the Latest Practicable Date, 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. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement of third parties' intellectual property rights. During the Track Record Period and up to the Latest Practicable Date, no third party has infringed on our intellectual property rights of our robotic products.

OUR PRODUCTION

Our production capabilities primarily support the assembly, as well as the integration and testing of our robotic products. To keep up with the increasing demand for our products, we have also enhanced human-robot collaboration in certain stages of our production process. For example, robots assist in specific processes during the assembly stage, such as laser cleaning and screw fastening. This model ensures that we can scale production during periods of high demand while maintaining stringent quality standards across all our products.

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. Our production facility is equipped with advanced tools and technologies designed for high-precision manufacturing, ensuring that all products meet our quality standards, and also serves as the primary site for industrial robot systems and robot electrical control systems used in our robotic products.

Set out below is details of our design capacity, actual production output, and utilization rate of our robotic products during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Design capacity[(1)] *(units per period, rounded to hundreds)*	4,500	5,000	7,000
Production Volume[(2)] *(units, rounded to hundreds)*	3,500	3,800	5,900
Utilization rate[(3)] *(%)*	77.8	76.0	84.3

Notes:

(1) The designed capacity for each period 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 period (24 days per month), with each year approximately based on 288 working days per year. During the Track Record Period, the increase in our design capacity was primarily driven by improvements in production efficiency, which were achieved through production equipment upgrading, production process and workflow optimization. According to Frost & Sullivan, the daily operating capacity of eight working hours is in line with industry norms.

(2) The production volume refers to the actual output for the relevant period.

(3) Utilization rate is calculated by dividing the actual production volume by the designed production capacity for the relevant period.

Machinery and equipment

Our in-house production is supported by specialized equipment and production tools, which are used for tasks such as robot assembly, integration, testing, and quality control. These typically include: (a) automated assembly lines for assembling core robotic units; (b) precision testing equipment for evaluating robot performance, including motion accuracy and functionality; and (c) burn-in tests that simulates the actual working environment and operating condition of robots to verify their performance stability and reliability after long-term use in advance.

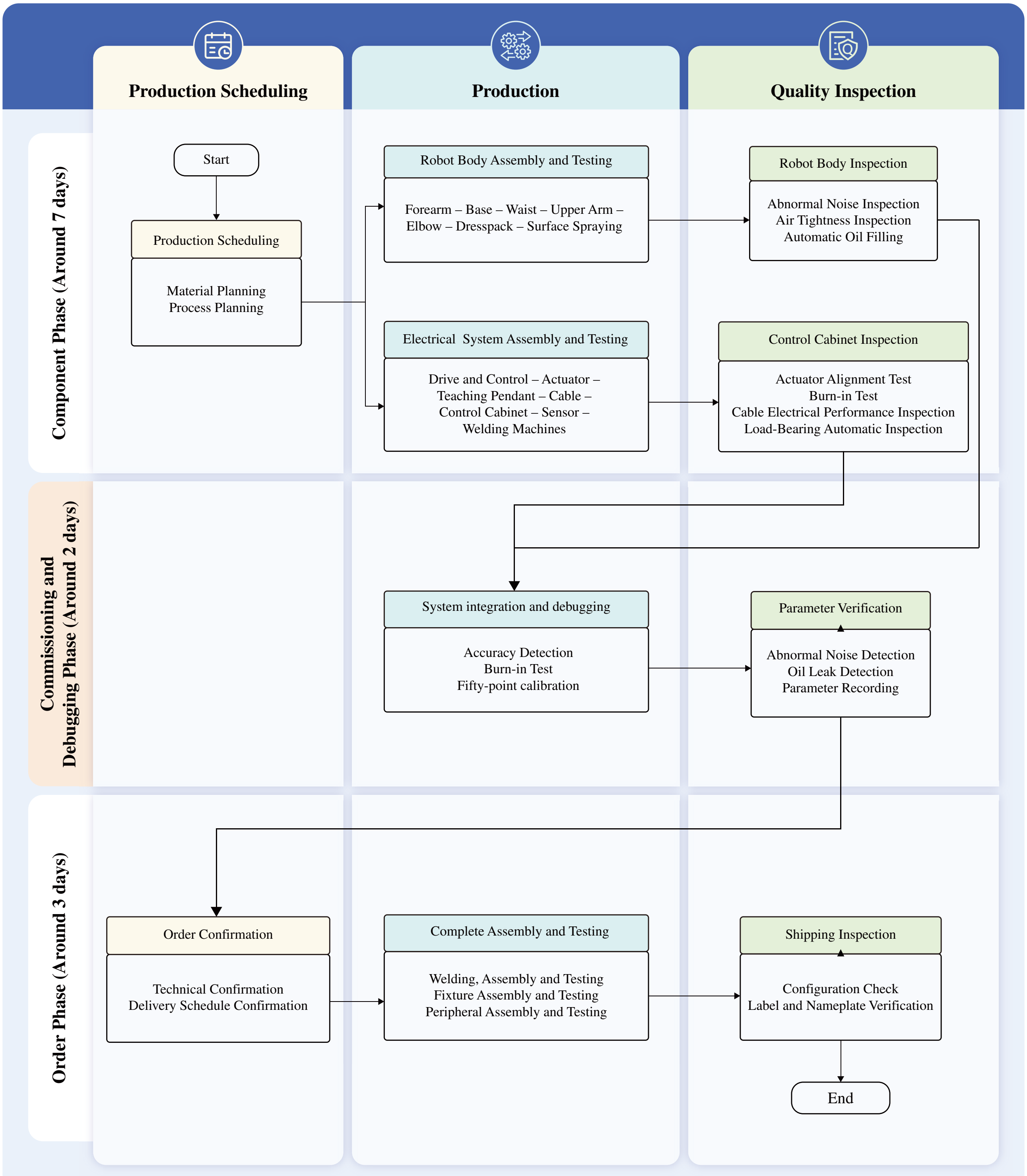
The table below sets forth key machinery and equipment used in our production process: (a) Automated Cable Testing Bench; which serves as the core testing hub for the "neural network" of robots, custom-designed for cable harnesses; (b) Fully Automated Painting Line; which realizes full-process automation of surface spraying. Equipped with spraying robotic arms, a constant temperature and humidity spraying chamber, and an eco-friendly coating supply system, it can automatically adjust the spraying path and dosage according to the contour of the specific machine in question; (c) Laser Cleaning Robot; which equipped with a high-power pulsed laser cleaning head, it performs non-contact removal of stubborn contaminants such as surface oil stains and rust; (d) Coordinate Measuring Machine ("**CMM**"); which serves as a key guardian of the dimensional accuracy of key raw materials and components. Custom-designed for 3D testing of materials and parts, it features a high-precision grating measurement system and multi-axis linkage probing technology to automatically and accurately scan and test parameters such as the hole diameter and tolerance of key raw materials and components (e.g., gears, bearings) with micron-level precision; and (e) Automatic Screw Fastening Machine; which A dedicated assembly solution integrating a high-precision visual positioning system, a torque control module, and an automatic feeding mechanism. It uses industrial robots to achieve precise screw picking, alignment, and fastening, with automatic adjustment of fastening torque to avoid under-tightening or over-tightening issues.

Maintenance

Our preventive maintenance includes regular mechanical inspection, calibration, and parts replacement as necessary. These preventive maintenances are usually conducted once per month or once per year, depending on the condition of the machinery or equipment in question. In addition to scheduled maintenance, we also conduct routine inspection to minimize unplanned downtime. All inspection records are tracked through our internal asset management system for traceability and early identification of performance issues. Our engineering and maintenance teams receive continuous training to ensure they are familiar with all critical task equipment. For certain advanced machinery, we may rely on supplier support contracts or third-party service providers to implement professional maintenance. Prior to acceptance, the suppliers of our production-related equipment provide training to our operators. In addition, our measuring and testing equipment undergo annual calibration to ensure its accuracy.

Production Process

Our production process involves the following stages



Throughout these stages, we maintain ISO-compliant quality control protocols to ensure that all products meet our internal standards and customer expectations.

Outsourced Production

Leveraging our full-stack, self-developed technologies and fully integrated production base, we complete the vast majority of our manufacturing through core in-house operations. Our fully integrated production base is supported by digital software and features a 3D factory layout optimized for our robotic manufacturing processes. This setup allows efficient assembly and testing of our robots while making the most of available space. The components we manufactured in-house mainly include robot bodies, robot controllers, robot control cabinets, teaching pendants, welding machines, and laser sensors. To further enhance efficiency, we selectively work with contract manufacturers for specific product categories. For the years ended December 31, 2023, 2024 and 2025, our outsourced production costs accounted for 2.4%, 2.3% and 2.4% of our cost of sales for the same years, respectively.

For the years ended December 31, 2023, we engaged in limited outsourced production arrangements to supplement our in-house capabilities for selected components. These arrangements primarily involved outsourced production for the processing of certain cast parts, where materials were procured from one supplier and processed by another under our coordination. Currently, we typically require suppliers to provide fully integrated solutions on a turnkey basis (包工包料).

As of December 31, 2025, there are two main product categories for our outsourced production: (i) PCBA boards and (ii) wire harnesses. PCBA boards require specialized production lines and technical expertise. Given the maturity of related technologies and our focus on cost efficiency, we have chosen to outsource this production to third-party specialists. We currently engage three PCBA suppliers. For wire harnesses, we retain in-house production for the core and technically demanding components, while outsourcing simpler segments to third-party manufacturers. We currently rely on one principal supplier, with several smaller vendors accounting for minimal procurement value.

We primarily collaborate with six contract manufacturers for PCBA boards and wire harnesses. All of them have obtained the relevant qualifications. They are located in industrial clusters such as Chengdu, Sichuan Province and Jiaxing, Zhejiang Province. These companies hold recognized certifications including ISO9001 and IATF16949, ensuring consistent quality standards across our production processes. Outsourced production arrangements enable us to optimize operational efficiency without affecting product quality or compromising technical confidentiality. All selected suppliers are subject to our quality control protocols. Outsourcing has not had a material impact on our operating costs, product reliability, or intellectual property protection.

To the best knowledge and belief of our Directors, after making all reasonable enquiries, throughout the Track Record Period and up to the Latest Practicable Date, none of our Directors or their close associates or any shareholder who owned more than 5% of our issued and outstanding share capital as of the Latest Practicable Date had any interest in any of the contract manufacturers we engaged during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, all of such contract manufacturers were Independent Third Parties.

Production Quality Control

We adhere to stringent quality management systems covering raw material sourcing, in-process inspections, final testing, and post-production audits, ensuring that our products comply with the safety standards and quality requirements of various industries.

We partner with reliable suppliers and maintain formal quality control protocols with them. These protocols safeguard our right to pursue remedies, including claims for damages and requirements for rectification, if their products fail to meet our quality standards. We adhere to stringent quality control standards throughout our production process. Finished products also undergo rigorous inspections and testings such as burn-in tests, which verify their performance stability and reliability after long-term use. Products must obtain certification from our product quality engineers before they are packaged and shipped to our customers.

Our contract manufacturers follow a strict supplier quality management system, including factory audits, ongoing performance evaluations, and compliance with our technical specifications. Performance evaluations are conducted on a monthly, semi-annual and annual basis, taking into account key performance indicators such as defect rates and on-time delivery performance. We also regularly perform on-site inspections and sample testing to validate components before they are used in final assembly.

SALES, MARKETING AND CUSTOMERS

During the Track Record Period, our products have been sold to customers located in 40 countries or regions outside the PRC. In addition, we derived revenue from customer located in Russia during the Track Record Period. For further information, please see "– Compliance with International Sanctions and Export Control Laws and Regulations". The following table sets forth a breakdown of our revenue by location of our customers for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
China (including Hong Kong and Taiwan)	180,219	81.0	209,436	89.5	287,458	88.7
Overseas	42,146	19.0	24,603	10.5	36,770	11.3
Total	**222,365**	**100.0**	**234,039**	**100.0**	**324,228**	**100.0**

Sales Models

We adopt a multi-channel sales model to cater to the varying needs of our diverse customer base. Our primary sales models are divided into the following key categories: (a) direct sales, including (i) direct sales to system integrators, who incorporate our robots into their complex, customized robotic solutions to end customers. System integrators play a key role in industries where our products are integrated into broader manufacturing systems; and (ii) direct sales to end customers, which is predominantly targeted at large enterprises. This model enables us to engage directly with clients, providing customized products and end-to-end support. This approach allows for deeper relationships with clients, particularly in industries such as automotive and components, electronics, and new energy; and (b) distribution: we work with distributors who help us expand our reach. These distributors are responsible for product sales within their territories, while also offering after-sales service and support.

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**

For the years ended December 31, 2023, 2024 and 2025, the total number of our system integrator customers is 403, 459 and 534, respectively.

Direct sales to system integrators

Our system integrator model address complex and large-scale industrial applications, where our products are integrated into broader manufacturing systems. This model primarily targets application scenarios where the need for tailored robotic products is critical to ensure operational efficiency. System integrators are often the primary point of contact for end customers, offering complete robotic systems that are customized to meet specific operational requirements. Unlike distributors who simply resell our products, system integrators transform standardized robot units, such as the products they procured from us, into highly customized automation systems that end customers can deploy directly into production. Furthermore, system integrators often combine our robotic products with those sourced from other manufacturers to form their integrated, customized solutions or product portfolios for their clients.

System integrators play a key role in bridging the gap between our products and end users by providing end-to-end solutions, including robot installation, technical support, integration with existing systems, and maintenance. We collaborate closely with system integrators to ensure that the robotic systems are effectively incorporated into the client's production line and deliver maximum value.

According to Frost & Sullivan, a majority of sales to system integrators are an industry norm. System integrators are companies primarily engaged in the design, development, and manufacturing of customized automation solutions and corresponding equipment. They typically procure standard robots (including ours) and other standard components from robot manufacturers, and integrate them, along with their own custom-designed peripherals and software, into complete automated systems tailored to end-customer production lines. While system integrators engage in manufacturing activities, their manufacturing focus is on customized automation equipment and system integration, rather than the mass production of standardized robots. As such, based on our business model during the Track Record Period and up to the Latest Practicable Date, our Directors believe we do not directly compete with our system integrator customers.

Set forth below is a summary of typical key terms in our agreements with system integrators: (a) *payment:* payment terms for system integrators typically involve advance payment or progressive payments based on milestones achieved in the integration process. Final payment is usually made upon successful project completion and client acceptance; (b) *quality:* system integrator agreements typically include clauses that specify the required product quality standards, adherence to industry certifications, and testing procedures to ensure that the integrated system meets the customer's operational needs; (c) *product return:* returns are generally only accepted in cases of product defects or failure to meet agreed-upon specifications. Returns for other reasons are not common in system integrator agreements; and (d) *termination:* the agreement may be terminated early if either party fails to meet contractual obligations, such as sales targets, performance milestones, or quality standards. Early termination clauses typically require a formal notice period and may include penalties or compensation depending on the circumstances.

Our sales to system integrators during the Track Record Period are generally not conducted on a project-by-project basis. Our system integrator customers procure our products to incorporate into the broader automation solutions they design and then tender for end-customers on their own. We typically do not participate in joint tenders with them. During the Track Record Period and up to the Latest Practicable Date, there have been no material product returns or terminations with our system integrator customers due to a breach of agreement.

Direct sales to end customers

Our direct sales to end customers model primarily focuses on the domestic market, particularly large enterprises that require tailored robotic products for complex industrial applications. The direct sales model enables us to engage closely with customers, providing customized service delivery, on-site technical support, and turnkey project execution. This approach allows for deeper relationships with clients, particularly in industries such as automotive and components, electronics, and new energy. The industries of our direct sales end customers mainly include metal and machining, automotive and components, electronics and new energy, as well as consumer goods and healthcare.

The following table sets forth key metrics of our direct sale customers (including both direct sales to system integrators and direct sales to end customers) for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Total revenue *(RMB in thousands)*	209,575	212,179	314,399
Number of direct sale customers	619	644	777
Number of new direct sale customers[1]	351	352	462
Average direct sale customers value[2] *(RMB in thousands)*	339	329	405
Number of transactions with direct sale customers	2,551	2,606	3,188
Average transaction value of direct sale customers[3] *(RMB in thousands)*	82	81	99
Customer retention rate[4]	50.9%	47.2%	48.9%
Net dollar retention rate[5]	100.4%	100.3%	133.4%

Notes:

(1) Refers to customers who did not purchase products from us for the previous period.

(2) Calculated by dividing the revenue generated from direct sales in a given period by the number of direct sale customers who purchased our products in the same period.

(3) Calculated by dividing the revenue generated from direct sales in a given period by the number of transactions by our direct sale customers in the same period.

(4) Calculated by dividing the difference between the number of customers in the respective period and the number of new customers in the respective period by the number of customers in the immediately preceding period, multiplied by 100%.

(5) Calculated by dividing the revenue of a current period from customers of both current and previous periods by the revenue of the previous period of such customers, multiplied by 100.0%.

Set forth below is a summary of the typical key terms of our direct sales agreement: (1) *payment:* payments are typically structured as upfront payments or instalments, with terms agreed upon factors such as project size and customer preferences. Some agreements may include progressive payments tied to project milestones; (2) *quality:* quality clauses ensure that products meet ISO and industry-specific standards, with regular performance testing and final product inspections; (3) *product return:* products are generally non-returnable, except in cases of defective products or performance issues within the warranty period; (4) *product warranties:* we warrant that our products shall be free from defects in material and workmanship under normal use for a period of 12 months from the date of delivery; and (5) *termination:* either party may terminate the agreement if the other party fails to meet contractual obligations or performance targets. Early termination clauses are common in case of breaches of contract.

Distribution

Our distributors are mainly trading companies. We work with local distributors who (i) help us reach a broader audience; (ii) expand our market coverage in other less concentrated industrial clusters in the general industrial sector; or (iii) are designated by certain customers as their unified supplier for the purchase of our robotic products. Our distributors typically purchase products from us and then directly resell them without further processing or upgrading. We enter into a direct buyer and seller relationship and adopt a buyer-seller model with our distributors, whereby they assume ownership of our products upon delivery. Returns and/or exchanges are only permitted under limited circumstances, such as material quality defects. We recognize sales revenue from distributors when control over our products have been transferred to them.

Our distributors have the flexibility to determine their sales territory, and we do not grant exclusive rights, such as regional exclusivity rights, to any of our distributors. To the best knowledge of our Directors, our distributor customers during the Track Record Period did not exclusively distribute our robotic products. We work closely with distributors to ensure that they have the necessary resources, including technical training, marketing support, and product knowledge to sell and service our products effectively. Although distributors are typically not subject to specific sales targets, prescribed selling prices, or restrictions on appointing sub-distributors, they must comply with our review process to ensure that they are aligned with our brand and service standards. We typically enter into standard agreements with our distributors. However, depending on the country where a specific distributor is located, the terms could be different due to local laws and regulations.

The following table sets forth key metrics of our distributors for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Total revenue *(RMB in thousands)*[1]	12,790	21,860	9,829
Number of distributors[2]	18	21	19
– Chinese mainland	14	16	18
– Overseas	4	5	1
Number of terminated distributors[2]	6	10	14
Number of new distributors[3]	11	13	12
Average distributor value[4] *(RMB in thousands)*	711	1,041	517
Number of transactions with distributors	82	75	53
Average transaction value of distributors[5] *(RMB in thousands)*	156	291	185
Customer retention rate[6]	53.8%	44.4%	33.3%
Net dollar retention rate[7]	127.3%	35.9%	44.1%

Notes:

(1) The increase in total revenue from distributors in 2024 was due to Customer A (one of our five largest customers in 2023, 2024 and 2025, respectively) starting to transact with us through its distributor entity instead of its system integrator entity. In 2024 and 2025, the revenue generated from such distributor entity of Customer A amounted to RMB17.3 million and RMB7.7 million, respectively. Our average transaction value per distributor is highly skewed by the significant contribution from Customer A. Excluding Customer A, the average transaction value per distributor was approximately RMB227,100 in 2024 and RMB119,889 in 2025, respectively. For details of Customer A, please refer to "– Sales, Marketing and Customers – Our Customers".

We do not anticipate concentration risks arising from Customer A, as we chose to cease transactions with it since September 30, 2025. For details, please refer to "– Compliance with International Sanctions and Export Control Laws and Regulations".

(2) Except for Customer A as disclosed above, the termination of our relationships with other distributors during each of the relevant years was primarily attributable to adjustments in their procurement activities arising from their own business operations. The decrease in average transaction value per distributor (excluding Customer A), which led to a corresponding decline in revenue contribution from these distributors, was also largely due to such adjustments. No disputes arose between us and these distributors with whom we ceased cooperation during the respective years.

(3) We have a limited number of distributor customers, and we maintain long-term friendly relationships with them. However, these distributors typically only initiated orders upon receiving requests from their end-customers, which does not necessarily recur every year. For the calculation of this table, the number of new distributors refers to customers who did not purchase products from us for the previous period, but did purchase for the current period. In addition, no purchase for the current period does not necessarily indicate a permanent termination of the business relationship, as these distributors may resume purchasing from us in future periods.

(4) Calculated by dividing the revenue generated from distributorship in a given period by the number of distributors who purchased our products in the same period.

(5) Calculated by dividing the revenue generated from distributorship in a given period by the number of transactions by the distributors in the same period.

(6) Calculated by dividing the difference between the number of distributors in the respective period and the number of new distributors in the respective period by the number of distributors in the immediately preceding period, multiplied by 100%.

(7) Calculated by dividing the revenue of a current period from distributors of both current and previous periods by the revenue of the previous period of such distributors, multiplied by 100.0%.

During the Track Record Period and up to the Latest Practicable Date, we had no material disputes or lawsuits with distributors. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge and belief of our Directors, after making all reasonable enquiries, all of our distributors were Independent Third Parties.

In addition to above, other major terms of our standard agreements with our distributors include: (1) *duration:* typically lasts for one year; (2) *payment:* in most cases, credit terms will be granted depending on the relationship and market conditions, typically ranging from 3 months to 12 months. In addition, we also require full prepayment for certain distributors who have not established long-term collaboration with us and have a relatively small purchase amount; (3) *delivery:* The method of delivery and the allocation of associated logistics costs shall be subject to mutual agreement between the parties; and (4) *termination:* agreements can be terminated early if the distributor breaches its obligations, such as deliberately lowering prices to disrupt the market. We reserve the right to terminate the agreement for material breach, including upon the discovery of any severe and willful market disruption through predatory pricing by a distributor.

Our standard agreements with domestic and overseas distributors contain substantially similar terms. Except for provisions that may vary to comply with applicable local laws and regulations, such as dispute resolution clauses, there are no material differences in the key terms across jurisdictions.

Distributor management

We conduct reviews of our distributors to ensure that their business practices are in line with our requirements and standards. In addition, we regularly communicate our market discipline expectations to distributors, which primarily include maintaining orderly market competition, avoiding improper competition for the same end customers, and refraining from practices that may disrupt market order. As a result, our distributor customers have developed a practice of proactively maintaining market order. When engaging with potential downstream customers, they typically check whether our products have already been sold to such end customers through our other system integrator or distributor customers, and will refrain from competing for such customers in such cases. To prevent cannibalization, a distributor's adherence to market discipline is also taken into account as part of our review process. Underperforming distributors will be subject to more restrictive support policies in the following year, for examples, adjustments to the payment term, downgrading of the credit tier, or revocation of relevant distribution qualifications.

Channel stuffing risk management

To reduce risks associated with channel stuffing under the distributorship model, we have implemented a strict set of controls and protocols, primarily including (i) adopting a strict product return policy where product returns are only permitted in cases of confirmed product defects; and (ii) not requiring our distributor customers to place orders in the absence of requests from their end-customers, instead allowing distributors to proactively place orders based on their assessment of market demand and internal capacity. Such arrangement fosters a more sustainable distribution practice that aligns inventory levels with actual demand. To the best knowledge of our Directors, our distributor customers during the Track Record Period typically only initiated orders upon receiving requests from their end-customers. According to Frost & Sullivan, the distribution model in the industrial robotics industry differs significantly from that of traditional industries, primarily due to the sector's nascent stage. Unlike conventional distributors, those for industrial robots typically operate reactively, initiating orders only upon receiving requests from end-customers. This is because industrial robots are characterized by durability and specialized applications, unlike mass-market consumer goods. Consequently, sales in this sector are typically order-driven transactions. In addition, we adopt a buyer-seller model with our distributors, whereby they assume ownership of our products upon delivery, and returns and/or exchanges are only permitted under limited circumstances, such as material quality defects. Based on the above, our Directors believe that, even though we do not monitor our distributors' inventory levels or the amount of unsold inventory at the end of each year/period during the Track Record Period, the risk of channel stuffing in our distribution channel is effectively mitigated.

Pricing Policy

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. In addition, we continuously assess the competitive landscape with the aim of keeping our pricing remains aligned with industry standards while reflecting the value we deliver. Customer feedback also plays a key role in refining our pricing strategy, allowing us to adapt to evolving customer expectations and changing market conditions.

Our Marketing Efforts

We adopt a multi-channel marketing approach, leveraging both traditional marketing methods and digital platforms to reach a broad audience. Our efforts are focused on building brand awareness, engaging with key customer segments, and promoting our core products. Our marketing initiatives are strategically aligned with our sales objectives and regional expansion.

We form strategic partnerships with key players in the industrial robotics market to enhance our market visibility and expand our reach. These partnerships are complementary to our in-house R&D strategy. They do not involve outsourcing any material R&D work related to the structure, control system, software development and algorithms of our robotic products, nor do they involve sharing our material intellectual property rights.

We exhibit at global events and regional exhibitions focused on robotics, automation, and new energy technologies. For example, at the 2023 SCHWEISSEN & SCHNEIDEN in Germany, we successfully established partnerships with new system integrators in Italy and Slovenia.

During the Track Record Period, we attend tenders occasionally. The following table sets forth key information relating to our tendering activities for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
Number of tenders submitted	7	4	6
Number of tenders awarded	3	3	4
Success rate	42.9%	75.0%	66.7%
Backlog value[1] as of year end *(RMB'000)*	nil	1,983.3	385.7
Revenue contribution (absolute amount) *(RMB'000)*	717.0	78.9	4,132.1
Revenue contribution (as % of total revenue)	0.3%	0.03%	1.3%

Notes:

(1) Represents the value of sales orders under such tenders that have not yet been fulfilled by us as of the respective year end.

(2) Represents the products delivered by us to customers under such tenders during the respective year.

We delivered our robots and components used in our robots to customers under such tenders. During the Track Record Period, our sales volume for robots through tender was 10 units, 1 unit and 30 units, respectively.

Our tender customers during the Track Record Period mainly include automotive parts manufacturers, heavy equipment manufacturers, electric vehicle manufacturers and vocational schools. These customers issue tenders on their official websites or tender platforms in accordance with their internal procurement policies. We only participate in tenders where the scope covers our product offerings, and where we can meet the technical and commercial requirements.

The table below sets forth, as of the dates indicated, a breakdown of our order backlog value (representing the value of sales orders that have not yet been fulfilled by us).

	As of December 31,		
	2023	**2024**	**2025**
		(RMB in millions)	
Sale of products			
(i) Industrial robots			
– Six-axis	13.3	18.4	27.0
– Four-axis	0.8	1.7	4.6
(ii) Collaborative robots	0.8	1.2	6.7
(iii) Embodied intelligent robots	0.8	0.6	10.7
(iv) Other products	0.6	0.5	1.8
Total	**16.3**	**22.4**	**50.8**

Marketing communication and brand building

Our brand-building efforts are centered on establishing our leadership in the industrial robotics market. To achieve this, we focus on several key strategies. We engage in public relations by collaborating with industry publications and media outlets to share our expertise and insights, product innovations, and case studies. Additionally, we contribute to industry reports and market analyses to further enhance our visibility. To promote product education and training, we offer training sessions, workshops, and webinars aimed at educating both potential customers and existing users on the benefits of robotic automation.

Third-Party Payment Arrangement

During the Track Record Period, certain of our customers (the "**Relevant Customer(s)**") settled payments with us through accounts that do not belong to the contractual parties under the corresponding sales and purchase agreements (the "**Third-Party Payment Arrangements**"). In 2023, 2024 and 2025, the aggregate amount settled under the Third-Party Payment Arrangements amounted to RMB0.8 million, RMB0.3 million and RMB1.6 million, respectively, which accounted for 0.3%, 0.1% and 0.4% of our total revenue in 2023, 2024 and 2025, respectively. We have ceased accepting any third-party payment since September 2025.

Of the third-party payors involved during the Track Record Period: (i) one is a commercial bank from which the Relevant Customer obtained its banking facilities; and (ii) the remaining payors are duly registered companies. These arrangements arose because such payors share the same ultimate controller with the Relevant Customer, or their ultimate controllers are related by kinship, except for one Relevant Customer that adopted third-party payment arrangements due to restrictions imposed by the foreign government. This practice aligns with their internal financial management practices, enabling unified fund management and offering greater convenience, such as centralized fund administration across entities under common control or with similar affiliated relationships, and settlement arrangements facilitated by banking facilities. According to Frost & Sullivan, it is not uncommon for enterprises in the industrial robot industry to engage in third-party payment arrangements.

Where third-party payment arrangements are proposed under special circumstances, our business and legal departments conduct pre-contract reviews to assess the legitimacy of the third-party payor, its relationship with the relevant customer, and the reasonableness of the proposed payment arrangement. Such assessments are performed through multiple channels and platforms prior to contract execution. In addition, to safeguard us against risks associated with Third-Party Payment Arrangements, we have implemented a series of mitigation measures and enhanced internal control measures. We required the Relevant Customers to communicate with us the relevant information, including, among others, the reasons for the Third-Party Payment Arrangements and the identity of the involved third-party payors. In addition, in most cases, we required the Relevant Customers and the third-party payor to enter into a tri-party agreement with us (the "**tri-party agreement**") to reflect such arrangement. If such tri-party agreement is not available, we requested the Relevant Customers to provide us with a letter for the delegation of payment (the "**letter**").

As advised by our PRC Legal Advisor, the tri-party agreements entered into by the Relevant Customer, the relevant third-party payor, and us setting out a joint payment obligation will, once in force, constitute a valid and binding obligation on the relevant third-party payor if the applicable law of such tri-party agreements is the law of the PRC. Our PRC Legal Advisor has further confirmed that the Third-Party Payment Arrangement by itself does not contravene or circumvent the applicable laws and regulations in the PRC (including anti-money laundering laws) in all material aspects, provided that the receipt of payment was performed solely as the settlement of sales of goods or services and not related to any criminal or illegal proceeds or gains. The Directors of our Company are of the view that: (i) no material issue relating to the genuineness, source of funding and legal implications of the underlying transactions was identified; (ii) the Third-Party Payment Arrangements did not involve money laundering activity; (iii) the Relevant Customers and the respective third-party payor were independent from the Group and the Directors, and the settlements made by the third-Party payor were not financed, directly or indirectly, by the Company, its subsidiaries, shareholders, directors, senior management, or any of their respective close associates; and (iv) since no new third party payment arrangement has been identified since November 2025, the enhanced internal control measures are adequate and effective. Based on the due diligence conducted by the Sole Sponsor, the Sole Sponsor is of the view that nothing has come to its attention that would need to be brought to the attention of the Stock Exchange as to the view expressed by our Directors as stated above.

Our Customers

Our primary customers are system integrators. We serve both direct-sale customers and, to a lesser extent, distributors. For more information, please refer to "– Sales Models" above. Our products are utilized by institutions across various sectors, including manufacturing, where automation plays a crucial role in enhancing operational efficiency. Through these diverse customer relationships, we earned customer trust in the market and continue to expand our reach by providing innovative products tailored to meet the needs of each customer segment. For details, please refer to "– Sales Models" above.

For the years ended December 31, 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. For the years ended December 31, 2023, 2024 and 2025, revenue from our largest customer in each respective year was RMB23.1 million, RMB17.3 million and RMB11.8 million, respectively, accounting for 10.4%, 7.4% and 3.6% of our total revenue for the same years, respectively.

The following table sets forth the details of the five largest customers in each year during the Track Record Period.

For the year ended December 31, 2023

Rank	Customer	Customer type	Major type of products provided	Year of initial cooperation	Payment method	Credit terms	Revenue	Of total revenue
							RMB'000	*%*
1.	Customer A[(1)]	System integrator	Six-axis industrial robots and four-axis industrial robots	2020	Bank transfer	120 days	23,108	10.4
2.	Customer B[(2)]	System integrator	Six-axis industrial robots	2019	Bank transfer or bank acceptance bill	Up to 90 days	5,775	2.6
3.	Customer F[(3)]	System integrator	Six-axis industrial robots	2021	Bank transfer or bank acceptance bill	Up to 90 days	4,605	2.1
4.	Customer E[(4)]	System integrator	Embodied intelligent robots and six-axis industrial robots	2021	Bank transfer or bank acceptance bill	Full payment before delivery	4,559	2.1
5.	Customer C[(5)]	System integrator	Six-axis industrial robots	2020	Bank transfer or bank acceptance bill	Up to 90 days	4,421	2.0

For the year ended December 31, 2024

Rank	Customer	Customer type	Major type of products provided	Year of initial cooperation	Payment method	Credit terms	Revenue	Of total revenue
							RMB'000	*%*
1.	Customer A[(1)]	Distributor	Collaborative robots, six-axis industrial robots, four -axis industrial robots, and embodied intelligent robots	2020	Bank transfer	Up to 90 days	17,318	7.4
2.	Customer E	System integrator	Embodied intelligent robots and six-axis industrial robots	2021	Bank transfer or bank acceptance bill	Full payment before delivery	8,258	3.5
3.	Customer F	System integrator	Collaborative robot, and six-axis industrial robots	2021	Bank transfer or bank acceptance bill	Up to 90 days	6,279	2.7
4.	Customer G[(6)]	System integrator	Collaborative robots, six-axis industrial robots, and four -axis industrial robots	2024	Bank transfer or bank acceptance bill	Up to 180 days	5,261	2.2
5.	Customer H[(7)]	System integrator	Six-axis industrial robots	2024	Bank transfer or bank acceptance bill	90 days	4,015	1.7

For the year ended December 31, 2025

Rank	Customer	Customer type	Major type of products provided	Year of initial cooperation	Payment method	Credit terms	Revenue	Of total revenue
							RMB'000	*%*
1.	Customer G[(6)]	System integrator	Six-axis industrial robots	2024	Bank transfer or bank acceptance bill	Up to one year	11,802	3.6
2.	Customer F	System integrator	Six-axis industrial robots	2021	Bank transfer or bank acceptance bill	Up to 90 days	10,953	3.4
3.	Customer J[(8)]	System integrator	Six-axis industrial robots and collaborative robots	2019	Bank transfer or bank acceptance bill	Up to 90 days	10,011	3.1
4.	Customer B	System integrator	Six-axis industrial robots	2019	Bank transfer or bank acceptance bill	Up to 90 days	7,935	2.4
5.	Customer A[(1)]	Distributor	Collaborative robots, six-axis industrial robots, and four -axis industrial robots	2020	Bank transfer	Up to 90 days	7,671	2.4

Note:

(1) Company A, comprised of two entities with principal operations in Russia and Chinese Mainland, is primarily engaged in integrating and trading of mechanical equipment. Its Chinese Mainland Entity's registered capital is approximately RMB1.0 million. Its entity in Russia mainly serves downstream customer in Russia and central Asia in the automotive manufacturing, electronics assembly, home appliance manufacturing, food packaging, material handling, and agricultural machinery industry for application scenarios such as industrial welding automation, handling and assembly, precision machining and milling, palletizing and warehouse automation, spraying and surface treatment automation. Its entity in Chinese Mainland primarily serves as a distributor in mechanical equipment, office equipment, chemical raw materials, daily necessities and electrical appliance. In 2023, transactions with Customer A were conducted through its Russia-based entity (a system integrator). In 2024 and 2025, transactions were conducted through another entity of Customer A located in the PRC (a distributor), Please also refer to "– Compliance with International Sanctions and Export Control Laws And Regulations" below.

(2) Customer B is a company primarily engaged in software development, as well as the sales of intelligent robots and industrial robots with its principal place of operations in Chengdu. Its registered capital is approximately RMB10.0 million. It mainly serves downstream customers in the new energy vehicle, electric vehicle manufacturing, metal products and agricultural machinery industries in western China and to the whole country for application scenarios such as robot welding, robot handling/palletizing, robot spraying/glue application, robot machine tending.

(3) Customer F is a company primarily engaged in the sales of industrial robots and provides technical services with its principal place of operations in Zhangjiakou, Hebei. Its registered capital is approximately RMB5.0 million. It mainly serves downstream customers in agricultural machinery, two-wheeler vehicles, fitness equipment, and steel-wood furniture industries in northern China and to the whole country for application scenarios such as robot standalone workstation, agricultural machinery parts, fitness equipment.

(4) Customer E is a company primarily engaged in the manufacturing and sales of industrial robots with its principal place of operations in Weifang, Shandong. Its registered capital is approximately RMB30.0 million. It mainly serves downstream customers in power/communication tower manufacturing, automotive parts manufacturing industries in northern China and to the whole country for application scenarios such as robot welding workstation for towers.

(5) Customer C is a company primarily engaged in the manufacturing of industrial automatic control system equipment and provides technical services robots with its principal place of operations in Jiangsu province. Its registered capital is approximately RMB10.0 million. It mainly serves downstream customers in furniture, automotive parts, construction, power, and transportation industries in eastern China and to the whole country for application scenarios such as robot welding, handling and palletizing.

(6) Customer G, comprised of three entities in Chinese Mainland and primarily engaged in the provision of mechanical and electrical equipment, robots, and automation system integration equipment with its principal place of operations in Chongqing. Its registered capital is approximately RMB12.0 million. It mainly serves downstream customers in furniture manufacturing, general machinery, two-wheeler manufacturing, machine tool loading and unloading industries in Vietnam for application scenarios such as industrial welding automation, handling and assembly. Our credit terms granted to Customer G were extended from 180 days to one year, primarily in response to the business needs of Customer G and certain of its customers' prolonged payment cycles during the relevant period.

(7) Customer H is a company primarily engaged in the R&D and manufacturing of customized automation solutions and corresponding equipment with its principal place of operations in Shenzhen, Guangdong. Its registered capital is approximately RMB20.0 million. It mainly serves downstream customers in consumer electronics industry in China and Southeast Asia for application scenarios such as motion implementation in automation processes, including assembly, handling, inspection, etc.

(8) Customer J is a company primarily engaged in the manufacturing and sales of robot systems with its principle place of operations in Guangdong province. Its registered capital is RMB10.0 million. It mainly serves downstream customers in new energy sightseeing car, electric vehicle manufacturing industries in Southern China and to the whole country for application scenarios such as robotic welding, robotic handling/palletizing, robotic machine tending.

Our Directors confirm that throughout the Track Record Period and up to the Latest Practicable Date, all of our five largest customers for each of the years during the Track Record Period were Independent Third Parties and they have no past or present relationships (including, but not limited to, employment, trust, financing, or family relationship) with our Group, our Directors, Shareholders, senior management or any of their respective associates. Our Directors confirm that, throughout the Track Record Period and up to the Latest Practicable Date, none of our Directors and their respective close associates or any of the Shareholders, whom to the best knowledge of our Directors own more than 5% of the issued Shares immediately after the completion of the **[REDACTED]**, has any interests in any of our five largest customers for each of the years/periods during the Track Record Period.

After-sale Services

Our after-sale services are designed to support our customers throughout the entire lifecycle of our robotic products, from preliminary evaluation and technical support to ongoing maintenance. Upon delivery, we provide on-site installation to ensure our robotic systems are seamlessly integrated into our customers' operations. Our team works closely with each client to tailor the installation process to their specific needs. In addition, we offer training sessions that equip both new users and existing personnel with the knowledge and skills required to operate and maintain the systems effectively.

In terms of technical support, we provide "24/7" assistance through multiple channels, including phone, WeChat, and remote access. For more complex situations, we have field technicians ready to provide on-site support when needed. We provide a comprehensive warranty on all our products, which covers components as well as associated peripherals. We offer repair or replacement services at no additional cost to the customer. During warranty period, and offer paid repair services and replacement parts to keep operations running smoothly. We maintain inventory for spare parts to ensure that customers can quickly access the parts they need.

We also prioritize customer feedback and actively seek input from our clients to improve both our products and services. Through regular follow ups, we assess the performance of our products, address any concerns, and ensure that our systems continue to meet our customers' needs. We have a process in place for managing customer complaints, ensuring quick resolution and maintaining customer satisfaction. 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.

RAW MATERIALS AND SUPPLIERS

Raw Materials and Components

For the years ended December 31, 2023, 2024 and 2025, our total cost of raw materials and components amounted to RMB135.0 million, RMB135.4 million and RMB180.1 million, respectively, accounting for 83.3%, 83.1% and 82.8% of our total cost of sales for the respective years, respectively.

We manufactured certain components in-house, which mainly included robot bodies, robot controllers, robot control cabinets, teaching pendants, welding machines, and laser sensors. In addition, we also procured raw materials and components from external suppliers. 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.

Our procurement strategy is designed to balance cost efficiency and supply chain resilience. Throughout the Track Record Period, in terms of procurement amount, approximately 95.0% of the raw materials for key raw materials and components of our robotic products are sourced domestically, and both control and electrical systems for our products are self-developed in-house. Though we mainly source from domestic suppliers, we also maintain a small amount of foreign raw materials and components procured through Chinese agents. This dual approach ensures that we can maintain a steady flow of materials while ensuring the best balance of quality, cost, and technological advancement.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any shortage of raw materials and components that resulted in interruptions in our production. We believe our stable relationships with our suppliers will continue to ensure an adequate and stable supply of raw materials and components as well as manage fluctuations of prices of our raw materials and components in the future. We did not experience any quality issues with our raw materials and components during the Track Record Period and up to the Latest Practicable Date that materially affected our operations.

Our Suppliers

Supplier management system

Our supplier management system is structured to ensure that all suppliers adhere to our rigorous quality standards, fostering long-term, strategic relationships. Key elements of our supplier management system include: (1) we maintain an approved supplier list for key raw materials and components. Suppliers are thoroughly evaluated based on factors such as qualifications, certifications, financial stability, and performance history. The supplier onboarding process typically takes over three months, including pre-screening, on-site inspections, and assessments of production capacity and quality assurance systems; (2) our procurement, engineering, and quality assurance teams conduct periodic evaluations of suppliers based on critical performance metrics; (3) we maintain a multi-supplier strategy that ensures that we are not dependent on a single source, enhancing the resilience and stability of our supply chain; (4) for price increases in key raw materials and components, we assess their reasonableness by comparing supplier quotes, reviewing current market material prices, and conducting cost analysis. During the Track Record Period and up to the Latest Practicable Date, we have neither experienced material price fluctuations of key raw materials and components, nor have we engaged in any hedging activities against raw material price fluctuations; (5) we maintain real-time monitoring and records of our raw material inventory levels, and adjust such levels in a timely manner based on our production plans to ensure adequate inventory for our operations. We also conduct rolling inventory preparation in line with the delivery cycles of multiple suppliers, as well as maintain a qualified list of alternative suppliers, to mitigate potential risks of raw material supply shortages; (6) our quality control process is stringent and multi-layered. New materials undergo rigorous sample testing, small-batch trials, and full-scale production runs to ensure they meet our technical specifications. Suppliers who fail to meet our quality standards during initial testing are disqualified after two failed trials.

Agreement with suppliers

Our agreements with suppliers typically cover the following key terms: (1) *contract duration and renewal:* our framework agreements generally have a fixed term of one year and are subject to renewal upon mutual agreement. Purchase orders are issued under such framework agreements or on a standalone basis, depending on business needs; (2) *product specifications and quality standards:* product names, technical specifications, quantities, unit prices, and expected delivery dates are typically clearly stated in the purchase order. Raw materials and components must comply with our technical specifications and quality requirements. If quality issues arise, suppliers are obligated to repair, replace, or refund the defective goods. Additional penalties may apply in accordance with separately signed quality target documents; (3) *delivery terms and logistics:* deliveries are made to designated locations as specified in the purchase order, typically on a DDP basis, with transportation costs and in-transit risk borne by the supplier. Timely delivery is essential. In the event of delay beyond the agreed date without prior written approval, we are entitled to claim liquidated damages; (4) *payment:* the purchase orders set out specific payment terms depending on the type of materials and/or components to be procured; (5) *amendments and variations:* neither party may unilaterally amend the agreement. Any proposed changes must be initiated in writing and agreed upon by both parties through execution of a supplemental agreement or confirmation of a variation order; (6) *breach of contract and liability:* suppliers who fail to meet contractual obligations may be subject to penalties, payment withholdings, and termination of the agreement. Liability extends to direct losses and may include consequential damages such as reputational or regulatory exposure; and (7) *termination rights:* either party may terminate this agreement upon prior written notice to the other party. Each party shall be entitled to terminate this agreement immediately upon the occurrence of a material breach or insolvency of the other party.

For agreements with our suppliers of key raw materials, components and outsourced manufacturing, the principal terms are generally consistent with those specified in our supplier framework agreements.

Major suppliers

For the years ended December 31, 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. For the years ended December 31, 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. Please also see "Risk Factors – Risks Relating to our General Operations and Industry – 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" in this document.

The following table sets forth the details of the five largest suppliers in each year during the Track Record Period.

For the year ended December 31, 2023

Rank	Supplier	Supplier's background	Type of products purchased	Year of initial cooperation	Payment method	Credit terms	Purchase amounts	Of total purchase amounts
							RMB'000	%
1.	Supplier A	A company primarily engaged in the provision of RV reducers, RV input shafts and other related products. Supplier A is a subsidiary controlled by Shuanghuan Driveline, a minority shareholder holding approximately 1.20% of our total issued shares as of the Latest Practicable Date. For more information, please refer to "History, Development and Corporate Structure – **[REDACTED]** Investments – Our Other Sophisticated Independent Investors – Shuanghuan Driveline" in this document.	RV reducers (a type of joint reduction gears (關節減速器)) and RV input shafts	2020	Bank transfer, bank acceptance bill or other forms that have been agreed by written consent	60 days	28,451	22.8
2.	Supplier B	A company primarily engaged in the provision of servo motors and related products.	Servo motors	2017	Bank transfer, bank acceptance bill, or any other method the buyer deemed fit	90 days	12,683	10.2
3.	Supplier D	A company primarily engaged in the provision of welding machines and other related products.	Welding machines	2018	Bank transfer, bank acceptance bill, or any other method the buyer deemed fit	30-90 days	10,161	8.2
4.	Supplier F	A company primarily engaged in the provision of servo motors and related products.	Servo motors	2021	Bank transfer or bank acceptance bill	30 days	5,464	4.4
5.	Supplier G	A company primarily engaged in the provision of sheet metal cabinets, mounting brackets and other related products.	Sheet metal cabinets and mounting brackets	2018	Bank transfer, bank acceptance bill, or any other method the buyer deemed fit	60-120 days	3,618	2.9

For the year ended December 31, 2024

Rank	Supplier	Supplier's background	Type of products purchased	Year of initial cooperation	Payment method	Credit terms	Purchase amounts	Of total purchase amounts
							RMB'000	%
1.	Supplier A	A subsidiary of a company listed on Shenzhen Stock Exchange and primarily engaged in the provision of RV reducers, RV input shafts and other related products. Supplier A is a subsidiary controlled by Shuanghuan Driveline, a minority shareholder holding approximately 1.20% of our total issued shares as of the Latest Practicable Date. For more information, please refer to "History, Development and Corporate Structure – **[REDACTED]** Investments – Our Other Sophisticated Independent Investors – Shuanghuan Driveline" in this document.	RV reducers (a type of joint reduction gears (關節減速器)) and RV input shafts	2020	Bank transfer, bank acceptance bill or any other method the buyer deemed fit	60 days	22,890	18.2
2.	Supplier B	A company primarily engaged in the provision of servo motors and related products.	Servo motors	2017	Bank transfer, bank acceptance bill, domestic letter of credit or any other method the buyer deemed fit	90 days	9,794	7.8
3.	Supplier C	A company primarily engaged in the provision of harmonic drives and related products.	Harmonic drives	2018	Bank transfer, bank acceptance bill or any other method the buyer deemed fit	Up to 90 days	7,593	6.0
4.	Supplier D	A company primarily engaged in the provision of welding machines and other related products.	Welding machines	2018	Bank transfer, bank acceptance bill, domestic letter of credit or any other method the buyer deemed fit	30-90 days	7,478	6.0
5.	Supplier G	A company primarily engaged in the provision of sheet metal cabinets, mounting brackets and other related products.	Sheet metal cabinets and mounting brackets	2018	Bank transfer, bank acceptance bill, domestic letter of credit or any other method the buyer deemed fit	60-120 days	3,392	2.7

For the year ended December 31, 2025

Rank	Supplier	Supplier's background	Type of products purchased	Year of initial cooperation	Payment method	Credit terms	Purchase amounts	Of total purchase amounts
							RMB'000	%
1.	Supplier A	A subsidiary of a company listed on Shenzhen Stock Exchange and primarily engaged in the provision of RV reducers, RV input shafts and other related products. Supplier A is a subsidiary controlled by Shuanghuan Driveline, a minority shareholder holding approximately 1.20% of our total issued shares as of the Latest Practicable Date. For more information, please refer to "History, Development and Corporate Structure – **[REDACTED]** Investments – Our Other Sophisticated Independent Investors – Shuanghuan Driveline" in this document.	RV reducers (a type of joint reduction gears (關節減速器)) and RV input shafts	2020	Bank transfer, bank acceptance bill or any other method the buyer deemed fit	60 days	46,384	20.2
2.	Supplier B	A company primarily engaged in the provision of servo motors and related products.	Servo motors	2017	Bank transfer, bank acceptance bill, domestic letter of credit or any other method the buyer deemed fit	90 days	20,529	8.9
3.	Supplier C	A company primarily engaged in the provision of harmonic drives and related products.	Harmonic drives	2018	Bank transfer, bank acceptance bill, domestic letter of credit or any other method the buyer deemed fit	Up to 90 days	9,704	4.2
4.	Supplier G	A company primarily engaged in the provision of sheet metal cabinets, mounting brackets and other related products.	Sheet metal cabinets and mounting brackets	2018	Bank transfer, bank acceptance bill or any other method the buyer deemed fit	60-120 days	6,196	2.7
5.	Supplier H	A company primarily engaged in the provision of cast iron parts, machined parts and related products.	Cast iron parts, machined parts	2024	Bank transfer, bank acceptance bill or domestic letter of credit	30 days	4,347	1.9

Our Directors confirm that throughout the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers for each of the years or period during the Track Record Period were Independent Third Parties and they have no past or present relationships (including, but not limited to, employment, trust, financing, or family relationship) with our Group, our Directors, Shareholders, senior management or any of their respective associates. Our Directors confirm that, throughout the Track Record Period and up to the Latest Practicable Date, none of our Directors and their respective close associates or any of the Shareholders, whom to the best knowledge of our Directors own more than 5% of the issued Shares immediately after the completion of the **[REDACTED]**, has any interests in any of our five largest suppliers for each of the years/periods during the Track Record Period. Our Directors confirm that, throughout the Track Record Period and up to the Latest Practicable Date, 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.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

According to Frost & Sullivan, the industrial robotics industry comprises multiple specialized segments, including component design and manufacturing, robot design and development, manufacturing, assembly and integration, and algorithm and software development. To satisfy the evolving demands of customers, market players in the industry often procure products or services from peers to deliver comprehensive products or solutions. As a result, it is common for upstream and downstream enterprises within the industry to engage in transactions with each other as both suppliers and customers. This overlap between customers and suppliers reflects the highly interconnected nature of the industrial robotics ecosystem facilitating mutual growth and innovation across the industry.

The table below sets forth the gross profit and gross profit margin of our overlapping customers and suppliers during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	*Gross profit margin*	*Gross profit*	*Gross profit margin*	*Gross profit*	*Gross profit margin*
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Customer B	1,811	31.4	1,140	34.6	2,597	32.7
Supplier A	49	27.5	–	–	1	70.3
Supplier B	–	–	183	23.8	150	25.3
Supplier D	26	28.9	–	–	18	36.6

For sales to Customer B, the gross profit margin was not materially different from our overall gross profit margin for the respective periods. For sales to Suppliers A, B and D, the gross profit margins deviated from our overall gross profit margin. This was primarily attributable to the small transaction volumes involved as disclosed below, as well as the inherent variability in gross profit margins across different robot series and models.

During the Track Record Period, none of our five largest customers in each year or period was also among our five largest suppliers for the same period. To the best knowledge of our Directors, the industrial robots purchased by our major suppliers as mentioned above are for their own use.

During the Track Record Period, we mainly provided six-axis industrial robots to Customer B, which was among our major customers and also served as a supplier. Customer B provided robot bases to us. For the years ended December 31, 2023, 2024 and 2025, our purchase amounts attributable to Customer B amounted to approximately nil, RMB0.2 million and RMB0.06 million respectively, accounting for approximately nil, 0.2% and 0.03% of our purchases for the corresponding years, respectively.

During the Track Record Period, we purchased RV reducers and RV input shafts from Supplier A, servo motors from Supplier B and welding machines from Supplier D, all of which were among our major suppliers and also served as customers.

We mainly provided six-axis industrial robots to Supplier A, four-axis industrial robots and six-axis industrial robots to Supplier B, and six-axis industrial robots to Supplier D. For the years ended December 31, 2023, 2024 and 2025, our revenue derived from them amounted to RMB0.3 million, RMB0.8 million and RMB0.6 million respectively, accounting for approximately 0.1%, 0.3% and 0.2% of our revenue for the corresponding years, respectively.

Negotiations of the terms of our sales to and purchases from the overlapping customer and supplier were conducted on a case-by-case basis and purchases were neither interconnected nor inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from these overlapping customers and suppliers were entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on arm's length basis. The contractual terms were substantially the same as those with our other customers and suppliers. To the best knowledge of our Directors, all of these parties were Independent Third Parties.

INVENTORY, WAREHOUSING AND LOGISTICS MANAGEMENT

Inventory and Warehousing

Our inventories comprise (i) raw materials and components; (ii) finished goods; (iii) materials consigned for processing and work in progress, and (iv) goods in transit. Our materials consigned for processing primarily consisted of certain wiring harnesses and PCBA boards, which were outsourced to third-party suppliers. For more information about our outsourced production, please refer to "– Our Production – Outsourced Production".

As of December 31, 2023, 2024 and 2025, our inventories were RMB94.5 million, RMB82.5 million and RMB108.7 million, respectively. See "Financial Information – Discussion of Certain Key Consolidated Statements of Financial Position – Current Assets – Inventories." We have a strict inventory control policy to monitor our inventory levels to minimize obsolete inventory. To effectively manage our inventory, we rely on a centralized Enterprise Resource Planning ("**ERP**") system integrated with warehouse-level Warehouse Management System ("**WMS**") modules. This integration allows us to monitor real-time stock levels, track inventory movements, and trigger automated restocking alerts. Our inventory write-down policy is aligned with accounting standards and involves regular reviews of aging inventory. When inventory becomes obsolete or impaired, it is written down to its net realizable value, taking into account factors such as aging status, replacement cost, and market conditions. This process ensures that our inventory is accurately valued and that any losses are accounted for in a timely manner.

We ensure that all transportation risks, including damage or loss during transit, are backed by clear terms. The logistics agreements with our providers include clear terms regarding compensation for damages or losses, providing us with a secure and reliable transportation framework. Throughout the Track Record Period and up to the Latest Practicable Date, we have not experienced any material delays, disputes, or transportation-related losses that significantly impacted our business operations. We have worked effectively with our logistics partners to ensure smooth and timely deliveries, minimizing the risk of stockouts or delays in distribution.

SEASONALITY

We are subject to slight seasonality that impacts our financial performance, driven by our customers' business practices. Typically, we record higher revenue during the second and fourth quarters, primarily because (i) many customers tend to concentrate their order placements and/or complete their inspection toward the end of the calendar year driven by their annual budget practices, and (ii) customers generally tend to schedule their procurement before or after the Spring Festival in China as well as the major holidays in overseas markets, many of which are in the fourth quarter, to avoid potential supply chain issues associated with the holidays. According to Frost & Sullivan, such seasonality is generally prevalent in the industrial robotics market.

PROPERTIES

We operated our business through a combination of owned land use rights, self-owned buildings, and leased properties in both domestic and overseas markets. As of the Latest Practicable Date, we hold one parcel of owned land use rights in Chengdu, Sichuan province, PRC, with a total land area of 13,333.31 sq.m, primarily used for production plant, R&D centers, and headquarters offices. Additionally, we own three buildings at the same location in Chengdu, with an aggregate gross floor area of 35,155.85 sq.m, serving the same key functions of production, R&D, and headquarters operations.

As of the Latest Practicable Date, we leased (i) three properties with an aggregate gross floor area of approximately 918.6 square meters in China, which had been used mainly as offices or other business support functions; and (ii) one property with an aggregate gross floor area of approximately 205 square meters in Malaysia, which had been used as the office of our Malaysian subsidiary. For our owned land use rights and buildings, as of the Latest Practicable Date, (i) we had obtained all land use rights certificates for all land parcels we owned and occupied; (ii) we had obtained all real estate ownership certificates for all buildings we owned. As of the Latest Practicable Date, we had not filed the lease agreement for registration with respect to two of the three leased properties in China. For details, see "– Legal Proceedings and Compliance – Non-compliance Incidents – Non-registration of lease agreements" below.

Property Valuation

As of December 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets. As such, we are not required by Rule 5.01A of the Listing Rules to include a valuation report in this document. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice, this document is exempt 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 would otherwise require a valuation report for all our interests in land or buildings.

INSURANCE

We maintain a comprehensive insurance program that includes property insurance covering physical damage or loss to our facilities, warehouse, and office premises due to natural disasters or man-made events. We also have liability insurance for third-party claims related to property damage or bodily injury, as well as product liability insurance for damages caused by product defects. Employee insurance, including worker's compensation, health insurance, and life insurance, is also in place to mitigate risks associated with workplace injuries or employee health concerns. We do not maintain transportation insurance, though we do ensure that transportation risks are backed by clear terms regarding compensation for damages or losses in contracts with third parties.

Overall, as advised by F&S, we believe our insurance coverage align with general market practices within the industry. During the Track Record Period and up to the Latest Practicable Date, we have not encountered any material insurance claims that have significantly impacted our financial position. For more information, please refer to "Risk Factors – Risks Relating to Our General Operations and Industry – Our insurance coverage may not be sufficient to cover all losses or potential claims which would affect our business, financial condition and results of operations".

EMPLOYEES

As of the Latest Practicable Date, we had a total of 424 full-time employees, among which seven are based outside China. The tables below set forth a breakdown of our employees by function as of the same date:

Function	Number of Employees	Percentage
Production	123	29.0%
Sales and after-sales	101	23.8%
R&D	141	33.3%
Finance	6	1.4%
Administration	53	12.5%
Total	**424**	**100.0%**

Our recruitment channels include online job platforms, campus job fairs, and internal referrals. All candidates undergo a rigorous multi-stage screening process, which includes interviews and technical assessments. We provide comprehensive training programs tailored to each department's needs. These programs include company culture familiarization, safety education, and role-specific technical training.

We are required by PRC social insurance and housing provident fund laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. For details, see "– Legal Proceedings and Compliance – Non-compliance Incidents – Social insurance and housing provident funds" below.

We maintain a strong focus on ensuring our labour contracts are aligned with China's legal requirements. We also provide our employees with comprehensive remuneration packages, which are generally calculated according to their qualifications, industry experience position and performance. We regularly evaluate the performance of our employees and reward well-performing employees with bonuses such as year-end bonuses, departmental bonuses and key client project delivery bonuses. To further support our employees, we provide statutory benefits such as pension and medical insurance, as well as additional benefits including annual leave, festival allowances, and subsidies for front-line workers. In addition, we have established our own labour union and provide funds to support the daily operations of the union on a regular basis.

DATA SECURITY AND PRIVACY

In providing our robotic products, we engage in certain data-related activities to ensure their functionality and efficiency. For instance, we may access data related to the design, development, production and functionality of our robotic products, including production line and equipment layout in manufacturing workshops, appearance and technical specifications of equipment, type of materials, shape of products, and other information related to production and facilities. We comply with our customers' confidentiality requirements and do not disclose their data without their prior consent.

During the use of our robotic products, we do not collect any personal data or information from customers. During the course of our business operation, with the prior consent of our customers, suppliers and other business partners, we collect and maintain their contact information to the extent necessary and in accordance with the applicable laws and regulations on data privacy and security. We have taken measures to maintain the confidentiality of such information to ensure regulatory compliance. We have set up an access control system for personal information in our internal system so that it cannot be viewed without proper authorization or exported in bulk. We set up firewalls to prevent information loss or leakage caused by cyber-attacks. In addition, we from time to time examine the security of our data storage system. We strictly restrict the range of data that our employees are authorized to access based on their role and function. We continue to pay close attention to the legislative and regulatory developments in cybersecurity and data protection and conduct routine cybersecurity and data protection compliance checks and rectification to keep pace with regulatory developments.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we encounter any significant unauthorized use of personal information belonging to customers, suppliers, other business partners or employees. As of the Latest Practicable Date, we have not encountered any disputes, controversies, or lawsuits related to violations of information security laws and regulations. We believe that we are in compliance with the relevant PRC laws and regulations relating to cybersecurity and data protection in all material aspects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance Structure

We leverage our sound corporate governance system to provide a solid foundation for the implementation of sustainable development and ESG strategies. Currently, a top-down ESG governance framework has been preliminarily established, with ongoing refinement of the division of responsibilities across all levels. This structure currently encompasses three core tiers: the decision-making level, the management level, and the execution level. In the future, we will further refine our ESG management system, focusing on establishing a tracking and real-time updating mechanism for ESG-related objectives to effectively enhance ESG governance efficiency and management standards.

The Board, as the highest governing body for our sustainable development and ESG matters, will convene special meetings to deliberate on our sustainability initiatives, social responsibility fulfillment, and ESG reporting. It will also review and make decisions on significant issues within the ESG domain. To advance the implementation of the sustainability and ESG strategy established by the Board, we have established an ESG Management Committee of the Strategy Committee of our Board involving senior management. Its core function is to assist the Board in promoting the concrete development and implementation of sustainability, social responsibility, and all ESG initiatives. Additionally, to further support the ESG Management Committee in implementing relevant strategies and metrics, we have established a ESG working group comprising heads of various functional departments. This group regularly reports to the ESG Management Committee and the Board on core priorities and action plans for sustainability, social responsibility, and ESG initiatives, ensuring the comprehensive implementation and effectiveness of our sustainability and ESG-related strategies and actions.

We manage material ESG issues through a Board-led closed loop. The Board mandates an ESG Management Committee to oversee ESG compliance and risk identification, collect business-unit inputs, and maintain an ESG topic list. Topics are prioritized using double materiality via qualitative and quantitative assessment and a materiality matrix. The Board reviews progress through regular reporting and updates priorities as needed. Environmental risks such as office supply waste, inefficient vehicle use, and high energy consumption will directly increase operating costs; in the medium to long term, they may restrict business expansion. The actions to be taken to mitigate or address material ESG risks identified are as follows: ≤1 year tighten vehicle dispatch, shift to NEVs where feasible, set fuel-per-km KPIs, track energy use, and go paperless; 1–3 years expand green power (target >30%) and upgrade/retire high-energy equipment; 3+ years move to full-process green and circular production (target >90% waste recycling) supported by low-carbon R&D.

ESG Strategy

We are committed to sustainable development within the industrial automation sector. With technological innovation at its core, we actively promote the intelligent transformation of manufacturing while addressing climate change. We strive for the harmonious integration of economic, environmental, and social benefits, achieving synergy among the enterprise, society, and the environment. In doing so, we contribute to global sustainable manufacturing. We firmly believe that technological advancements should serve the well-being of humanity and the protection of our planet. By providing advanced robotics solutions, we empower global customers to achieve a low-carbon, efficient, and safe transformation toward intelligent manufacturing.

Stakeholder Communication

Within our corporate operational management system, we consistently prioritize the identification and collaboration with both internal and external stakeholders, understanding and responding to their core expectations and legitimate demands. To enhance this synergy, we proactively establish stakeholder engagement mechanisms, build an internal and external communication matrix, and maintain an open and proactive stance to ensure the effectiveness of interactions. Specifically, we foster connections with all stakeholders through multi-dimensional communication channels, including integrated online and offline meetings, targeted interviews, and systematic opinion surveys. By coordinating diverse interests and building consensus on development, we are dedicated to achieving healthy, steady, and sustainable long-term growth.

Corporate Governance

Professional ethics and anti-corruption

We adhere to a "zero-tolerance" policy toward all forms of corruption. In response to the national anti-corruption strategy, we place high priority on combating commercial bribery and corruption. Through measures such as optimizing management systems, conducting regular training and education, and strengthening oversight throughout all processes, we are fully committed to fostering a clean and upright business ecosystem. Additionally, we have established dedicated reporting channels to encourage employees and partners to participate in oversight, ensuring all reports are promptly investigated and addressed, while strictly maintaining confidentiality of whistleblower information to fully safeguard the effectiveness of the oversight mechanism.

We recorded no fraud, bribery, or other misconduct incidents involving our employees, distributors, suppliers, or other third parties during the Track Record Period and up to the Latest Practicable Date.

Environmental Impact

Environmental performance

Table of our Environmental Performance for the Periods Indicated

Indicators	Unit	2023	2024	2025
Emissions				
greenhouse gas (GHG) emissions[1]				
Total GHG emissions	tCO_2e	22,396.0	54,184.3	25,795.8
–Direct GHG emissions[2]	tCO_2e	67.0	60.4	51.2
–Indirect GHG emissions[3]	tCO_2e	981.0	1,024.3	1,047.0
–Other Indirect GHG emissions[4]	tCO_2e	21,348.0	53,099.6	24,697.6
GHG emissions intensity	tCO_2e/person	64.0	146.4	62.8
Air emission[5]				
CO	kg	96.9	82.8	70.9
Nitrogen Oxides	kg	3.3	2.9	2.5
Sulphur Dioxide	kg	2.3	2.1	1.7
Waste				
Total hazardous waste	kg	0.0	0.0	8,810.0
Hazardous waste intensity	kg/person	0.0	0.0	21.4
Total Non-Hazardous Waste	kg	110,034.0	110,800.0	278,814.0
Intensity of non-hazardous waste	kg/person	314.4	299.5	678.4

Notes:

1. Information of greenhouse gas emissions is presented in terms of carbon dioxide equivalent and accounted for in accordance with the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions by Enterprises (Revised 2021) (《企業溫室氣體排放核算方法與報告指南發電設施 (2021年修訂版)》) issued by the Ministry of Ecology and Environment of the PRC and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC).

2. Direct greenhouse gas emissions are mainly from the consumption of natural gas and fuel.

3. Indirect greenhouse gas emissions are mainly from the consumption of electricity.

4. Other indirect greenhouse gas emissions are mainly from the employee travel, product sales and transportation.

5. Sources of exhaust emissions include both stationary and mobile sources. Emissions caused by stationary sources are calculated based on the First National Pollutant Census Urban Domestic Source Emission Coefficient Manual and determined by monitoring the exhaust gases generated during actual production processes; emissions caused by mobile sources are calculated based on the Technical Guidelines for the Compilation of Air Pollutant Emission Inventory from Road Vehicles (Trial).

We control greenhouse gas emissions through: **(i) Scope 1:** technology upgrades and process optimization (fuel substitution, higher-efficiency equipment, automated/"lights-out" production, and standardized refrigerant management to reduce leaks); **(ii) Scope 2:** increasing green electricity use via distributed PV and/or long-term renewable PPAs; and **(iii) Scope 3:** working with supply-chain partners to set reduction targets and drive low-carbon improvements in raw materials, logistics, and related activities.

Green Operations

Energy management

To achieve energy efficiency targets, we have established multiple environmental management plans, including the Environmental Protection System, Energy Conservation and Emission Reduction System, and Annual Environmental/Occupational Health and Safety Objectives, while implementing various energy-saving measures. Our newly constructed photovoltaic power generation facilities ensure our electricity consumptions needs while reducing national energy consumption. Production schedules for each workshop are arranged based on sales and supply plans to ensure continuous production operations without interruption, thereby helping to reduce the factory's electricity consumption. For defective equipment, we fill in the defect form and handle it promptly to maintain the best operating condition of the equipment. We conduct an annual assessments and replacements of high-power, high-energy-consumption equipment within our company. These objectives will be implemented through various departments, including Human Resources and Operations, as well as Research and Development Technology. During the summer, we maintain the air conditioning temperature in office and manufacturing areas at 26°C. All our production facilities utilize LED lighting to reduce energy consumption.

Our three-year energy-saving and emissions-reduction target is to cut total carbon emissions by over 10%, which is higher than industry average, supported by: (i) deploying photovoltaic generation (expected to reduce emissions by >20% annually), (ii) annual product carbon-footprint verification/disclosure to manage energy use at the source, (iii) applying for Chengdu Green Factory status through adoption of low-energy/low-emission equipment and materials, and (iv) strengthening energy-management systems and certification with end-to-end energy data monitoring and continuous improvement to lower energy costs.

Resource management

We remain vigilant regarding global climate change and national policies on energy conservation, emissions reduction, and carbon neutrality management. We are constantly mindful of the critical importance of effective energy conservation. Electricity is the primary source of energy consumption in our production and operations, and reducing electricity consumption is a top priority in energy management. We manage resource usage through the implementation of internal operational control procedures and are committed to achieving energy efficiency and conservation in our daily operations. We actively incorporate photovoltaic power generation and are committed to promoting energy conservation in our daily operations to reduce national electricity consumption and replace high-energy-consuming electrical equipment. We conduct energy and environmental system certifications and carbon footprint verification statements, while regularly organizing energy-saving training for employees. We conduct regular inspections of electricity usage, compile statistics at month-end, and perform comparative analysis of annual consumption patterns to establish a foundation for resource conservation.

Water resources management

We plan to reduce our annual water consumption by approximately 5% compared to the previous year and organize water conservation training for employees to enhance awareness of water-saving practices. To achieve water efficiency goals, we have posted water-saving signs in prominent locations in restrooms and break rooms to cultivate employees' environmental awareness and thereby reduce water consumption. We conduct periodic inspections of water pipes and faucets, promptly repairing or replacing any leaking faucets upon discovering potential hazards. In addition, dedicated personnel will regularly record the water meter readings and compare the water usage over the same period to check whether there is any hidden water leakage.

Waste Management

We have established an *Environmental Protection Management System* for exhaust emissions, which outlines countermeasures for generated exhaust gases, wastewater, noise, and solid pollutants, designates responsible personnel, and clearly defines their respective duties. We also implement environmental 'three simultaneous' requirements for construction and technical renovation projects, conduct water body retention assessments, perform regular testing of 'four wastes', sign hazardous waste and general industrial waste disposal contracts with qualified entities for periodic disposal, and achieve Grade B performance ratings during heavy pollution weather events.

In terms of waste management, hazardous waste generated during our operations will be handled by qualified third party recycling companies or returned to the original company for disposal. We rigorously review waste disposal contractors' qualifications before entering into contracts with them requiring lawful waste disposal, and conduct annual reviews of their credentials. On the other hand, the general waste generated by us is categorized into recyclable and non-recyclable waste. Recyclable waste is processed and recycled through take-away or outsourced processing, while non-recyclable waste is handled through outsourced processing. We strive to reduce, recycle and dispose of waste properly to minimize the environmental impact caused by our operations.

We carried out a skill expansion and modification in September 2024, which led to the generation of hazardous waste, and it was centrally disposed of in 2025 after reaching a certain amount. Our hazardous waste (per the National Hazardous Waste List) comprises five types: waste cutting fluid, metal shavings, waste organic solvents/solvent-containing waste, contaminated materials (from grease packaging barrels), and spent activated carbon.

Social Impact

Employee development

Employment

We remain committed to creating a work environment for all employees, empowering their professional growth, and comprehensively safeguarding their legal benefits. Through concrete actions, we uphold a people-centered development philosophy.

Development and Training

As a vital component of our employee benefits program, we have developed a multi-dimensional training plan tailored to the specific requirements of different positions and the developmental stages of our employees. Details are as follows:

- *New employee onboarding training.* Aimed at achieving "integration and efficient onboarding," the system covers company policy interpretation, core business process explanations, real-world workplace environment introductions, dedicated liaison responsibilities and authority clarifications, and hands-on guidance for core job duties. This helps new employees quickly familiarize themselves with organizational culture and work requirements, enabling them to swiftly transition into their roles.

- *External empowerment training support.* To empower employees to expand their capabilities and achieve personal growth, we encourage staff to apply for external training aligned with their job requirements and career development plans. A dedicated training fund is established to support participation in industry courses, professional skill certification programs, industry summits, and other external learning resources, thereby enhancing overall competitiveness.

Employee health and safety

We consistently adhere to a safety production policy prioritizing prevention and integrating prevention with control, committed to providing employees with a safe and healthy working environment. Our occupational health and safety management system has obtained ISO 45001 certification. We strictly implement occupational health and safety management procedures. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material workplace safety accidents. To further enhance safety management and eliminate workplace safety accidents, we strictly comply with the Work Safety Law of the People's Republic of China and have established work safety management systems to foster a secure working environment.

Responsible Procurement

We have established a supplier onboarding process. Different processes are matched to different categories of suppliers. Systematic procedures and documentation are in place for supplier development, evaluation, and record-keeping to assess, screen, and approve suppliers. This ensures that onboarded suppliers meet product technical requirements, quality standards, management system specifications, and environmental and social criteria. Additionally, we implement supplier assessment measures to monitor performance in contract fulfillment, quality, delivery, after-sales service, and compliance with laws and regulations. These assessments are regularly reviewed and analyzed.

We use environmentally friendly/recyclable packaging, which customers may recycle themselves or via third-party recyclers. We also offer a trade-in program: end-of-life robots or parts can be replaced and returned for recycling via upstream raw-material manufacturers, or customers may scrap and recycle them through certified recycling providers.

Product Quality and Safety

We have consistently adhered to the quality policy of "High Quality, Excellent Service, Enabling Customers to Utilize Robotics Effectively". We have established a comprehensive quality management model encompassing research and development quality systems, supply chain quality systems, production process quality systems, and after-sales service quality systems to meet customer needs.

In response to the evolving demands for products and services from the market, we have established relevant policies including the *After-Sales Service Management, Product Warranty Manual,* and *Delivery and Service After-Sales Policy* to fully ensure technological support, after-sales service, and product maintenance services. Through relevant policies, significant progress has been made in warranty documentation, repair principles, on-site training, service standardization, and response timeliness.

INTERNAL CONTROL AND RISK MANAGEMENT

Our approach to risk management and internal control is designed to, among others, safeguard our assets, ensure operational continuity, and promote compliance with industry regulations. Through a structured framework, we identify, evaluate, and mitigate risks across our business activities, aligning our practices with best-in-class standards and regulatory requirements. Our Board is collectively responsible for establishing and implementing such risk management mechanisms and overseeing our overall risk management. Our Directors are of the view that our current internal control measures are adequate and effective to ensure compliance with relevant laws and regulations.

Operational Risk Management

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures or external events. We have established a series of internal procedures to manage such risk. We take a comprehensive approach with regard to operational risk management, and we have implemented a mechanism with detailed and decentralized responsibilities and clear rewards and punishment systems. Our various departments collaborate and are collectively responsible to ensure the compliance of our operations with internal procedures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

Financial Risk Management

We have adopted comprehensive policies in connection with our financial management, such as budget management, expenses management, accounting management and capital management. We also appointed an internal control manager who is responsible for the construction of internal control system and implementation of policies thereafter. The budget report is reviewed by our CEO every year to ensure its reasonability.

Compliance Management

Our in-house legal department performs the basic function of reviewing and updating the different forms of contracts we enter into with our customers, suppliers and other business partners. Our sales manager examines the contract terms and reviews relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations under our business contracts and the necessary underlying due diligence materials, before we enter into any contract or business arrangements. We also issued the internal contract management policies to regulate the business contract signing, reviewing and implementation procedures. We continuously improve our internal policies according to changes in laws, regulations and industry standards, such as the policies related with data privacy. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities in relation to cybersecurity and data protection, nor had there been any material cybersecurity and data protection incidents with respect to data leakage, violation of data protection laws and regulations or investigation or other legal proceeding against us in this regard.

Human Resource Management

We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of our employees in different departments. We also conduct periodic performance reviews for our employees, and their remuneration is performance based. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential incompliance with our code of conduct, work ethics, and violations of our internal policies or illegal acts at all levels of our Group.

Credit Risk Management

We seek to maintain strict control over our outstanding receivables and have implemented a policy to minimize credit risk. We maintain regular communication with our customers, address potential payment issues proactively, and conduct detailed risk assessments. Our finance department conducts regular reviews of overdue accounts and recoverability of our outstanding balances, prioritizing high-value or long-overdue balances, and when appropriate, provides for impairment of these trade receivables. For significantly overdue accounts with no resolution, we may escalate to legal proceedings.

LICENSES, APPROVALS AND PERMITS

We are required to obtain and maintain various licenses, approvals and permits to ensure compliance with applicable laws and regulations in the regions where we conduct business. These authorizations are fundamental to our production and operations and affirm our adherence to industry standards in safety, environmental protection and technical competency.

In addition to the business licenses, the following table sets forth details of our material licenses, approvals and permits:

License/approval/permit	Issuing authority	Issuance date	Expiry date/ renewal date
Customs Registration Receipt for Importers and Exporters of Goods	Jincheng Custom Bureau	April 23, 2019	N/A

We will apply for the renewal certificates, licenses and permits that are required to be renewed from time to time. As of the Latest Practicable Date, our current portfolio of robotic products does not require any material regulatory approvals, and accordingly, no such approvals have been obtained. We will continue to monitor the regulatory landscape for any changes.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any administrative penalties, bankruptcy or receivership proceedings), which we believe would have a material adverse effect on our business, results of operations or financial condition. As of the Latest Practicable Date, we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or any of our Directors, which we believe would have a material adverse effect on our business, results of operations, financial condition and R&D for any of our Specialist Technology Product.

Non-compliance Incidents

Social insurance and housing provident funds

During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. Based on the assessment performed by our Group, the outstanding shortfall amount during the Track Record and up to the Latest Practicable Date is approximately RMB25.4 million among which the shortfall of social insurance is RMB20.7 million, and that of housing provident fund is RMB4.7 million. As such, the aggregate maximum potential penalty to which we may be subject as a result of such non-compliance as of the Latest Practicable Date is approximately RMB62.1 million. Please refer to "Risk Factors – Risks Relating to Doing Business in the Jurisdictions Where We Operate – 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" in this document. As advised by our PRC Legal Advisers, the likelihood that we would be required by relevant authorities to pay the shortfall for social insurance and housing provident fund contributions or be subject to material administrative penalties is considered remote because: (i) as of the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by relevant regulatory authorities with respect to our previous unpaid contributions; (ii) we have obtained Special Credit Reports for Market Entities confirming that no administrative penalty was imposed on us in relation to our social insurance and housing provident fund contributions during the Track Record Period; (iii) based on the interviews conducted by our PRC Legal Advisers with relevant competent authorities, the government agencies have confirmed that in the absence of large-scale employee complaints, they generally will not proactively initiate investigations into the previous unpaid social insurance or housing fund contributions. As of the Latest Practicable Date, we were not aware of any current unresolved employee complaints; (iv) we undertake to pay the shortfall within a prescribed time period if and when requested by the competent government authorities, Mr. Li, one of our Controlling Shareholders, has undertaken to fully compensate us for any economic losses or expenses that may arise from any required retroactive payments and/or administrative penalties related to these matters; and (v) on September 21, 2018, the Ministry of Human Resources and Social Security of the PRC issued the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Enforcement Payment (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), which prohibits local authorities from organizing and conducting centralized collection of enterprises' historical shortfall of social insurance contributions. Based on the above, we did not accrue any provision in respect of the shortfalls mentioned above during the Track Record Period.

According to the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law 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 New Judicial Interpretation**"), which was promulgated by the Supreme People's Court in July 2025 and came into effect in September 2025, an employer and an employee conclude an agreement, or an employee makes a promise to an employer, that there is no need to pay social insurance premiums, such agreement or promise shall be determined invalid; where an employer fails to pay social insurance premiums in accordance with the law, and the relevant employee requests to terminate the labor contract and requests such employer to pay economic compensation, the people's court shall support such requests in accordance with the law. In the event that an employer, after making up the social insurance contributions in accordance with the law under the circumstances stipulated in the preceding paragraph, requests such relevant employee to return the social insurance compensation already paid, the people's court shall support such request in accordance with the law.

As advised by our PRC Legal Adviser, the New Judicial Interpretation does not repeal or change the existing social insurance laws and regulations and therefore does not by itself increase our social insurance exposure, its impact on the Group's business, financial performance and position, as well as its operations and compliance with the relevant laws and regulations, is not significant. However, as PRC labor laws and regulatory guidance continue to evolve, we cannot assure how future developments may affect our operations. If we are deemed to have violated the relevant labor laws and regulations, we could be subject to related penalties, fines or legal costs, and our business, financial condition and results of operations could be materially and adversely affected. Based on the above, our Directors are of the view that the Interpretation II has no material adverse impact on our business operation or financial condition.

Non-registration of lease agreements

As of the Latest Practicable Date, we had not filed the lease agreement for registration with respect to two of the three leased properties in China. This is mainly because the direct lessor for such leased properties has not completed the required filing and registration of its head lease with the owner. As a result, and in accordance with the relevant regulations of the local authorities, we are unable to complete the filing and registration procedures for our sublease. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the lease agreement within a prescribed period, and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to comply, and, therefore, the aggregate maximum potential penalty which may be imposed to us as a result of such non-compliance would be RMB20,000. See "Risk Factors – Risks Relating to Our General Operations and Industry – We lease properties as premises primarily for our office spaces. Any non-renewal of leases, substantial increase in rent, or any third-party or government challenge to our leasehold interest may affect our business and financial performance."

Our office premises are equipped with firefighting equipment and have undergone regular fire safety inspections. If we need to seek alternative premises, we estimate that it will take approximately one to two months to select suitable alternative premises and complete the relocation process. The estimated annual costs associated with the relocation include approximately RMB170,000 for the rent of the new premises and approximately RMB24,000 for utilities and property management fees, respectively.

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

AWARDS AND RECOGNITIONS

The following table sets forth the details of some of the notable awards and recognitions which we have received:

	Award/Recognition
(1)	Advanced-Level Smart Factories in Sichuan Province for 2025 (四川省2025年度先進級智能工廠), received in 2025 by Sichuan Provincial Department of Economy and Information Technology
(2)	First Batch of Chain Leader Enterprises in Sichuan Province's Artificial Intelligence Industry Chain (首批四川省人工智能產業鏈主企業), received in 2025 by Sichuan Provincial Department of Science and Technology and Sichuan Development and Reform Commission
(3)	Chengdu Municipal-Level Industrial Design Center for 2025 (2025年度成都市市級工業設計中心), received in 2025 by Chengdu Municipal Bureau of Economy and Information Technology
(4)	List of Suppliers for Intelligent Transformation and Digital Upgrading of Manufacturing Industry in Sichuan Province (First Batch) (四川省製造業智能化改造數字化轉型供應商(第一批)名單), received in 2024 by Sichuan Provincial Department of Economy and Information Technology
(5)	Recognition as a Compliant Enterprise under the Industry Norms for Industrial Robots (2024 Edition) (符合《工業機器人行業規範條件(2024版)》), received in 2024 by Ministry of Industry and Information Technology of the People's Republic of China
(6)	Chengdu Academician-Expert Innovation Workstation (2023) (2023年成都市院士專家創新工作站), received in 2023 by Chengdu Academician (Expert) Innovation Workstation Promotion Office of Chengdu Association for Science and Technology
(7)	List of Leading Enterprises in Technological Innovation for 2022 (2022年度科技創新領軍企業名單), received in 2023 by People's Government of Sichuan Province

COMPLIANCE WITH INTERNATIONAL SANCTIONS AND EXPORT CONTROL LAWS AND REGULATIONS

International Sanctions

Certain countries or organizations, including the U.S., the European Union, the United Kingdom, the United Nations and Australia, maintain economic sanctions and trade restrictions targeting certain industries or sectors within the countries subject to International Sanctions. We have engaged Hogan Lovells International LLP, our International Sanctions Legal Adviser to perform procedures to assess our compliance with International Sanctions laws and regulations as well as export control laws and regulations, and evaluate our risk of exposure and potential penalties imposed under the International Sanctions laws and regulations.

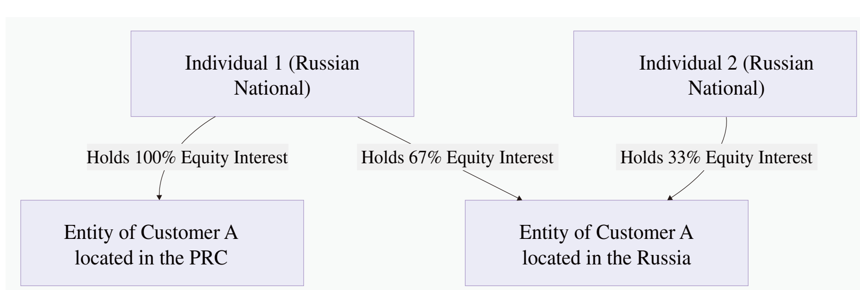
During the Track Record Period, we sold certain of our products to Russia, Serbia, Turkey and Ukraine (these countries are collectively referred as the "**Relevant Regions**", and each a "**Relevant Region**"). The table below sets forth a breakdown of our revenue generated from each of the Relevant 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:

	Year ended December 31,					
	2023		2024		2025[5]	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Russia[1]	23,108	10.4	17,318	7.4	7,671	2.4
Ukraine[2]	492	0.2	982	0.4	367	0.1
Serbia[3]	299	0.1	279	0.1	1,144	0.4
Turkey[4]	289	0.1	955	0.4	1,405	0.4
Total	**24,188**	**10.8**	**19,534**	**8.3**	**10,587**	**3.3**

Notes:

(1). Referring to our sales to Customer A (one of our five largest customers for the years ended 2023, 2024 and 2025, respectively). In 2023, transactions with Customer A were conducted through its Russia-based entity (a system integrator). In 2024 and 2025, transactions were conducted through another entity of Customer A located in the PRC (a distributor), which confirmed that such products were ultimately sold to Russia. For further details of transactions with Customer A, please refer to "– Sales, Marketing and Customers – Our Customers" above.

The following diagram illustrates the relationship between the entities of Customer A in Russia and the PRC:



(2). Sales relating to Ukraine primarily consist of six-axis industrial robots. These were made (i) directly to one end customer located in Ukraine, which, to the best knowledge of our Directors, is principally engaged in machining and metal structure manufacturing; (ii) directly to two system integrators based in Ukraine, which, to the best knowledge of our Directors, are engaged in system integration business in the industry chain; and (iii) to one distributor in China principally engaged in trading, with verifiable documentation confirming the products were ultimately sold to Ukraine through such distributor.

(3). Sales relating to Serbia primarily consist of six-axis industrial robots, collaborative robots, and embodied intelligent robots. Such sales were made directly to two system integrators based in Serbia. To the best knowledge of our Directors, one is principally engaged in robot integration for welding, stamping and loading and unloading in metal processing, while the other principally serves the machinery processing, metal structure manufacturing and industrial equipment sectors.

(4). Sales relating to Turkey primarily consist of six-axis industrial robots and collaborative robots. Such sales were made directly to three system integrators based in Turkey. To the best knowledge of our Directors, such customers are mainly engaged in system integration business in the industry chain.

(5). As of September 30, 2025 and up to the date of this document, we have ceased all sales to Russia, including both direct sales and indirect sales. We have also ceased all sales to Ukraine, Turkey and Serbia since January 1, 2026 and up to the date of this document.

As advised by our International Sanctions Legal Adviser, (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.

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. For more information, please refer to " – Sales, Marketing and Customers – Sales Models" above.

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 sales to Relevant Regions. This is mainly because:

- for system integrator customers, (a) we do not mandatorily require them to disclose such information; and (b) our system integrator customers are typically not willing to actively or positively provide us with comprehensive information regarding their end-customer identity, industry, or final application due to commercial and practical realities since we have the potential ability to further develop into a system integrator in the industry chain but for our strategy to remain focused on our role as a robotic product manufacturer. This potential strategic focus, however, reinforces our system integrator customers' view that end-customer information is a key commercial asset to be kept confidential from us; and

- for distributor customers, we typically do not require our distributor customers to provide end-customer information, mainly because (a) we operate under a buyer-seller model with distributors, whereby ownership of the products transfers upon delivery; (b) sales revenue is recognized when control passes to the distributor; (c) our distributor customers have the flexibility to determine their sales territory, and we do not grant exclusive rights, such as regional exclusivity rights, to our distributors; and (d) distributors are generally not subject to sales targets, price mandates, or restrictions on appointing sub-distributors. Consequently, once products are sold to distributors, our rights and practical ability to monitor or influence subsequent sales and end-use are limited.

As a result and as advised by our International Sanctions Legal Adviser, we may have exposure to U.S., EU, and UK secondary sanctions (but not United Nations nor Australia, as these sanctions programs do not have secondary sanctions risks), because we cannot accurately trace the final destination of products sold to Russian entities during the Track Record Period for which our sales cannot be accurately traced and the secondary sanctions could be imposed on historical sales during the Track Record Period. These transactions could be captured under Section 1(a)(i) of Executive Order 14024, which authorizes sanctions against persons operating in designated sectors of the Russian economy, such as manufacturing, engineering, technology, and electronics. U.S. guidance (FAQ 1126) interprets this broadly to include those who supply goods, services, or technology to these sectors. Therefore, our Russian-related sales likely fall within the scope of "U.S. Secondary Sanctionable Activity," potentially subjecting relevant operating entities to secondary sanctions risk. In addition, as advised by our International Sanctions Legal Adviser, as proscribed under U.S., EU and UK secondary sanctions, our sales to customers in Ukraine, Serbia and Turkey are not subject to the same secondary sanctions programs as Russia and therefore do not carry the corresponding secondary sanctions risks.

Based on written confirmations obtained from our customers involved in transactions relating to the Relevant Regions during the Track Record Period, each has confirmed and warranted that, during the Track Record Period and up to the Latest Practicable Date, they have not directly or indirectly exported, re-exported or transferred our products to any country or region subject to comprehensive economic sanctions, any sanctioned person or entity, or any Military End User (as defined under the EAR). They have also confirmed that they have not and will not use our products for any military purpose, support for terrorism, nuclear facilities, biological or chemical weapons, missiles, weapons of mass destruction, or similar prohibited purposes.

Furthermore, each has undertaken to take appropriate measures to comply with the above confirmations, representations and warranties. In the event that any of them fails to comply therewith, which may subject us to any governmental investigation or violation of applicable trade compliance laws and regulations, we have the right to suspend product deliveries to such customers or terminate the relevant cooperation without any liability. Such customer shall compensate us and indemnify and hold us harmless from and against any claims, demands, liabilities, losses or damages arising from any breach thereof. As advised by our International Sanctions Legal Adviser, these written confirmations and contract language are appropriate measures and are consistent with industry practice to verify that end users and end uses comply with international sanctions and export control programmes, as companies consistently rely on such written verifications and contractual terms that the Group has obtained to ensure sanctions compliance among system integrators or distributors.

OFAC guidance (FAQ 1127) clarifies that a sector determination under EO 14024 does not automatically impose sanctions on all participants in those sectors, only on those specifically designated.

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.

Starting in 2024, our receiving bank in China no longer accepts payments originating from Russia due to a broad shift in internal policies. After this change in policy, Customer A decided to establish a local entity in China to facilitate ongoing cooperation. Our Directors confirm that this transition was solely driven for these reasons and not driven by our intent to circumvent or violate any international laws or regulations including international sanctions and export control regulations, but was Customer A's unilateral decision.

Considering the specific facts noted below, our International Sanctions Legal Adviser is of the view that the following pre-sale written confirmations and after-sale inquiries are appropriate measures as they demonstrate consistent compliance efforts similar to other companies who sell through distributors:

Pre-sale written confirmations: Our customers involved in transactions relating to the Relevant Regions during the Track Record Period (including both the Russia-based entity and the PRC-based entity) have provided the Company with written confirmation and contractual language certifying that they have not sold to restricted end users or for restricted end uses.

After Sale Inquiries: To the best knowledge of our Directors, there is no indication that our products have been supplied to Comprehensively Sanctioned Countries, Sanctioned Targets, military end users, or used for military purposes, terrorism-related activities, or in connection with nuclear facilities, biological or chemical weapons, missiles, or other weapons of mass destruction.

Based on the pre-sale written confirmations and the after Sale inquiries, and the fact that we no longer have any direct sales to any entity in Russian and none of our Direct Downstream Customers is in Comprehensively Sanctioned Countries nor is there evidence to suggest that there are non-direct sales to Comprehensively Sanctioned Countries, as advised by our International Sanctions Legal Adviser, we believe (i) that the precautions described above are adequate and consistent with other companies who sell through distributors, (ii) after a review of the Company's customers locations and shipment locations, the secondary sanctions risk for us to become designated as an SDN under EO 14024 for sales to Russia, Ukraine, Serbia or Turkey or to be designated under the EU's or UK's secondary sanctions powers is relatively limited.

After following its customary due diligence process, 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 reasons and analysis above, our International Sanctions Legal Adviser is of the view that the overall secondary sanctions risk appears to be relatively limited for all sales to Relevant Regions.

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. 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

Trade restrictions imposed on certain chips we procured

During the Track Record Period, we did not directly procure any raw materials and components from suppliers located in the United States. However, we indirectly procured U.S.-origin products through our suppliers based in China. 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. 3A991 Chips represent a very small portion of our overall product value. On average, the value of a single 3A991 Chip accounts for only 0.65% of the total value of a finished product of us, which is below 25% (the *de minimis* value threshold), thus, as advised by our International Sanctions Legal Adviser, our product is not subject to the EAR under the *de minimis* rule under Supplement No. 2 of Part 734. Our product is also not a foreign direct product of 3A991 Chips, thus relevant foreign direct product rules under the EAR are not applicable to cause our product to be subject to the EAR. 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. For further details, please refer to "– Transaction with EL Parties" below.

We believe alternatives to the aforementioned U.S.-origin products we procure are available from non-U.S. suppliers. We have identified qualified alternative suppliers and plan to complete the verification of technical solutions for domestic substitution of U.S.-origin chips in 2026, after which we expect to be in a position to commence replacement of such products. 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. Please refer to "Risk Factor – Risks Relating to General Operations and Industry – 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."

The EL parties

Based on Hogan Lovells' confirmation, the entities designated on the Entity List with which we had transactions since 1 January 2022 are as follows (collectively, "**EL Parties**"):

One of our suppliers in 2022 was designated by the BIS on the Entity List effective from March 6, 2023. Provision of items subject to the EAR without a license from BIS to this supplier is prohibited as of the date of its designation. Given the transactions involving this supplier was conducted in 2022, and we have not engaged in any exports to or business interactions with this supplier since March 6, 2023, export restrictions applicable to this supplier being designated on the Entity List maintained by the BIS are not implicated for the Company.

A PRC-based entity with which we transacted with was included in the Entity List on July 12, 2021 (the "**EL Party 2**"). Between July 28, 2025 and December 24, 2025, we procured certain laser devices and copper protective end caps from this entity. In the fourth quarter of 2025, we also sold six-axis industrial robot products directly to this entity. Based on consultation with Hogan Lovells, our Directors confirm that none of the items involved in the above transactions with EL Party 2 are subject to the EAR, and the export restrictions applicable to this entity as a party designated on the BIS Entity List are not implicated for us.

A PRC-based institute with which we transacted was included in the Entity List on June 5, 2020 (the "**EL Party 3**"). In the fourth quarter of 2025, we sold six-axis industrial robot products directly to this institute. Based on consultation with Hogan Lovells, our Directors confirm that none of the items involved in the above transactions with EL Party 3 are subject to the EAR, and the export restrictions applicable to such institute as a party designated on the BIS Entity List are not implicated for us.

A PRC-based entity was included in the Entity List on October 9, 2025, removed on November 12, 2025 (the "**EL Party 4**"). From August 28, 2025 to November 25, 2025, we procured various products, including microcontrollers and analog switches, from this entity in multiple batches. The microcontrollers and analog switches purchased on October 28, 2025 fell within the period during which this entity was placed on the Entity List. On July 10, 2025, the EL Party 4 issued a compliance commitment letter to us (the "**Compliance Commitment Letter**"), warranting that it would strictly comply with all applicable export control and economic sanctions laws of relevant jurisdictions, including those of China, the United States, the European Union, and Japan. The EL Party 4 further committed that if any items supplied to us were subject to export controls, particularly the export control regimes of the United States or the European Union, it would obtain any required export licenses, approvals, or authorizations from competent authorities and would promptly provide such licenses along with relevant classification information. Regarding the microcontroller and analog switch products delivered on October 28, 2025, the EL Party 4 confirmed to us on February 11, 2025 that the microcontroller products are classified under ECCN 3A991.a.2, while the analog switches fall under EAR99. The EL Party 4 also expressly confirmed to us that a BIS-issued export license was not required for supplying these products and confirmed that its transactions with us dated October 28, 2025 complied with the requirements of the EAR, which is concurred by our Directors and Hogan Lovells.

Accordingly, 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.

Risk exposure and internal controls

As of September 30, 2025 and up to the date of this document, we have ceased all sales to Russia, including both direct sales and indirect sales. Our Directors confirm that we do not have present intention to undertake any business involving directly or indirectly the Comprehensively Sanctioned Countries or Russia. We will not knowingly or intentionally conduct any business with any Sanctioned Targets, or any business in any Comprehensively Sanctioned Countries or Russia that will cause us to violate International Sanctions, and we will not use the **[REDACTED]** from the **[REDACTED]** to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, the Comprehensively Sanctioned Countries or Sanctioned Targets. Our Directors will continuously monitor the **[REDACTED]** from the **[REDACTED]**, as well as any other funds raised through the Stock Exchange, to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, Comprehensively Sanctioned Countries or Sanctioned Targets where this would be in breach of International Sanctions.

We have adopted enhanced internal control and risk management measures which we believe enable us to monitor and evaluate our business to address economic sanction risks. We have adopted the following additional internal control and risk management measures: (1) we will set up and maintain a separate bank account upon **[REDACTED]**, which will be designated for the sole purpose of the deposit and deployment of the **[REDACTED]** from the **[REDACTED]** or any other funds raised through the Stock Exchange; (2) to further enhance our existing internal risk management functions, our legal department is responsible for monitoring our exposure to sanctions risks and our implementation of the related internal control procedures. Our legal department will hold a meeting biannually to monitor our exposure to sanctions risks and to review our procedures implemented over sanctions screening; (3) we will evaluate the sanctions risks prior to determining whether we should embrace any business opportunities in countries subject to International Sanctions or sanctions persons. Our management will review and approve all relevant business transaction documentation from customers or potential customers from countries subject to International Sanctions or sanctions persons. In particular, screening process will be implemented to identify if our potential transaction counterparty is a person or entity on the various lists of restricted parties and countries maintained by the U.S., the European Union, the United Nations, the United Kingdom, the United Kingdom overseas territories or Australia, including, without limitation, any government, individual or entity that is the subject of any OFAC-administered sanctions which lists are publicly available. The transactions that fail the internal review will not be proceeded. At the same time, our legal department will periodically review the existing customers and suppliers lists to ensure that we do not engage in transactions with countries, regions, entities or individuals on the sanction lists. If any potential sanctions risk or suspicious transaction is identified, including where the transactions (if any) may cause direct or indirect sales to Russia since we ceased transactions with Customer A on September 30, 2025 as mentioned above, we may seek advice from reputable external legal counsel with necessary expertise and experience in International Sanctions matters; (4) our Directors will continuously monitor the **[REDACTED]** from the **[REDACTED]**, as well as any other funds raised through the Stock Exchange, to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, Sanctioned Countries or Sanctioned Targets where this would be in breach of International Sanctions; (5) our legal department will review our internal control policies and procedures with respect to sanctions matters as part of the biannual meeting. As and when our legal department considers necessary, we will retain external legal counsel with necessary expertise and experience in sanctions matters for recommendations and advice; and (6) if necessary, we will engage external legal counsel to provide compliance training relating to the international sanctions to our Directors, our senior management and other relevant personnel to assist them in evaluating the potential sanctions risks in our daily operations, in particular, to perform screening procedures in respect of counterparties to our Group's business to ensure none of them are Sanctioned Targets. We expect our external legal counsel to provide the latest list of Sanctioned Countries to our Directors, senior management and other relevant personnel, who will in turn disseminate such information internally.

Further, given the scope of the **[REDACTED]** and the expected **[REDACTED]** as set out in this document, our International Sanctions Legal Adviser is of the view that the risk of the involvement by parties in the **[REDACTED]** is relatively limited, and it will not likely implicate any applicable International Sanctions on such parties, including our Company and the Relevant Persons.

Tariffs-related Analysis

Procurement of U.S.-origin raw materials

During the Track Record Period, we did not directly procure any raw materials and components from suppliers located in the United States. However, we indirectly procured U.S.-origin products through our suppliers based in China. Our procurement amounts (excluding tax) for such U.S.-origin products were approximately RMB1.25 million, RMB1.86 million and RMB2.74 million in 2023, 2024 and 2025, respectively. Certain of the U.S.-origin chips we procured during the Track Record Period are subject to EAR, as further disclosed in the section entitled "– Export Control" above. We believe alternatives to the aforementioned U.S.-origin raw materials and components are available from non-U.S. suppliers. In addition, none of our customers during the Track Record Period specifically requested us to use U.S.-origin chips in our robots.

Exposure to tariffs and impact of trade tensions

During the Track Record Period, we have not engaged in any sales to the United States and therefore are not subject to U.S. tariffs. In addition, since 1 January 2026 and up to the Latest Practicable Date, we recorded sales to one customer in the United States with a transaction amount of approximately RMB170,000. U.S. tariffs applicable to this order are borne by the customer, and not by us. Based on the above, our Directors are of the view that the recent trade tensions, including U.S. tariff adjustments and China's countervailing tariffs, have not had, and are not expected to have, a material impact on our operations or financial performance. The Sole Sponsor is of the view that nothing material has come to its attention that would need to brought to the attention of the Stock Exchange. In addition, as disclosed in "– International Sanctions" above, due to our sales model, we do not have systematic access to, and cannot verify, complete end-customer information 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. Therefore, we cannot ascertain whether our products have been subject to tariffs after being sold by us to third parties.

Our Directors are of the view that risks related to U.S. sanctions or export control in respect of our use of U.S.-origin chips and components are minimal and are not expected to have a material adverse impact on the Group's business. Based on due diligence, nothing has come to the attention of the Sole Sponsor for it to reasonably cast doubt on the aforesaid view expressed by the Directors.

PATH TO IMPROVE OUR PROFITABILITY

We achieved revenue growth during the Track Record Period. Our revenue increased by 5.2% from RMB222.4 million for the year ended December 31, 2023 to RMB234.0 million for the year ended December 31, 2024, and further increased by 38.5% to RMB324.2 million for the year ended December 31, 2025.

For the years ended December 31, 2023, 2024 and 2025, our gross profit margin was 27.1%, 30.4% and 33.0%, respectively. We recorded net profit for the year ended December 31, 2023 at RMB1.7 million, while we incurred net loss for the year ended December 31, 2024 and 2025 at RMB12.9 million and RMB16.1 million, respectively.

Enriching and Expanding Our Products

Leveraging the success of our current offerings, we plan to further optimize our products to improve their adaptability, accuracy and efficiency, thereby enhancing our competitive edge. For example, we plan to further develop large and extra-large load products for automotive, electronics, new energy, and other scenarios, and continue building high-precision, high-safety, and real-time robot "brain" control platforms and key raw materials and components suitable for multiple industries and scenarios. We believe large and extra-large load robotic products are technically more demanding and reflect our advanced technological capabilities. They are primarily deployed in industries such as automotive, electronics and new energy, key sectors where leading global robotics players compete. These products typically command higher average selling prices, contributing to an improved product mix. However, their gross profit margins are not necessarily higher and are subject to ongoing optimization efforts. We also aim to introduce our products to a broader range of scenarios, with the goal of benefiting occupational groups that we have not covered or have rarely reached before. In the pan-industrial sector, we plan to expand robot technology applications into construction, agriculture, and other fields. In the commercial services field, we aim to extend robot applications to improve operational efficiency. For household scenarios, we plan to develop robots for daily chores, companionship, health monitoring, and emotional interaction to meet home-based elderly care needs. Through continuous innovation and synergy, we aim to offer a more comprehensive and industry-leading product portfolio that boosts user engagement, brand value, market reach and business growth. We expect that our expanding revenue sources will continue to improve operating results.

Expanding Customer Base

Customer recognition and satisfaction are key to our business sustainability and growth. We have established relatively long-term and stable relationships with our existing customers. During the Track Record Period, our customers comprised various leading enterprises in, among others, the automobile, electronics, and new energy sector. In addition to maintaining our existing customers, we also intend to expand our customer base, which is equally important to continue our revenue growth. Technological innovation is considered a crucial factor for our continuous development. By consistently iterating existing products and developing new products, our robotic products are crafted to lead industry standards and attract new customers through technical proficiency and scenario-based application capabilities. We also intend to increase our involvement in robotics industry events to demonstrate our innovated technological strengths and product technologies. Building upon our solid existing customer base, we will continue to enlarge our client base to drive our revenue growth.

Continued Enhancement of R&D Efficiency and Optimization of Cost Structure

We have streamlined our operations and maintained a reasonable size of management, operations and R&D teams. As of the Latest Practicable Date, we have developed a R&D team comprising of 141 personnel, including experts specializing in robotics, electronics, software, mechanical engineering, scenario application, algorithm and craftsmanship. For the years ended December 31, 2023, 2024 and 2025, our R&D expenses were 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.

Going forward, we intend to continue enhancing our R&D efficiency by focusing on the advancement and upgrading of core technologies that are able to boost our product competitiveness and quickly achieve commercialization. We are also taking measures to optimize our cost structure and improve operational efficiency in various sectors. For example, we expect to improve our cost control capabilities benefiting from growing procurement volumes, and enhance our brand awareness as we gradually build our reputation. We also expect to maximize our product exposure by participating in influential third-party conferences and exhibitions, thereby improving the sales and marketing efficiencies.

OVERVIEW

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 that 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]**.

Apart from the above, Mr. Li is the chairman of our Board, an executive Director and the general manager of our Company, Mr. Zhu is an executive Director and the vice general manager of our Company, Ms. Gu is an executive Director of our Company and each of Mr. Zeng, Mr. Xia and Mr. Deng is the vice general manager of our Company. For further background details of Mr. Li, Mr. Zhu, Ms. Gu, Mr. Zeng, Mr. Xia and Mr. Deng, please see the section headed "Directors and Senior Management" in this document.

EXCLUDED BUSINESS

Our Controlling Shareholders confirmed that none of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE OF OUR BUSINESS

Having considered the following factors, our Directors are satisfied that we can function, operate and carry on our business independently from our Controlling Shareholders upon **[REDACTED]**.

Operational Independence

We have full rights to make business decisions and to carry out our business independent of our Controlling Shareholders and their respective close associates. On the basis of the following reasons, our Directors consider that the Company will continue to be operationally independent of our Controlling Shareholders and their respective close associates after **[REDACTED]**:

(a) we are not reliant on trademarks owned by our Controlling Shareholders, or by other companies controlled by our Controlling Shareholders;

(b) we are the holder of all relevant licenses material to the operation of our business and has sufficient capital, equipment and employees to operate our business independently;

(c) we make our own procurement purchases and conduct our own sales and marketing primarily through independent third party distributors. Save as disclosed in this document, the Group has a large and diversified base of customers and our customers and suppliers are unrelated to our Controlling Shareholders and their respective close associates;

(d) as at the Latest Practicable Date, we leased factory and office space from independent third parties. All the properties and facilities necessary to our business operations are independent from our Controlling Shareholders and their respective close associates;

(e) we have our own administrative and corporate governance infrastructure, including our own accounting, legal and human resources departments;

(f) as at the Latest Practicable Date, all of our full-time employees were recruited independently from our Controlling Shareholders and their respective close associates and primarily through campus recruiting, job market recruiting, headhunters' recommendations and internal referrals;

(g) our Directors do not expect that there will be any other transactions between our Group and our Controlling Shareholders or their respective close associates upon or shortly after **[REDACTED]**; and

(h) none of our Controlling Shareholders and their respective close associates has any interest which competes or is likely to compete with the business of our Group.

Management Independence

Our management and operational decisions are made by the Board in a collective manner. The Board comprises of nine directors, consisting of three executive Directors, three non-executive Directors and three independent non-executive Directors. Please see the section headed "Directors and Senior Management" in this document for further details.

As at the Latest Practicable Date, none of our Directors or the members of our senior management team hold any position in companies of our Controlling Shareholders and their close associates.

Our Directors are of the view that our Directors have relevant experience to ensure the proper functioning of the Board. We further believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from our Controlling Shareholders for the following reasons:

(i) as a part of our preparation for the **[REDACTED]**, we have promulgated the Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provides that any Director and senior management member should not place himself or herself in a position where his or her duty and his or her own interests may conflict. In the event of a conflict of interest arising out of any transactions to be entered into by our Group, all Directors with conflicting interest shall abstain from voting in respect of such transactions and shall not be counted in forming a quorum at the relevant Board meetings;

(ii) our independent non-executive Directors constitute more than one-third of our Board and none of them has any relationship with our Controlling Shareholders. Our independent non-executive Directors have extensive experience in different areas. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders;

(iii) each of our Directors is aware of his or her fiduciary duties as a director, which require, among other things, that he or she acts for our Company's best interests and he or she must not allow any conflict between his or her duties as a Director and his or her personal interests; and

(iv) where a Shareholders' meeting is held to consider a proposed transaction in which our Controlling Shareholders have a material interest, our Controlling Shareholders shall abstain from voting on the resolutions and shall not be counted towards the quorum for the voting.

Financial Independence

We have our own financial management system and we make financial decisions according to our own business needs. Our Directors confirm that during the Track Record Period and As at the Latest Practicable Date, save for the guarantees set forth in notes 26 and 34 to the Accountants' Report included in Appendix I to this document, none of our Controlling Shareholders or their respective close associates had provided any guarantees to our Group. Our Directors confirm that all such guarantees have been released as at the Latest Practicable Date. Our Directors are satisfied that our Group will be financially independent of our Controlling Shareholders and any of their respective close associates upon **[REDACTED]**.

During the Track Record Period and as at the Latest Practicable Date, the Group had certain outstanding balances due from/to the close associates of our Controlling Shareholders, details of which are set forth in note 34 to the Accountants' Report included in Appendix I to this document. Our Directors confirm that there will be no balances due to or from our Controlling Shareholders or their respective close associates which had not been fully settled nor were there any financial assistance, security or guarantee provided by our Controlling Shareholders or their respective close associates in favor of our Group or vice versa upon **[REDACTED]**. Based on the above, our Directors believe that we are able to maintain financial independence from our Controlling Shareholders and their close associates after **[REDACTED]**.

Corporate Governance Measures

Our Directors believe that there are adequate corporate governance measures in place to manage the potential conflict of interests between our Controlling Shareholders and our Group and to safeguard the interests of our Shareholders taken as a whole for the following reasons:

(i) in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Controlling Shareholders and/or the Directors on the other hand, our Controlling Shareholders and/or the Directors shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either through its annual report or by way of announcements;

(ii) our Controlling Shareholders have undertaken that they would not and would procure that their controlled corporations would not, directly or indirectly, engage in any business which are or may potentially be in competition with the business carried on or contemplated to be carried on by our Company or any members of our Group;

(iii) any transaction that is proposed between our Group and our Directors, including our Controlling Shareholders and/or their respective associates will be required to comply with the requirements of the Articles of Association and the Listing Rules, including, where appropriate, the reporting, annual review, announcement and independent shareholders' approval requirements; and

(iv) we have appointed Zhongtai International Capital Limited as our compliance adviser, who will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance. Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Company and our Controlling Shareholders, and to protect our minority Shareholders' interests after the **[REDACTED]**.

Further, any transaction that is proposed between our Company and our Controlling Shareholders and/or our Directors and their respective associates will be required to comply with the requirements of the Listing Rules, including, where appropriate, the annual reporting, announcement, circular and independent Shareholders' approval requirements.

BOARD OF DIRECTORS

Our board comprises nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. The following table sets forth general information regarding our Directors:

Name	Age	Positions	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Mr. Li Liangjun (李良軍)	46	chairman of the Board, general manager and executive Director	September 2012	April 1, 2017	overall management of our Group, overall strategic planning, business direction and operational management
Mr. Zhu Lusheng (朱路生)	45	executive Director, vice general manager and director of research and development	September 2012	February 5, 2018	management and business development of our Group
Ms. Gu Fei (谷菲)	41	executive Director and vice director of research and development	September 2012	September 13, 2018	management and business development of our Group
Ms. Qing Chen (卿晨)	43	non-executive Director	September 2018	September 13, 2018	providing professional opinion and judgment to our Board
Mr. Huang He (黃河)	48	non-executive Director	February 2018	February 5, 2018	providing professional opinion and judgment to our Board
Mr. Li Xiang (李祥)	48	non-executive Director, employees' representative Director and welding products director	June 2017	Upon [REDACTED]	providing professional opinion and judgment to our Board
Ms. Zhi Nan (支楠)	65	independent non-executive Director	June 2021	June 18, 2021	supervising and providing independent opinion and judgment to the board
Ms. Liang Min (梁敏)	61	independent non-executive Director	August 2024	August 21, 2024	supervising and providing independent opinion and judgment to the board
Mr. Chan Yik Pun (陳奕斌)	44	independent non-executive Director	upon [REDACTED]	upon [REDACTED]	supervising and providing independent opinion and judgment to the board

Mr. Li is the brother-in-law of Mr. Zeng, a member of our senior management. Save for this, none of our Directors or senior management is related to any other Director or member of our senior management.

Executive Directors

Mr. Li Liangjun (李良軍), aged 46, is the chairman of the Board, general manager and executive Director of our Company. Mr. Li served successively as the manager, the executive Director, a Director of our Company from September 2012 to February 2018. Since February 2018, he has been serving as chairman of the Board and general manager of the Company. Mr. Li was redesignated as an executive Director in November 2025. He is primarily responsible for the overall management of our Group, overall strategic planning, business direction and operational management. Since December 2017, he has been serving as the executive managing partner at

Changzhou Hongzhi, which is an employee shareholding platform and one of our Controlling Shareholders. From December 2017 to January 2025, he served as the executive director and manager of CRP Intelligent. Mr. Li also holds positions at Jiangsu CRP Robotics Co., Ltd.* (江蘇卡諾普機器人有限公司), which is our wholly-owned subsidiary. From December 2021 to September 2025, Mr. Li served as its executive director and since September 2025, he has been serving as its director.

Mr. Li has nearly 25 years of extensive experience in the industry. Prior to the establishment of the Company, from June 1999 to December 2010, Mr. Li successively held the positions of R&D engineer, project leader, head of technology department, and R&D director at Chengdu GUNT Industrial Co., Ltd.* (成都廣泰實業有限公司), now known as Chengdu GUNT Weida CNC Technique Co., Ltd.* (成都廣泰威達數控技術股份有限公司) ("**Chengdu GUNT**"), a company incorporated on 14 April 1997 in the PRC. It is principally engaged in the R&D, production, processing and sales of Computer Numerical Control (CNC) system software, machine tool accessories, moulds and metal processing machinery.

Mr. Li graduated from Neijiang Coal Technical College (內江市煤炭技工學校) in July 1999, currently known as Neijiang Technical College (內江市技工學校) majored in coal mine electrical installation.

Mr. Li has received a series of awards and positions held in the industrial automation, robotics, and standardization industry. From February 2014 to March 2024, he had been serving as a member at the National Technical Committee for Standardization of Industrial Machinery Electrical Systems (全國工業機械電氣系統標準化技術委員會).

Mr. Zhu Lusheng (朱路生), aged 45, is our executive Director, vice general manager and the director of research and development of our Company. Mr. Zhu has been serving successively as the director of research and development since September 2012, as the supervisor from September 2012 to December 2017, as a vice general manager since July 2016, and as a Director since February 2018. Mr. Zhu was redesignated as an executive Director in November 2025. He is primarily responsible for the management and business development of our Group. From February 2018 to November 2024, he served as the executive Director, and from December 2019 to November 2024, he served as the manager of Junnuo Weishi. Since December 2021, Mr. Zhu has served as the supervisor of Jiangsu CRP Robotics Co., Ltd.* (江蘇卡諾普機器人有限公司), our wholly-owned subsidiary.

Mr. Zhu has over 20 years of extensive experience in the robotics and automation industry. From August 2003 to December 2010, he served as software development engineer at Chengdu GUNT.

Mr. Zhu graduated from Chengdu College of Electronic and Mechanical Engineering (成都電子機械高等專科學校) in July 2002, currently known as Chengdu Technological University (成都工業學院), majored in mechatronics engineering. In January 2024, Mr. Zhu was selected for the 2023 Chengdu Industrial Chain Talent Program (2023年度成都市產業建圈強鏈人才計劃) and received a corresponding certificate issued by the Talent Work Leading Group Office of the CPC Chengdu Municipal Committee (中共成都市委人才工作領導小組辦公室).

Ms. Gu Fei (谷菲), aged 41, is our executive Director and vice director of research and development. Since September 2012, Ms. Gu has been serving as a vice director of research and development of the Company. Ms. Gu served as the supervisor of our Company from December 2017 to September 2018 and served as a Director since September 2018. Ms. Gu was redesignated as an executive Director in November 2025. She is primarily responsible for the management and business development of our Group. From December 2017 to January 2025, she served as the supervisor of CRP Intelligent.

Ms. Gu has over 18 years of extensive experience in the robotics and automation industry. From August 2007 to January 2011, she served as a research and development engineer at Chengdu GUNT.

Ms. Gu graduated from Chengdu University (成都大學) in July 2007, with a bachelor's degree in engineering, majoring in automation. She also holds five patents as the first inventor, granted by the National Intellectual Property Administration (國家知識產權局) between May 2015 and October 2021.

Non-executive Directors

Ms. Qing Chen (**卿晨**), aged 43, joined our Company as a Director since September 2018 and was redesignated as a non-executive Director in November 2025. She is primarily responsible for providing professional opinion and judgment to our Board.

Ms. Qing has over 17 years of extensive experience in the investment and technology industries. From August 2008 to September 2010, Ms. Qing served as a project staff of direct investment department at Industrial Securities Co., Ltd. (興業證券股份有限公司) ("**Industrial Securities**"), a company listed on the Shanghai Stock Exchange (stock code: 601377), and from October 2010 to July 2017, she served as a investment manager at one of Industrial Securities' subsidiaries, Xingzheng Innovation Capital Management Co., Ltd.* (興證創新資本管理有限公司). From November 2015 to July 2017, she served as a director at Shanghai Xingye Venture Capital Co., Ltd.* (上海興燁創業投資有限公司). She has been serving as a partner at Richen Investment Management Co., Ltd.* (興富投資管理有限公司) since July 2017. From April 2020 to May 2025, she serves as a director at Zhenyue Automation Technology (Shanghai) Co., Ltd.* (臻越自動化技術(上海)有限公司). From June 2021 to present, she serves as a director at Shanghai Leading Technology Co., Ltd.* (上海六晶科技股份有限公司). From February 2022 to present, she serves as a director at Shanghai Mange Technology Co., Ltd.* (上海漫格科技有限公司). From October 2022 to present, she serves as a supervisor at Mega Phase Industrial Inspection Technology (Shanghai) Co., Ltd.* (上海盛相工業檢測科技有限公司).

Ms. Qing graduated with a bachelor's degree in statistics from Shanghai University of Finance and Economics (上海財經大學) in July 2004 and further obtained a master's degree in business administration from Fudan University (復旦大學) in January 2014. In addition, Ms. Qing obtained a master's degree in business administration on a part-time basis from Tsinghua University (清華大學) in December 2024.

Mr. Huang He (**黃河**), aged 48, joined our Company as a Director since February 2018 and was redesignated as a non-executive Director in November 2025. Mr. Huang is primarily responsible for providing professional opinion and judgment to our Board.

Mr. Huang has been working at Northern Lights Consulting (Beijing) Co., Ltd.* (北極光諮詢顧問(北京)有限公司) since August 2010, where he successively held several positions, including vice president from August 2010 until February 2013, executive director from March 2013 to January 2016, and partner from February 2016 to the present. Mr. Huang has served as a non-executive director at Zhejiang Hechuan Technology Co., Ltd.* (浙江禾川科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688320) from March 2015 to October 2024.

Mr. Huang graduated from Tsinghua University in July 1999 with a bachelor's degree in engineering in thermal energy and power engineering and double bachelor's degree in engineering in environmental engineering. Mr. Huang subsequently obtained a doctor of engineering degree in power engineering and engineering thermophysics in July 2004. He obtained the China Securities Investment Fund Practicing Certificate (中國證券投資基金從業證書) issued by the Asset Management Association of China (中國證券投資基金業協會) in November 2017.

Mr. Li Xiang (李祥), aged 48, has been appointed as our non-executive Director and employees' representative Director with effect upon **[REDACTED]**. Prior to these positions, from June 2017 to June 2021, he served as a robotics project director, and from June 2021 to November 2025, he served as the chairman of the supervisory board and welding product director of our Company. Since June 2021, Mr. Li has been serving as the welding products director of the Company. Mr. Li Xiang is primarily responsible for providing professional opinion and judgment to our Board.

Mr. Li Xiang has over 20 years of extensive experience in the engineering and automation industry. From May 2003 to March 2010, he served at Chengdu Hanyan Weida Automatic Welding Equipment Co., Ltd.* (成都焊研威達自動焊接設備有限公司), now known as Chengdu Hanyan Weida Science & Technology Co., Ltd.* (成都焊研威達科技股份有限公司) where he held the positions of electrical engineer, electrical supervisor and technical director. From May 2011 to June 2017, Mr. Li Xiang served as the manager and head of robot department at two subsidiaries of Shenzhen Jasic Technology Co., Ltd.* (深圳市佳士科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300193). Specifically, from May 2011 to April 2014, he served at Chengdu Jasic Technology Co., Ltd.* (成都佳士科技有限公司), and from April 2014 to June 2017, he served at Shenzhen Jasic Robot Automation Equipment Co., Ltd.* (深圳市佳士機器人自動化設備有限公司).

Mr. Li Xiang graduated from Wuhan University of Hydraulic and Electric Engineering (武漢水利電力大學), now merged into Wuhan University (武漢大學), with an associate degree in electrical technology in July 1998. In December 2022, he was awarded the Chengdu May Day Labor Medal (成都市五一勞動獎章) by the Chengdu Federation of Trade Unions (成都市總工會).

Independent Non-executive Directors

Ms. Zhi Nan (**支楠**), aged 65, has been serving as our independent non-executive Director since November 2025. Prior to that, she served as our independent director from June 2021 to November 2025. Ms. Zhi is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Ms. Zhi has over 43 years of extensive experience in the electrical and automation industry. From August 1982 to December 1999, she served as director of the research office and director of technology development at Chengdu Electric Welding Machine Research Institute (成都電焊機研究所), now known as Chengdu Electric Welding Machine Research Institute Co., Ltd.* (成都電焊機研究所有限公司), where she was primarily responsible for product technology development. From 2000 to 2017, she served as chief engineer and technology director at Chengdu Sanfang Electric Co., Ltd.* (成都三方電氣有限公司), a subsidiary of Suzhou Electric Apparatus Research Institute Co., Ltd.* (蘇州電器科學研究院股份有限公司) which is listed on the Shenzhen Stock Exchange (stock code: 300215).

Ms. Zhi graduated from Hefei University of Technology (合肥工業大學) in July 1982 with a bachelor's degree in engineering, majoring in industrial automation. In October 1996, she was qualified as a senior engineer in automatic control by the Ministry of Mechanical Industry of the People's Republic of China (中華人民共和國機械工業部).

Ms. Liang Min (**梁敏**), aged 61, has been serving as our independent non-executive Director since November 2025. Prior to that, she served as our independent director from August 2024 to November 2025. Ms. Liang is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Ms. Liang has years of extensive experience in the technology and software industry. From July 1985 to September 1988, Ms. Liang worked at State-owned No. 784 Factory, now known as Chengdu Zhongdian Jinjiang Information Industry Co., Ltd.* From September 1991 to August 1994, Ms. Liang worked at Sichuan Sikai Network Software Co., Ltd.* (四川四凱網絡軟件有限公司), now known as Sichuan Sikai Development Technology Group Co., Ltd.* (四川四凱發展科技集團有限公司) ("**Sichuan Sikai**"). From February 2000 to July 2001, Ms. Liang worked at system development department of the Osaka Technology Center of Aioi Nissay Dowa Insurance Co., Ltd.* (あいおい損害保險株式會社). From March 2004 to April 2006, Ms. Liang worked at Sichuan Sikai. From January 2007 to September 2019, Ms. Liang held various roles including practice area leader and service delivery manager of IBM Solution and Services (Shenzhen) Company Limited Chengdu Branch, a subsidiary ultimately controlled by International Business Machines Corporation which is listed on New York Stock Exchange (stock code: IBM).

Ms. Liang graduated from Chengdu University of Science and Technology (成都科技大學) in July 1985 with a bachelor's degree in engineering, majoring in automation. In June 1991, Ms. Liang obtained a master's degree in engineering, majoring in automatic control theory and applications, from Sichuan University (四川大學).

Mr. Chan Yik Pun (**陳奕斌**), aged 44, has been appointed as our independent non-executive Director with effect upon **[REDACTED]**. Mr. Chan is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Chan has over 20 years of extensive experience in the finance and accounting industry. From September 2005 to August 2009, he worked at Grant Thornton (致同會計師事務所) with his last position as Audit – Senior Accountant. From August 2010 to September 2012, he served as Financial Control Manager at Regal Hotels International Limited, the wholly owned management arm of Regal Hotels Internation Holdings Limited, a company listed on the Stock Exchange (stock code: 78). From October 2012 to September 2014, he served as senior accountant at Ernst & Young (Shanghai) and Ernst & Young (Australia) (安永(上海), 安永(澳大利亞)). From March 2015 to July 2016, he served as senior finance manager at Chaoyue Group Limited (超越集團有限公司), now known as International Business Settlement Holdings Limited (國際商業結算控股有限公司), a company listed on the Stock Exchange (stock code: 147). From August 2016 to January 2017, he served as financial controller and company secretary at Zall Group Ltd. (卓爾集團股份有限公司), now known as Zall Smart Commerce Group Ltd. (卓爾智聯集團有限公司), a company listed on the Stock Exchange (stock code: 2098). From July 2022 to May 2023, he served as financial controller of the hotel division at Sun Hung Kai Real Estate Agency Limited (新鴻基地產代理有限公司), a subsidiary of Sun Hung Kai Properties Limited. (新鴻基地產發展有限公司), a company listed on the Stock Exchange (stock code: 16). Since January 2026, Mr. Chan has been serving as an independent non-executive director at Yunhong Guixin Group Holdings Limited (運鴻硅鑫集團控股有限公司), a company listed on the Stock Exchange (stock code: 8349).

From April 2017 to September 2023, he served as financial controller at Tianfang Hospitality Management Pte Ltd. From November 2023 to present, he served as finance director at Tianfang Jincheng (HK) Limited (天房津城(香港)有限公司). From February 2024 to present, he served as an independent non-executive director at Xintian Green Energy Co., Ltd.* (新天綠色能源股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600956). From October 2024 to present, he served as company secretary at Beijing Biostar Pharmaceuticals Co., Ltd. (北京華昊中天生物醫藥股份有限公司), a company listed on the Stock Exchange (stock code: 02563).

Mr. Chan graduated from Monash University in December 2004 with a bachelor's degree in business, majored in accounting and minoring in economics. In addition, Mr. Chan holds professional qualifications, he was qualified as a Hong Kong Certified Public Accountant by the Hong Kong Institute of Certified Public Accountants (香港會計師公會) in September 2023 and as an Australian Certified Public Accountant by CPA Australia in May 2009.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets out the key information about our senior management of our Group.

Name	Age	Positions	Date of joining our Group	Date of appointment as a senior management	Roles and responsibilities
Mr. Li Liangjun (李良軍)	46	chairman of the Board, general manager and executive Director	September 2012	September 6, 2012	overall management of our Group, overall strategic planning, business direction and operational management
Mr. Zhu Lusheng (朱路生)	45	executive Director, vice general manager and director of research and development	September 2012	September 6, 2012	management and business development of our Group
Ms. Gu Fei (谷菲)	41	executive Director and vice director of research and development	September 2012	June 18, 2021	management and business development of our Group
Mr. Zeng Bing (曾兵)	39	director of operations and vice general manager	September 2012	September 6, 2012	operations management and business development of our Group
Ms. Song Qionglian (宋瓊蓮)	47	chief financial officer	October 2015	October 1, 2015	establishing the financial framework, formulating financial strategy, capital operations, fund management, and external risk control management
Mr. Deng Shihai (鄧世海)	39	vice general manager and director of general administration	September 2012	September 6, 2012	general administration management of our Group
Mr. Xia Huisheng (夏輝勝)	46	vice general manager and vice director of research and development	August 2013	June 18, 2021	team building, product management, customer support, and client solutions
Mr. Song Zhexing (宋哲行)	35	vice general manager and secretary of the Board	August 2019	June 18, 2021	overall corporate governance, information disclosure, investor relation and other Board-related matters

Mr. Li Liangjun (李良軍), **Mr. Zhu Lusheng (朱路生)** and **Ms. Gu Fei (谷菲)**, see "– Board of Directors – Executive Directors" for details.

Mr. Zeng Bing (曾兵), aged 39, has been serving as our director of operations and vice general manager since September 2012. Prior to these positions, he served successively as the director of production center from September 2012 to June 2021, as the supervisor from September 2018 to April 2020, and as a Director from April 2020 until the day prior to the **[REDACTED]**. Mr. Zeng is primarily responsible for operations management and business development of our Group.

From September 2006 to February 2011, Mr. Zeng successively served as production maintenance operator, production planning team leader, and production supervisor at Chengdu GUNT.

Mr. Zeng graduated from Longchang County Adult Secondary Specialized School (隆昌縣成人中等專業學校) in July 2005, majored in computer and secretarial studies.

Ms. Song Qionglian (宋瓊蓮), aged 47, has been serving as our chief financial officer since October 2015. Ms. Song is primarily responsible for overall financial management of our Company, including establishing the financial framework, formulating financial strategy, capital operations, fund management, and external risk control management.

Ms. Song has extensive experience in finance and accounting. From July 2007 to July 2010, Ms. Song was the chief accountant at Sichuan Zhongzi Environmental Protection Technology Co., Ltd.* (四川中自環保科技股份有限公司), currently known as SINOTECH Company Limited (中自科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688737). From August 2010 to September 2015, she served as financial director at Chengdu Kangrun Import & Export Co., Ltd.* (成都康潤進出口有限公司), where she was primarily responsible for the comprehensive financial management of the company, covering the establishment of financial frameworks, formulation of financial strategies, capital operations, treasury management, and external risk control management.

Ms. Song graduated from Sichuan Agricultural University (四川農業大學) in June 2005 with a bachelor's degree in management, majoring in land resources management. In December 2016, Ms. Song was qualified as certified tax agent by China Certified Tax Agents Association (中國註冊稅務師協會). In June 2024, she was awarded the title of Senior Accountant by the Chengdu Human Resources and Social Security Bureau (成都市人力資源和社會保障局).

Mr. Deng Shihai (鄧世海), aged 39, has been serving as our vice general manager and director of general administration since September 2012. Mr. Deng is primarily responsible for general administration management of our Group. Mr. Deng joined our Company in September 2012. From September 2012 to June 2021, he served as the executive Director. From December 2019 to November 2024, Mr. Deng served as supervisor of Junnuo Weishi.

Prior to joining the Company, Mr. Deng served as CNC hardware engineer at Chengdu GUNT from January 2009 to February 2011.

Mr. Deng graduated from Sichuan Normal University (四川師範大學) in June 2009 with a bachelor's degree in engineering, majored in communication engineering. In November 2023, he was awarded the "2022 Chengdu Industry and Information Technology Leader Entrepreneur" (2022年成都市工業和信息化行業領軍企業家) by Chengdu Federation of Industrial Economics (成都市工業經濟聯合會).

Mr. Xia Huisheng (夏輝勝) (formerly known as Xia Huisheng (夏輝盛)), aged 46, has been serving as our vice general manager and vice director of research and development since June 2021. Mr. Xia is primarily responsible for team building, product management, customer support, and client solutions. Mr. Xia joined our Company in August 2013. From August 2013 to June 2021, he held the position of head of technical department, responsible for establishing the technical services team, software testing team, and application requirements team, as well as overseeing the operational and managerial aspects of these teams.

Mr. Xia has over 24 years of extensive experience in the industrial technology sector. From January 2002 to February 2004, Mr. Xia worked at Nanjing Huaxing CNC Technology Co., Ltd.* (南京華興數控技術有限公司). From March 2004 to August 2008, Mr. Xia worked as a technical engineer at Nanjing Huijie CNC Equipment Co., Ltd.* (南京匯傑數控設備有限責任公司). From September 2008 to June 2009, Mr. Xia served as a technical engineer at Parlec Machinery (Nanjing) Co., Ltd.* (帕萊克機械(南京)有限公司). From July 2009 to July 2013, Mr. Xia held the position of technical supervisor at Nanjing Sinac Automation Co., Ltd.* (南京新那克自動化有限公司).

Mr. Xia graduated from Nanjing Institute of Technology (南京工程學院) in June 2001 with an associate degree in mechanical manufacturing technology and equipment (CAD).

Mr. Song Zhexing (宋哲行), aged 35, has been serving as our vice general manager and secretary of the Board since June 2021. Mr. Song is primarily responsible for overall corporate governance, information disclosure, investor relation and other Board-related matters. Mr. Song joined our Company in August 2019. From August 2019 to June 2021, Mr. Song previously served as assistant to the general manager, with specific responsibilities encompassing financing coordination and the development of internal systems.

Mr. Song has extensive experience in the investment industry. From November 2016 to September 2018, Mr. Song held the position of investment director at Chengdu Pengjin Asset Management Co., Ltd.* (成都朋錦資產管理有限公司). From October 2018 to July 2019, he served as the manager at Wenjiang Nihao Dashan E-Commerce Business Department* (溫江你好大山電子商務經營部).

Mr. Song graduated from Nanjing Institute of Technology (南京工程學院) in June 2014 with a bachelor's degree, majored in Accounting (Certified Public Accountant). He further obtained a degree of master of science in international accounting and finance in October 2015, from Bournemouth University.

COMPANY SECRETARY

Mr. Song Zhexing (宋哲行), has been appointed as a joint company secretary of our Company with effect from the **[REDACTED]**. See "– Senior Management" for details.

Ms. Wong Mei Fung Carrie (黃美鳳), was appointed as a joint company secretary of our Company with effect from the **[REDACTED]**.

Ms. Wong brings over 20 years of expertise in provision of company secretarial services and corporate governance for companies in Hong Kong. Before joining Computershare (as defined below), Ms. Wong worked at a professional services firm. Her diverse portfolio encompasses both listed and private clients in various industries including trading, construction, engineering and insurance companies and individual clients. In her current role as manager, entity solutions at Computershare Hong Kong Investor Services Limited ("**Computershare**"), she continues to leverage her extensive expertise in corporate governance and compliance to support clients in navigating complex regulatory environments and strategic initiatives. Ms. Wong holds a degree of bachelor of arts (accounting and finance) from Edinburgh Napier University. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various Board committees. In accordance with the relevant PRC laws and regulations, the Articles and the Listing Rules, we have established our Audit Committee, Remuneration Committee, Nomination Committee and Strategy Committee.

Audit Committee

We have established an audit committee with terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code on November 7, 2025. The audit committee consists of Mr. Chan Yik Pun (陳奕斌), Ms. Liang Min (梁敏) and Ms. Zhi Nan (支楠), with Mr. Chan Yik Pun (陳奕斌) being the chairman of the committee. The primary function of the audit committee is to assist our Board in providing an independent view of our financial reporting process, internal control and risk management system, overseeing the audit process and performing other duties and responsibilities as assigned by our Board.

Remuneration Committee

We have established a remuneration committee with terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code on November 7, 2025. The remuneration committee consists of Ms. Liang Min (梁敏), Mr. Li Liangjun (李良軍) and Ms. Zhi Nan (支楠), with Ms. Liang Min (梁敏) being the chairman of the committee. The primary function of the remuneration committee is to develop remuneration policies of our Directors, evaluate the performance, make recommendations on the remuneration packages of our Directors and senior management and evaluate and make recommendations on employee benefit arrangements.

Nomination Committee

We have established a nomination committee with terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code on November 7, 2025. The nomination committee consists of Ms. Zhi Nan (支楠), Mr. Zhu Lusheng (朱路生) and Ms. Liang Min (梁敏), with Ms. Zhi Nan (支楠) being the chairman of the committee. The primary function of the nomination committee is to make recommendations to our Board in relation to the appointment and removal of Directors.

Strategy Committee

We have established a strategy committee with terms of reference in compliance with the Articles of Association on November 7, 2025. The strategy committee consists of Mr. Zhu Lusheng (朱路生), Mr. Li Liangjun (李良軍) and Mr. Huang He (黄河), with Mr. Zhu Lusheng (朱路生) being the chairman of the committee. The primary duties of the strategy committee are to review our Company's long-term development strategies and major investment decisions, and to make recommendations to our Board.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as at the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require 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 October 27, 2025, and (ii) understands all the requirements under the Listing Rules that are applicable to him or her as a director of a listed issuer and the possible consequences of making a false statement or providing false information to the Stock Exchange.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules. As at the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his appointment.

CORPORATE GOVERNANCE

Code Provision C.2.1 of the Corporate Governance Code

Under paragraph C.2.1 of the Corporate Governance Code, the roles of chairman and the chief executive officer of the Company should be separate and should not be performed by the same individual. Mr. Li Liangjun is our chairman of the Board and the general manager and executive Director of our Company. With extensive experience in the industrial robotics industry, Mr. Li is in charge of overall management, business, strategic development and scientific research and development of our Group. Despite the fact that the roles of our chairman of the Board and our general manager and executive Director of the Company are both performed by Mr. Li which constitutes a deviation from paragraph C.2.1 of the Corporate Governance Code, our Board considers that vesting the roles of chairman and our chief executive officer of the Company in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of our Board, and our senior management, which comprises experienced and diverse individuals. Our Board currently comprises three executive Directors (including Mr. Li), three non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition.

Save as disclosed above, our Company intends to comply with all code provisions under the Corporate Governance Code after the **[REDACTED]**.

Board Diversity

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") prior to the **[REDACTED]** in order to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Our Company recognizes and embraces the benefits of having a diverse Board. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of the Company, the Nomination Committee will consider a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

As at the Latest Practicable Date, our Board consists of five male members and four female member with ages ranging from 41 years old to 65 years old. Our Directors have a balanced portfolio of knowledge and skills, including intelligent technology, engineering and automation technology, electric machinery manufacturing, fund investment, enterprise management and accounting. They obtained degrees in various fields such as engineering, business administration and accounting. Our Company has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable our Company to maintain high standard of operation.

Upon the **[REDACTED]**, the Nomination Committee will from time to time review the Board Diversity Policy, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives in order to ensure that the policy remains effective. The Company will (i) disclose the biographical details of each Director and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report.

EMOLUMENT OF DIRECTORS AND SENIOR MANAGEMENT

We offer our Directors and senior management members, who are also employees of our Company, emolument in the form of salaries, allowances, bonuses and benefits in kind. Our independent non-executive Directors receive emolument based on their responsibilities (including being members or chairman of Board committees).

The aggregate amount of remuneration which was paid to our Directors for the three years ended December 31, 2023 and 2024 and 2025 were RMB1.82 million, RMB1.97 million and RMB2.44 million, respectively.

It is estimated that the aggregate amount of remuneration payable to Directors for the year ending December 31, 2026 will be approximately RMB2.91 million under arrangements in force at the date of this document.

The aggregate amount of remuneration which were paid by the Group to our five highest paid individuals (excluding Directors) for the three years ended December 31, 2023 and 2024 and 2025 were RMB2.51 million, RMB2.52 million and RMB7.42 million, respectively.

None of our Directors or any past directors of any member of the Group has been paid any sum of money for the three years ended December 31, 2023 and 2024 and 2025 as (a) an inducement to join or upon joining the Company; or (b) a compensation for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group. There has been no arrangement under which a Director has waived or agreed to waive any emoluments for the three years ended December 31, 2023 and 2024 and 2025.

Except as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals of our Group during the Track Record Period.

COMPLIANCE ADVISER

We have appointed Zhongtai International Capital Limited as our compliance adviser pursuant to Rules 3A.19 and 19A.05 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

a. before the publication of any announcements, circulars or financial reports required by regulatory authorities or applicable laws;

b. where a transaction, which might constitute a notifiable or connected transaction under the Listing Rules, is contemplated, including share issues and securities repurchases;

c. where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document;

d. where the Stock Exchange makes an inquiry of us regarding unusual **[REDACTED]** and **[REDACTED]** volume or other issues under Rule 13.10 of the Listing Rules; and

e. Pursuant to Rule 19A.06 of the Listing Rules, Zhongtai International Capital Limited will, in a timely manner, inform us of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. Zhongtai International Capital Limited will also inform us of any amendment or supplement to applicable laws and guidelines.

The term of the appointment will commence on the **[REDACTED]** and end on the date on which we distribute the annual report of the first full financial year commencing after the **[REDACTED]** pursuant to the Rule 13.46 of the Listing Rules.

SHARE CAPITAL

Immediately before the [REDACTED]

As at the Latest Practicable Date, the registered share capital of the Company was 450,000,000 Domestic Unlisted Shares with a nominal value of RMB0.10.

Upon the Completion of the [REDACTED]

Immediately after the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), the share capital of the Company will be as follows.

Description of Shares	Number of Shares	Approximate % of the enlarged [REDACTED] share capital after the [REDACTED]
H Shares to be converted from Domestic Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**	[REDACTED]	[REDACTED]%
Total	**[REDACTED]**	**100%**

Immediately after the **[REDACTED]** (assuming that the **[REDACTED]** exercised in full), the share capital of the Company will be as follows.

Description of Shares	Number of Shares	Approximate % of the enlarged [REDACTED] share capital after the [REDACTED]
H Shares to be converted from Domestic Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**	[REDACTED]	[REDACTED]%
Total	**[REDACTED]**	**100%**

CLASS OF SHARES

Upon completion of the **[REDACTED]**, we would have only one class of Shares, namely H Shares. The H Shares in **[REDACTED]** following the completion of the **[REDACTED]** and the Domestic Unlisted Shares are ordinary Shares in the share capital of our Company and are considered as one class of Shares. Apart from certain qualified domestic institutional **[REDACTED]** in the PRC, as well as certain PRC qualified **[REDACTED]** under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval or filing with any competent authorities, including our existing Shareholders who may convert their Domestic Unlisted Shares into H shares upon completion of filing with the CSRC, H Shares generally cannot be **[REDACTED]** by or **[REDACTED]** among legal and natural persons of the PRC.

RANKING

Domestic Unlisted Shares and H Shares are regarded as one class of Shares under the Articles of Association and 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. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF OUR DOMESTIC UNLISTED SHARES INTO H SHARES

Our Company has [filed] for a "full circulation" of **[REDACTED]** the existing **[REDACTED]** Domestic Unlisted Shares into H Shares on a one-for-one basis, and submitted the application reports, authorisation documents of the shareholders of Domestic Unlisted Shares for which an H-share "full circulation" are applied, commitment regarding share compliance and other documents in accordance with the requirements of the CSRC.

The relevant filings of the conversion of the existing **[REDACTED]** Domestic Unlisted Shares held by the existing Shareholders into H Shares on a one-for-one basis have been completed on [•].

According to the stipulations by the State Council's securities regulatory authority and the Articles of Association, the holders of our Domestic Unlisted Shares may, at their own option, authorise the Company to apply to the CSRC for conversion of their respective Shares to H Shares. After the conversion of Domestic Unlisted Shares, such converted Shares may be **[REDACTED]** or traded on an overseas stock exchange, provided that prior to the **[REDACTED]** and **[REDACTED]** of such converted shares any requisite internal approval processes shall have been duly completed and the approval or filing from the relevant PRC regulatory authorities, including the CSRC, shall have been obtained. In addition, such conversion, **[REDACTED]** and **[REDACTED]** shall in all respects comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

Approval of the Stock Exchange is required for the **[REDACTED]** of such converted **[REDACTED]** on the Stock Exchange. Based on the methodology and procedures for the conversion of our Domestic Unlisted Shares into H Shares as described in this section, we can apply for the **[REDACTED]** of all or any portion of our Domestic Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the **[REDACTED]**. As any **[REDACTED]** of additional Shares after our **[REDACTED]** on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for **[REDACTED]** at the time of our **[REDACTED]** in Hong Kong.

After the completion of filing and all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Domestic Unlisted Shares will be withdrawn from the Domestic Share register and we will re-register such **[REDACTED]** on our **[REDACTED]** maintained in Hong Kong and instruct the **[REDACTED]** to issue H Share certificates. Registration on our **[REDACTED]** will be conditional on (a) the **[REDACTED]** lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the **[REDACTED]** and the due dispatch of H Share certificates and (b) the admission of the H Shares to **[REDACTED]** on the Stock Exchange in compliance with the Listing Rules, **[REDACTED]** in force from time to time. Until the converted shares are re-registered on our **[REDACTED]**, such Shares would not be **[REDACTED]** as H Shares.

No Shareholder voting by class is required for the **[REDACTED]** and **[REDACTED]** of the converted Shares on an overseas stock exchange. Any application for **[REDACTED]** of the converted shares on the Stock Exchange after our initial **[REDACTED]** is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

Following the completion of the **[REDACTED]** and filing procedure with the CSRC on [•], a total of **[REDACTED]** Domestic Unlisted Shares (assuming that the **[REDACTED]** is not exercised) held by all Shareholders will be converted into H Shares on a one-for-one basis and **[REDACTED]** on Stock Exchange for **[REDACTED]**, details of the conversion and numbers of H Shares and Domestic Unlisted Shares before and after the **[REDACTED]** are set out as below:

				H Shares	
Name of Shareholders	**Number of Domestic Unlisted Shares held as at the Latest Practicable Date**	**Number of Shares applied for Conversion into H Shares**	**Shareholding as at the Latest Practicable Date**	**Number of H Shares held after the [REDACTED] (assuming the [REDACTED] is not exercised)**	**Shareholding after the [REDACTED] (assuming the [REDACTED] is not exercised)**
Mr. Li	73,837,840	[REDACTED]	16.41%	[REDACTED]	[REDACTED]%
Mr. Zhu	73,837,840	[REDACTED]	16.41%	[REDACTED]	[REDACTED]%
Beta Achieve	60,066,450	[REDACTED]	13.35%	[REDACTED]	[REDACTED]%
Richen Emerging Industry and Richen Digital Intelligence	43,753,680	[REDACTED]	9.73%	[REDACTED]	[REDACTED]%
Changzhou Hongzhi	35,143,860	[REDACTED]	7.81%	[REDACTED]	[REDACTED]%
Guohong Jiyuan	22,784,850	[REDACTED]	5.06%	[REDACTED]	[REDACTED]%
Ms. Gu	17,377,790	[REDACTED]	3.86%	[REDACTED]	[REDACTED]%
Mr. Xia	17,339,780	[REDACTED]	3.85%	[REDACTED]	[REDACTED]%
Mr. Liao Xiaolong	16,458,210	[REDACTED]	3.66%	[REDACTED]	[REDACTED]%
Mr. Wang Zhibin	16,458,210	[REDACTED]	3.66%	[REDACTED]	[REDACTED]%
Eastern Bell Equity	13,129,570	[REDACTED]	2.92%	[REDACTED]	[REDACTED]%
Mr. Zeng	13,014,600	[REDACTED]	2.89%	[REDACTED]	[REDACTED]%
Mr. Deng	13,014,600	[REDACTED]	2.89%	[REDACTED]	[REDACTED]%
Yangzhou Qixin	6,412,490	[REDACTED]	1.43%	[REDACTED]	[REDACTED]%
Shuanghuan Driveline	5,411,390	[REDACTED]	1.20%	[REDACTED]	[REDACTED]%
TTGG Zhixin	4,500,000	[REDACTED]	1.00%	[REDACTED]	[REDACTED]%
Huatuo Zhiyin	3,206,270	[REDACTED]	0.71%	[REDACTED]	[REDACTED]%
Dianke Haimei	3,161,380	[REDACTED]	0.70%	[REDACTED]	[REDACTED]%
Eastern Bell Qinglan	2,882,110	[REDACTED]	0.64%	[REDACTED]	[REDACTED]%
Chengdu Chenghua	2,736,360	[REDACTED]	0.61%	[REDACTED]	[REDACTED]%
Zhangke Yaokun	2,736,360	[REDACTED]	0.61%	[REDACTED]	[REDACTED]%
Jincheng Music Technology	2,736,360	[REDACTED]	0.61%	[REDACTED]	[REDACTED]%

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstances under which Shareholders' general meeting is required, please refer to "Appendix III – Summary of Articles of Association" to this document.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Notice of Centralised 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, an overseas listed 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 its listing and provide a written report to the CSRC regarding the centralised registration and deposit of its unlisted shares as well as the current offering and listing of shares.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

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 **[REDACTED]** by our Company prior to the **[REDACTED]** of H Shares will be subject to such statutory restriction on transfer within a period of one year from the **[REDACTED]**.

SHAREHOLDERS' APPROVAL FOR THE [REDACTED]

Approval from our Shareholders is required for our Company to **[REDACTED]** H Shares and apply the **[REDACTED]** of H Shares on the Stock Exchange. Our Company has obtained such approval at the Shareholders' meeting held on November 7, 2025.

SUBSTANTIAL SHAREHOLDERS

To the best of the knowledge of our Directors, the following persons will, immediately after the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), have an interest or short position in our Shares or underlying Shares which are required to be disclosed to our Company and the Stock Exchange pursuant to 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 the rights to vote in all circumstances at the general meetings of our Company:

				Approximate percentage of interest	
Shareholder/ Ultimate Shareholder	**Nature of Interest**	**Class of Shares**	**Number of Shares[(1)]**	**In the relevant class of Shares upon the completion of the [REDACTED][(1)]**	**In the total share capital of our Company upon the completion of the [REDACTED][(1)]**
Mr. Li[(2)(3)]	Beneficial interest	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	Interest in controlled corporation[(3)]	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	A concert party to an agreement	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
Mr. Zhu[(2)(3)]	Beneficial interest	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	Interest in controlled corporation[(3)]	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	A concert party to an agreement	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
Beta Achieve	Beneficial interest	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
Changzhou Hongzhi[(3)]	Beneficial interest	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	A concert party to an agreement	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
Ms. Gu Fei[(3)]	Beneficial interest	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	A concert party to an agreement	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
Mr. Xia Huisheng[(3)]	Beneficial interest	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	A concert party to an agreement	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
Mr. Zeng Bing[(3)]	Beneficial interest	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	A concert party to an agreement	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
Mr. Deng Shihai[(3)]	Beneficial interest	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	A concert party to an agreement	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%

Notes:

(1) Assuming that the **[REDACTED]** is not exercised.

(2) Under the SFO, Mr. Li and Mr. Zhu are deemed to be interested in the Shares held by Changzhou Hongzhi, which was an employee shareholding platform owned as to approximately 1.13% by Mr. Li as the executive general partner and 73.21% by Mr. Zhu as a limited partner. As Mr. Zhu contributed more than one-third of the capital to the limited partnership, he is also deemed to be interested in the Shares held by Changzhou Hongzhi.

(3) Pursuant to the Concert Party Agreement, Mr. Li, Mr. Zhu, Changzhou Hongzhi, Ms. Gu, Mr. Zeng, Mr. Xia and Mr. Deng acknowledged and confirmed their acting-in-concert relationship in our Company since becoming our direct Shareholders. As such, each of Mr. Li, Mr. Zhu, Changzhou Hongzhi, Ms. Gu, Mr. Zeng, Mr. Xia and Mr. Deng is deemed to be interested in each other's interest in the Shares under the SFO. For details, see "History, Development and Corporate Structure – Concert Party Agreement."

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the **[REDACTED]**, have an interest or short position in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be 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.

You should read the following discussion and analysis in conjunction with our audited consolidated financial statements, including the notes thereto included in the Accountants' Report set out in Appendix I to this document. You should read the entire Accountants' Report in Appendix I to this document and not rely merely on the information contained in this section. The Accountants' Report has been prepared in accordance with the HKFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed "Forward-looking Statements" and "Risk Factors" in this document.

OVERVIEW

We are an advanced industrial robotics company in China and were among the early market entrants in developing embodied intelligent robotics. We achieved revenue growth during the Track Record Period. Our revenue increased by 5.2% from RMB222.4 million for the year ended December 31, 2023 to RMB234.0 million for the year ended December 31, 2024, and further increased by 38.5% to RMB324.2 million for the year ended December 31, 2025. For the years ended December 31, 2023, 2024 and 2025, our gross profit margin was 27.1%, 30.4% and 33.0%, respectively. We recorded net profit for the year ended December 31, 2023 at RMB1.7 million, while we incurred net loss for the year ended December 31, 2024 and 2025 at RMB12.9 million and RMB16.1 million, respectively.

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 HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by our Group in the preparation of the Historical Financial Information throughout the Track Record Period. The historical financial information has been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value at the end of each of the Track Record Period.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business and results of operations are affected by the general factors that impact our total addressable market, including, among others, overall economic growth in China and globally, technological advancement and competitive landscape in the industry in which we operate, geopolitical relations, regulatory oversight and government policies. Changes in any of these general factors could affect the demand for our products and our results of operations. In addition to the general factors mentioned above, we believe our results of operations are more directly affected by the following specific factors:

Growth Trends in Our Robotic Products or Services as well as the Overall Demand Environment

During the Track Record Period, we specialized in the design, development, and manufacturing of (i) industrial robots, primarily including six-axis industrial robots and four-axis industrial robots, and expanded into a full series of (ii) collaborative robots and (iii) embodied intelligent robots. 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. Therefore, our future growth is dependent on the continued expansion of the addressable markets for our product offerings, especially for metal and machining, automotive and components, electronics, new energy, consumer goods and healthcare. Market forecasts for these products are based on assumptions regarding macroeconomic conditions, manufacturing industry expansion, technological adoption, and the pace of intelligent manufacturing transformation in China and globally. For further detailed analysis about the industrial robotics market where we operate, please refer to "Industry Overview – Analysis of Industrial Robotics and Intelligent Industrial Robotics Market".

Supportive Regulatory Climate for Industrial Robotics Market

Governments around the world are implementing policies to support the industrial robotics market where we operate, offering policy assurance and resource backing to advance R&D, manufacturing, and industrial applications. For instance, the PRC government in recent years has been implementing a number of preferential policies and development plans to encourage the development of the industrial robotics market, such as the Implementation Plan for "Robot+" Application Action. However, to the extent that any such favorable government policies were discontinued or reduced in the future, the industrial robotics market may be affected, which may also affect our financial performance and growth prospects.

Our R&D Capabilities

The industrial robotics market is characterized by rapid technological advancements, such as innovations in AI, machine vision, automation software, and robotics hardware shaping the competitive landscape. Our ability to sustain technological innovation and advancement through R&D is crucial for sustaining our position in the market, as technological breakthroughs are often the key differentiators in product performance, cost-effectiveness, and operational flexibility. For the years ended December 31, 2023, 2024 and 2025, our research and development expenses were 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 products are the best manifestation of our R&D efforts to enhance user experience and make the most of our products' innovative features. For details of these core technologies, please refer to the section headed "Business – Research and Development" in this document. However, our R&D efforts may not be successful or yield the anticipated level of economic benefits. Even if our R&D efforts are successful, we cannot guarantee that our products incorporating these newly developed technologies will be well accepted by the market or that we will be able to apply them in a timely manner to take advantage of the opportunities presented in the market.

Our Capability in Building Comprehensive Robotic Portfolio to Seize Market Opportunity

Our robotic portfolio is subject to diversified application scenarios and evolving customer demands. To achieve sustainable growth, we must continuously enhance our robotic portfolio to keep pace with these changes in a timely and effective manner. To that end, our ability to efficiently develop and launch new robotic products and enhance our existing robotic portfolio is critical to our growth prospects. We have a proven track record in this regard, as demonstrated by our comprehensive robotic portfolio catering to a wide range of application scenarios. We aspire to continue to leverage our existing advantages in this regard and strengthen our robotic portfolio to drive our growth.

Our investments in R&D of new technologies have driven the continuous launch of new products, addressing customer pain points in various new application scenarios and industry sectors. We equip our customers with advanced robots applicable for various industrial applications. In addition, while we strive to achieve efficiency with our R&D efforts, as similar initiatives in the industrial robotics market are usually associated with uncertainties in the process and outcome, we may experience fluctuations in expenses and we may not predict the results of and return on such investment, which, in turn, may affect our results of operations.

Our Capability in Sales and Marketing to Expand Customer Base

We have made proactive efforts in product commercialization and market expansion, which has contributed significantly to the expansion of our market reach and customer base, and, as a result, the growth of our revenue. We adopt a multi-channel sales model that integrates direct sales to system integrators and end customers as well as distribution to cater to the varying needs of our diverse customer base. For the years ended December 31, 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 or period, respectively. However, our active efforts to acquire new customers or launch new products may result in higher initial layout of costs required to meet specific customer needs, including longer on-site implementation lead time required for our robotic products to onboarding customers, and production line adjustments associated with the mass production of our newly launched robotic products.

Ability to Maintain and Improve Cost and Operating Efficiency

Our ability to achieve profitability and sustainable growth depends in part on our management of cost of sales. For the years ended December 31, 2023, 2024 and 2025, our cost of sales was RMB162.1 million, RMB162.8 million and RMB217.4 million, respectively, accounting for 72.9%, 69.6% and 67.0% of our revenue for the same years. Changes in any major component of our cost of sales and our overall cost structure could have an impact on our gross profit and gross profit margin. Our results of operations and profitability are also significantly affected by our operating expenses, which primarily comprised selling and distribution expenses, administrative expenses and research and development expenses during the Track Record Period. Our total operating expenses (consisting of research and development expenses, selling and marketing expenses, administrative expenses) as a percentage of our total revenue fluctuated throughout the Track Record Period at 36.2%, 40.1% and 41.0% for the years ended December 31, 2023, 2024 and 2025, respectively. Looking ahead, we expect that our selling and marketing expenses, administrative expenses and research and development expenses will remain to account for a significant portion of our total operating expenses.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 2.3 to the Accountants' Report in Appendix I to this document sets forth certain accounting policies that are material to the preparation of our consolidated financial statements. 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 will continually evaluate such estimates, assumptions and judgments based on experience and other factors, including the 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.

DESCRIPTION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth key items of our consolidated statements of profit or loss and other comprehensive income for the years indicated:

	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)**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	–	115	85
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	1,688	(12,829)	(16,061)

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 " – Year to Year Comparison of Results of Operations" below. 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]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
– Share-based payments	303	1,851	6,638
Adjusted net profit/loss (non-HKFRS measure)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Revenue

Revenue by Product

During the Track Record Period, we generated substantially all of our revenue from sales of our robotic 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). We also provide a limited amount of after-sales services related to our robotic products.

The following table sets forth a breakdown of our revenue by offering type as well as key product and product series for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of products						
(i) Industrial robots						
– Six-axis						
– welding						
(1) RH Series	101,254	45.5	71,232	30.4	30,833	9.5
(2) PRO Series	–	–	13,258	5.7	59,189	18.3
(3) Nynhan Series	8,415	3.8	16,490	7.0	40,295	12.4
(4) Laser Welding Series	15,069	6.8	21,084	9.0	36,355	11.2
(5) Spot Welding Series	–	–	210	0.1	3,283	1.0
	124,738	56.1	122,274	52.2	169,955	52.4
– multifunctional						
(1) Light-load Series	69,068	31.1	71,069	30.4	67,793	20.9
(2) Heavy-load Series	3,083	1.3	4,756	2.0	10,796	3.3
(3) All-purpose Series	–	–	–	–	1,407	0.4
	72,151	32.4	75,825	32.4	79,996	24.6
– Four-axis						
(1) Four-axis Palletizing Robots	7,414	3.3	8,310	3.6	10,873	3.4
(2) SCARA Robots	1,922	0.9	2,287	1.0	3,135	1.0

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
	9,336	4.2	10,597	4.6	14,008	4.4
(ii) Collaborative robots	441	0.2	6,229	2.7	24,333	7.5
(iii) Embodied intelligent robots	8,255	3.7	9,881	4.2	24,141	7.4
(iv) Other products	6,618	3.0	8,518	3.6	10,907	3.4
Sub-total	**221,539**	**99.6**	**233,324**	**99.7**	**323,340**	**99.7**
After-sales services	826	0.4	715	0.3	888	0.3
Total revenue	**222,365**	**100.0**	**234,039**	**100.0**	**324,228**	**100.0**

Our revenue generated from other products represented (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. The table sets forth a breakdown of our revenue generated from other products during the Track Record Period.

	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**

For detailed analysis about our year-to-year fluctuations of sales volume and average selling prices during the Track Record, please see "– Year to Year Comparison of Results of Operations" below.

The table below sets forth the sales volume and average selling prices ("**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	*ASP[(1)]*	*Sales volume*	*ASP[(1)]*	*Sales volume*	*ASP[(1)]*
	Unit	*RMB'000/unit*	*Unit*	*RMB'000/unit*	*Unit*	*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

	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*
	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
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) The average selling price is calculated by dividing total revenue excluding tax for a product type or series by the sales volume of that product type or series.

Revenue by Industry Sector

The following table sets forth a breakdown of our revenue by application industry sector of our customers for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Metal and machining	170,571	76.7	180,193	77.0	240,787	74.3
Automotive and components	19,461	8.8	26,543	11.3	52,874	16.3
Electronics and new energy	18,241	8.2	19,334	8.3	16,927	5.2
Consumer goods and healthcare	14,092	6.3	7,969	3.4	13,640	4.2
Total	**222,365**	**100.0**	**234,039**	**100.0**	**324,228**	**100.0**

Revenue by Geographic Market

We have built up a broad and geographically diversified customer base both domestically and internationally. During the Track Record Period, our products have been sold to customers located in 40 countries or regions outside the PRC, mainly covering Europe, Southeast Asia, Latin America, South Asia and North America.

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

	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[(1)]	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[(2)]	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) 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 information, please see "Business – Compliance with International Sanctions and Export Control Laws and Regulations".

(2) 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.

Revenue by Sales Channel

We adopt a multi-channel sales model to cater to the varying needs of our diverse customer base. Our primary sales models are divided into the following key categories: (a) **direct sales,** including (i) ***direct sales to system integrators,*** who incorporate our robots into their complex, customized robotic solutions to end customers. System integrators play a key role in industries where our products are integrated into broader manufacturing systems; and (ii) ***direct sales to end customers,*** which is predominantly targeted at large enterprises. This model enables us to engage directly with clients, providing customized products and end-to-end support. This approach allows for deeper relationships with clients, particularly in industries such as automotive and components, electronics, and new energy; and (b) ***distribution:*** we work with distributors who help us expand our reach. These distributors are responsible for product sales within their territories, while also offering after-sales service and support. For more information about our sales channel, please refer to "Business – Sales, Marketing and Customers – Sales Models".

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**

Cost of Sales

Cost of Sales by Nature

Our cost of sales primarily consists of raw materials and components, labor costs, manufacturing expenses and outsourcing costs. For the years ended December 31, 2023, 2024 and 2025, our cost of sales was RMB162.1 million, RMB162.8 million and RMB217.4 million, respectively, accounting for 72.9%, 69.6% and 67.0% of our revenue for the same years, respectively.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Raw materials and components	134,955	83.3	135,362	83.1	180,077	82.8
Direct labor costs	4,733	2.9	4,758	2.9	5,936	2.7
Overhead costs	9,007	5.6	9,669	5.9	18,872	8.7
Outsourced production costs(1)	3,969	2.4	3,683	2.3	5,185	2.4
Write-down/(reversal of write-down) of inventories	5,043	3.1	3,855	2.4	(1,180)	(0.5)
Others(2)	4,439	2.7	5,494	3.4	8,472	3.9
Total cost of sales	**162,146**	**100.0**	**162,821**	**100.0**	**217,362**	**100.0**

Notes:

(1) During the Track Record Period, we outsourced production of wiring harnesses and PCBA boards to third-party suppliers. For more information about our outsourced production, please refer to "Business – Our Production – Outsourced Production" in this document.

(2) Mainly included warranty provision, delivery costs, maintenance expenses, and taxes and surcharges.

Cost of Sales by Offering Type

The following table sets forth a breakdown of our cost of sales by offering type for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of products						
(i) Industrial robots						
– Six-axis						
– welding	85,225	52.5	81,251	49.9	110,048	50.6
– multifunctional	53,781	33.2	53,664	33.0	59,357	27.3
– Four-axis	8,226	5.1	8,843	5.4	11,406	5.2
(ii) Collaborative robots	329	0.2	4,531	2.8	15,912	7.3
(iii) Embodied intelligent robots	5,143	3.2	4,840	3.0	14,064	6.5
(iv) Others(1)	3,881	2.4	5,293	3.2	6,987	3.2
Sub-total	**156,585**	**96.6**	**158,422**	**97.3**	**217,774**	**100.1**
Write-down/(reversal of write-down) of inventories	5,043	3.1	3,855	2.4	(1,180)	(0.5)
After-sales services	518	0.3	544	0.3	768	0.4
Total	**162,146**	**100.0**	**162,821**	**100.0**	**217,362**	**100.0**

Gross Profit and Gross Profit Margin

For the years ended December 31, 2023, 2024 and 2025, our gross profit was RMB60.2 million, RMB71.2 million and RMB106.9 million, respectively. Gross profit margin represents gross profit divided by revenue, expressed as a percentage. For the years ended December 31, 2023, 2024 and 2025, our gross profit margin was 27.1%, 30.4% and 33.0%, respectively.

Gross Profit and Gross Profit Margin by Offering Type

The following table sets forth a breakdown of our gross profit and gross profit margin by offering type as well as key products and product series for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross Profit margin	Gross profit	Gross Profit margin	Gross profit	Gross Profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of products						
(i) Industrial robots						
– Six-axis						
– welding						
(1) RH Series	33,107	32.7	24,743	34.7	11,885	38.5
(2) PRO Series	–	–	3,696	27.9	18,729	31.6
(3) Nynhan Series	2,155	25.6	5,476	33.2	15,349	38.1
(4) Laser Welding Series	4,251	28.2	7,085	33.6	13,950	38.4
(5) Spot Welding Series	–	–	23	11.0	(6)	(0.2)
	39,513	31.7	41,023	33.6	59,907	35.2
– multifunctional						
(1) Light-load Series	18,055	26.1	21,620	30.4	19,728	29.1
(2) Heavy-load Series	315	10.2	541	11.4	664	6.2
(3) All-purpose Series	–	–	–	–	247	17.6
	18,370	25.5	22,161	29.2	20,639	25.8
– Four-axis						
(1) Four-axis Palletizing Robots	683	9.2	1,195	14.4	1,948	17.9
(2) SCARA Robots	427	22.2	559	24.4	654	20.9
	1,110	11.9	1,754	16.6	2,602	18.6
(ii) Collaborative robots	112	25.4	1,698	27.3	8,421	34.6
(iii) Embodied intelligent robots	3,112	37.7	5,041	51.0	10,077	41.7
(iv) Others	2,737	41.4	3,225	37.9	3,920	35.9
Sub-total	**64,954**	**29.3**	**74,902**	**32.1**	**105,566**	**32.6**
Write-down/(reversal of write-down) of inventories	(5,043)	N/A	(3,855)	N/A	1,180	N/A
After-sales services	308	37.3	171	23.9	120	13.5
Total	**60,219**	**27.1**	**71,218**	**30.4**	**106,866**	**33.0**

Gross Profit and Gross Profit Margin by Industry Sector

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Metal and machining	50,469	29.6	59,093	32.8	82,716	34.4
Automotive and components	5,582	28.7	7,884	29.7	16,050	30.4
Electronics and new energy	5,142	28.2	5,634	29.1	3,304	19.5
Consumer goods and healthcare	4,069	28.9	2,462	30.9	3,616	26.5
Write-down/(reversal of write-down) of inventories	(5,043)	N/A	(3,855)	N/A	1,180	N/A
Total	**60,219**	**27.1**	**71,218**	**30.4**	**106,866**	**33.0**

Other Income and Gains

For the years ended December 31, 2023, 2024 and 2025, our recorded other income and gains amounted to RMB26.7 million, RMB16.5 million and RMB20.7 million, respectively. Our other income during the Track Record Period primarily consists of (i) government grants, and (ii) bank interest income. We also recorded gains during the Track Record Period, which primarily consists of (i) net foreign exchange gains which mainly resulted from fluctuations in the exchange rates between the USD and the RMB; and (ii) fair value gains on financial assets at FVTPL, which primarily represents fair value gains from the wealth management products that we purchased from commercial banks.

The following table sets forth a breakdown of our other income and gains for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Bank interest income	4,721	4,549	2,559
Deferred income released	149	162	4,686
Government grants[(1)]	20,674	10,139	9,785
Additional deductible input tax	36	267	2,324
Rental income	48	98	68
Others	83	250	832
Total other income	25,711	15,465	20,254
Gains			
Gains on disposal of items of property, plant and equipment	77	349	-
Fair value gains on financial assets at FVTPL	901	309	468
Foreign exchange gains, net	–	385	-
Total gains	978	1,043	468
Total other income and gains	**26,689**	**16,508**	**20,722**

Note:

(1) Government grants received and recognized as "other income" during the Track Record Period related to grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. There are no unfulfilled conditions or contingencies relating to these grants. The government grants were mainly used to support our R&D activities and operations as a specialized and innovative enterprise. During the Track Record Period, we received government grants other than deferred income of RMB20.7 million, RMB10.1 million and RMB9.8 million in 2023, 2024 and 2025, respectively. The decrease from 2023 to 2024 was primarily due to the single large grant made by the Chengdu government based on a "one project, one decision" policy in an amount of RMB10.5 million, as a means to support major local companies. Our government grants remained relatively stable in 2024 and 2025.

Research and Development Expenses

For the years ended December 31, 2023, 2024 and 2025, our research and development expenses were 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 research and development expenses primarily consist of (i) employee compensation expenses and share-based payment expenses for our R&D personnel; (ii) material consumption and testing expenses incurred from R&D activities; and (iii) depreciation and amortization.

The following table sets forth a breakdown of our research and development expenses for years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Employee compensation expenses and share-based payment expenses	25,948	72.1	25,383	70.4	31,937	65.3
Material consumption and testing expenses	3,929	10.9	4,452	12.4	7,677	15.7
Depreciation and amortization	2,161	6.0	2,111	5.9	1,995	4.1
Design fees	2,260	6.3	2,257	6.3	2,367	4.8
Others[1]	1,674	4.7	1,791	5.0	4,941	10.1
Total	**35,972**	**100.0**	**35,994**	**100.0**	**48,917**	**100.0**

Note:

(1) Mainly represented travel expenses, utilities and offices expenses associated with our R&D activities.

Selling and Distribution Expenses

For the years ended December 31, 2023, 2024 and 2025, our selling and distribution expenses were RMB27.1 million, RMB38.1 million and RMB43.7 million, respectively, accounting for 12.2%, 16.3% and 13.5% of our total revenue for the same years, respectively.

The following table sets forth a breakdown of our selling and distribution expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee compensation expenses and share-based payment expenses	15,309	56.5	23,110	60.7	27,097	62.0
Travel expenses	4,322	16.0	6,479	17.0	7,692	17.6
Marketing promotion expenses	3,712	13.7	4,763	12.5	3,765	8.6
Entertainment expenses	987	3.6	1,046	2.7	1,774	4.1
Depreciation expenses	377	1.4	281	0.7	472	1.1
Others(1)	2,373	8.8	2,450	6.4	2,861	6.6
Total	**27,080**	**100.0**	**38,129**	**100.0**	**43,661**	**100.0**

Note:

(1) Mainly comprised utilities, vehicle usage expenses and offices expenses associated with our sales and marketing activities.

Administrative Expenses

For the years ended December 31, 2023, 2024 and 2025, our administrative expenses were RMB17.5 million, RMB19.7 million and RMB40.4 million, respectively, accounting for 7.9%, 8.4% and 12.5% of our total revenue, respectively.

The following table sets forth a breakdown of our administrative expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee compensation expenses and share-based payment expenses	9,990	57.2	11,124	56.6	14,120	34.9
Utilities, offices and property management expenses	1,238	7.1	1,638	8.3	1,202	3.0
Depreciation and amortization	2,262	12.9	2,156	11.0	1,843	4.6
Professional service fees	918	5.2	1,303	6.6	2,408	6.0
Entertainment expenses	510	2.9	721	3.7	1,386	3.4
Travel expenses	562	3.2	420	2.1	480	1.2
Tax and surcharges	1,032	5.9	1,041	5.3	1,297	3.2
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others(1)	983	5.6	1,258	6.4	1,096	2.7
Total	**17,495**	**100.0**	**19,661**	**100.0**	**40,374**	**100.0**

Note:

(1) Mainly comprised training expenses, vehicle usage expenses and delivery expenses associated with our administrative activities.

Other Expenses

For the years ended December 31, 2023, 2024 and 2025, our other expenses were RMB0.5 million, RMB0.9 million and RMB2.9 million, respectively, and accounted for an immaterial portion of our revenue for each year.

Finance Costs

Our finance costs primarily comprise interest expense on (i) interest-bearing bank loans; and (ii) lease liabilities. Our finance costs amounted to (i) RMB955,000 in 2023, comprising RMB951,000 of interest on bank loans and RMB4,000 of interest on lease liabilities; (ii) RMB1,329,000 in 2024, comprising RMB1,325,000 of interest on bank loans and RMB4,000 of interest on lease liabilities; and (iii) RMB868,000 in 2025, comprising RMB865,000 of interest on bank loans and RMB3,000 of interest on lease liabilities.

Impairment Losses on Financial Assets, Net

Our net impairment losses on financial assets represent provision for expected credit loss allowance for trade receivables and other receivables. The rates applied to measure our expected credit losses on trade receivables are determined with reference to historical payment profiles of our customers, our historical credit loss rates by industry and data published by external credit rating institutions, and are subject to adjustments based on current and forward-looking information about macroeconomic factors which may affect our customers' ability to settle our trade receivables. Our expected credit losses on deposits and other receivables are measured based on historical settlement records and past experiences.

Income Tax Expenses

We did not record any income tax expenses for the years ended December 31, 2023, 2024 and 2025, respectively, primarily because (i) we recorded a loss before tax for the year ended December 31, 2024 and 2025, respectively; and (ii) our Company is entitled to claim an additional deduction for qualified research and development expenses. For more information, please refer to Note 10 to the Accountants' Report in Appendix I to this document. During the Track Record Period and up to the Latest Practicable Date, we had no disputes or unresolved tax issues with the relevant tax authorities.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Year ended December 31, 2024 Compared to Year ended December 31, 2025

Revenue

Our revenue increased by 38.5% from RMB234.0 million in 2024 to RMB324.2 million in 2025, which was primarily due to an increase in sales revenue of (i) our six-axis welding industrial robots of RMB47.7 million; (ii) our collaborative robots of RMB18.1 million; (iii) our embodied intelligent robots of RMB14.3 million; (iv) our six-axis multifunctional industrial robots of RMB4.2 million; and (v) our four-axis industrial robots of RMB3.4 million.

Our revenue growth during the Track Record Period 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: (i) we had established core strengths in the welding field mainly through our six-axis welding industrial robots prior to and in 2022. Beginning in the second half of 2022, we initiated a strategic expansion by launching new series of six-axis multifunctional robots, four-axis industrial robots, collaborative robots, and embodied intelligent robots. This initiative contributed to an overall increase in sales revenue from these products from 2022 to 2024, while revenue from our established six-axis welding robots remained relatively stable; and (ii) these efforts, supported by our sustained R&D and targeted market promotion, culminated in the establishment of our fully self-developed product matrix by June 2024. The expanded matrix enabled us to cover a majority of industrial application scenarios and deepen our presence in high-growth sectors such as automotive components. Concurrently, we launched or upgraded several flagship six-axis welding robots, particularly in 2024, to strengthen our leadership in welding functionality and metal and machining applications. Our fully self-developed product matrix and new flagship six-axis welding robots collectively contributed to the revenue growth from 2024 to 2025.

Our revenue generated from six-axis welding industrial robots increased by 39.0% from RMB122.3 million in 2024 to RMB170.0 million in 2025, primarily attributable to: (1) an increase of 895 units in sales volume from 1,973 units in 2024 to 2,868 units in 2025, notably in the PRO Series, which saw an increase from 271 units in 2024 to 1,144 units in 2025. The sales volume for our Nynhan Series also increased from 241 units in 2024 to 556 units in 2025. This growth was mainly driven by improved performance addressing certain industry pain points, such as our self-developed welding power source; (2) the average selling price for our six-axis welding industrial robots decreased from RMB62 thousand per unit to RMB59 thousand per unit, mainly due to the PRO Series with a sales volume surge in 2025 which has a relevantly lower average selling price compared to the other series.

Our revenue generated from six-axis multifunctional industrial robots increased by 5.5% from RMB75.8 million in 2024 to RMB80.0 million 2025, primarily attributable to the increased sales volume from 1,348 units in 2024 to 1,623 units in 2025, as a result of the natural increase of our light-load series with reduced promotion efforts and the increase in our heavy-load series due to newly onboarded customers in the automotive industry. The average selling price for our six-axis multifunctional industrial robots decreased from RMB56 thousand per unit in 2024 to RMB49 thousand per unit in 2025, because we strategically offered better prices to major clients. Specifically, we proactively adopted a focused market penetration strategy supported by competitive pricing tailored to major clients in key industries and core applications. We offered targeted competitive pricing on our several best-selling robot models to secure higher volume orders, as we believe the increased order volumes allow us to achieve economies of scale in the supply chain and production, effectively lowering unit production costs and enabling us to maintain a stable overall profit level.

Our revenue generated from four-axis industrial robots increased by 32.2% from RMB10.6 million in 2024 to RMB14.0 million 2025, primarily attributable to the increased sales volume from 331 units in 2024 to 411 units in 2025, which was driven by our enhanced sales and promotion efforts for our four-axis palletizing robots. The average selling price for our four-axis industrial robots remained stable at RMB32 thousand per unit and RMB34 thousand per unit in 2024 and 2025, respectively.

Our revenue generated from collaborative robots increased by 290.6% from RMB6.2 million in 2024 to RMB24.3 million in 2025, primarily attributable to the increased sales volume from 94 units in 2024 to 358 units in 2025, which was driven by upgraded product performance through R&D technology and a newly launched series of models in the second half of 2025. The average selling price for our collaborative robots remained stable at RMB66 thousand per unit and RMB68 thousand per unit in 2024 and 2025, respectively.

Our revenue generated from embodied intelligent robots increased by 144.3% from RMB9.9 million in 2024 to RMB24.1 million in 2025, primarily attributable to the increased sales volume from 91 units in 2024 to 300 units in 2025, primarily because we officially launched the LH series in 2025 which sold 63 units in the same year, and continuously improved their performance, developing new application scenarios in the automobile industry. The average selling price for our embodied intelligent robots decreased from RMB109 thousand per unit in 2024 to RMB80 thousand per unit in 2025, because we adjusted our prices to a major Chinese state-owned energy enterprise in response to the volume surge.

Our revenue generated from most industry sectors of application increased in 2025, among which, (i) our revenue generated from the metal and machining industry increased by 33.6% from RMB180.2 million in 2024 to RMB240.8 million in 2025, as we built up a deep foundation in the industry, which resulted in stable revenue growth and relatively stable gross margins; (ii) our revenue generated from the automotive and components industry increased by 99.2% from RMB26.5 million in 2024 to RMB52.9 million in 2025, mainly because starting in 2023, we focused on this industry, with multiple models of our products that were well received by the market and helped us acquire several important clients; and (iii) our revenue generated from the consumer goods and healthcare industry increased by 71.2% from RMB8.0 million in 2024 to RMB13.6 million in 2025, because the robots for grain sampling application we developed finalized pilot production and generated sales revenue in 2025. Our revenue generated from the electronics and new energy industry decreased by 12.4% from RMB19.3 million in 2024 to RMB16.9 million in 2025, because we strategically shifted our focus from smaller customers to medium-to-large sized industrial players in 2025 and onboarded these customers in the same year.

Our revenue generated from both China (including Hong Kong and Taiwan) and overseas geographic markets increased in 2025, among which, (i) our revenue generated from China increased by 37.3% from RMB209.4 million in 2024 to RMB287.5 million in 2025, mainly because of the increased revenue across industries as a result of our enhanced sales efforts, and (ii) our revenue generated from overseas increased by 49.5% from RMB24.6 million in 2024 to RMB36.8 million in 2025, mainly because the local sales and technical support we realized in certain overseas markets.

Our revenue generated from direct sales channels increased by 48.2% from RMB212.2 million in 2024 to RMB314.4 million in 2025, among which, (i) our revenue generated from direct sales to system integrators increased by 44.4% from RMB197.8 million in 2024 to RMB285.8 million in 2025, and (ii) our revenue generated from direct sales to end customers increased significantly by 99.8% from RMB14.3 million in 2024 to RMB28.6 million in 2025, which is in line with our sustained sales and marketing efforts. Our revenue generated from distribution decreased by 55.0% from RMB21.9 million in 2024 to RMB9.8 million in 2025, which accounted for an immaterial portion of 3.0% of our total revenue in 2025.

Cost of sales

Our cost of sales increased by 33.5% from RMB162.8 million in 2024 to RMB217.4 million in 2025, which is due to increases across all major cost components associated with our expanded production activities and higher demand for our products. Such growth was slower than our revenue growth of 38.5% for the same period, reflecting enhanced cost efficiency driven by a favorable product mix, economies of scale, and advanced supply chain management.

Gross profit and gross profit margin

Our gross profit increased by 50.1% from RMB71.2 million in 2024 to RMB106.9 million in 2025, which exceeded our revenue growth of 38.5% during the same period. Our gross profit margin increased from 30.4% in 2024 to 33.0% in 2025.

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 our newly introduced series or flagship models of industrial robots, which carry enhanced functionalities and overall continued improved gross profit margins. For more information about development of our fully self-developed product matrix, please see "– Year to Year Comparison of Results of Operations – Year ended December 31, 2024 Compared to Year ended December 31, 2025 – Revenue" above; (ii) the improvement in gross profit margins mainly attributed to: (a) economies of scale derived from higher sales volumes; (b) our active negotiations with key suppliers for more favorable raw material prices, coupled with continuous improvements in our production technologies; and (c) increased sales volume for high-margin products.

Among which,

(1) our gross profit for six-axis welding industrial robots increased by 46.0% from RMB41.0 million in 2024 to RMB59.9 million in 2025, in line with our increased sales volume. The gross profit margin of our six-axis welding industrial robots remained relatively stable at 33.6% and 35.2% in 2024 and 2025, respectively;

(2) our gross profit for six-axis multifunctional industrial robots decreased by 6.9% from RMB22.2 million in 2024 to RMB20.6 million in 2025, and gross profit margin of our six-axis multifunctional industrial robots decreased from 29.2% in 2024 to 25.8% in 2025, because we strategically offered better prices to major clients;

(3) our gross profit for four-axis industrial robots increased by 48.3% from RMB1.8 million in 2024 to RMB2.6 million in 2025, in line with our increased sales volume. The gross profit margin of our four-axis industrial robots increased from 16.6% in 2024 to 18.6% in 2025, primarily due to our upgraded product performance and reduced costs;

(4) our gross profit for collaborative robots increased by 395.9% from RMB1.7 million in 2024 to RMB8.4 million in 2025, in line with our increased sales volume. The gross profit margin of our collaborative robots increased from 27.3% in 2024 to 34.6% in 2025, which was driven by upgraded product performance through R&D technology and a newly launched series of models in the second half of 2025;

(5) our gross profit for embodied intelligent robots increased by 99.9% from RMB5.0 million in 2024 to RMB10.1 million in 2025, in line with our increased sales volume. The gross profit margin of our embodied intelligent robots decreased from 51.0% in 2024 to 41.7% in 2025, primarily due to more favorable pricing we offered to clients in electronics and new energy industry, aimed at expanding market share and strengthening long-term partnerships.

By industry sector, (i) our gross profit for the metal and machining industry increased by 40.0% from RMB59.1 million in 2024 to RMB82.7 million in 2025, reflecting a stable natural increase in order volumes for our mature business area. The gross profit margin for the metal and machining industry remained relatively stable at 32.8% in 2024 and 34.4% in 2025; (ii) our gross profit for the automotive and components industry increased by 103.6% from RMB7.9 million in 2024 to RMB16.1 million in 2025, reflecting a strong increase in our sales for this industry. The gross profit margin for the automotive and components industry remained relatively stable at 29.7% in 2024 and 30.4% in 2025; (iii) our gross profit for the electronics and new energy industry decreased by 41.4% from RMB5.6 million in 2024 to RMB3.3 million in 2025, primarily we strategically chose to concentrate on major clients in the industry and we were still in early stage of this partnership. The gross profit margin for the electronics and new energy industry decreased from 29.1% in 2024 to 19.5% in 2025 in line with the reduced gross profit in this year; (iv) our gross profit for the consumer goods and healthcare industry increased by 46.9% from RMB2.5 million in 2024 to RMB3.6 million in 2025, primarily due to the mass production of new customer projects in this sector. The gross profit margin for the consumer goods and healthcare industry remained relatively stable at 30.9% in 2024 and 26.5% in 2025.

Other income and gains

Our other income and gains increased by 25.5% from RMB16.5 million in 2024 to RMB20.7 million in 2025, primarily due to an increase in deferred income released from government grants of RMB4.5 million, following the successful completion and acceptance of the related R&D projects. For more information about deferred income, please refer to Note 27 to the Accountants' Report in Appendix I to this document.

Research and development expenses

Our research and development expenses increased from RMB36.0 million in 2024 to RMB48.9 million in 2025. Our research and development expenses as a percentage of revenue remained stable at at 15.4% in 2024 and 15.1% in 2025.

Selling and distribution expenses

Our selling and distribution expenses increased by 14.5% from RMB38.1 million in 2024 to RMB43.7 million in 2025, primarily attributable to (i) an increase of RMB4.0 million in employee compensation expenses and share-based payment expenses; and (ii) an increase of RMB1.2 million in travel expense; and partially offset by (iii) an decrease of RMB1.0 million in marketing promotion expenses. Following the establishment of our fully self-developed product matrix by June 2024, our sales and distribution strategy in 2025 shifted from market penetration to efficiency. As our brand recognition and product offerings became more established, these efforts began to mature, resulting in a slower growth pace of selling and distribution expenses compared to 2024. As such, our marketing promotion expenses decreased from RMB4.8 million in 2024 to RMB3.8 million in 2025.

Administrative expenses

Our administrative expenses increased significantly by 105.4% from RMB19.7 million in 2024 to RMB40.4 million in 2025, primarily due to the **[REDACTED]** expenses of **[REDACTED]** which was incurred in 2025.

Finance costs

Our finance costs decreased by 34.7% from RMB1.3 million in 2024 to RMB0.9 million in 2025, primarily attributable to a decrease of RMB0.5 million in interest on bank loans, mainly as a result of a decrease in total amount of our bank loans as well as the decrease in interest of bank loans in line with the downward adjustment of the loan benchmark interest rate by the People's Bank of China.

Impairment losses on financial assets, net

Our net impairment losses on financial assets increased from RMB4.7 million in 2024 to RMB7.0 million in 2025. This was primarily due to the growth in scale and the aging of certain receivables that were not recovered, which is in line with our business growth.

Income tax expenses

We did not record any income tax expenses for the years ended December 31, 2024 and 2025.

Loss for the year

We recorded loss of RMB12.9 million and RMB16.1 million for the year ended December 31, 2024 and 2025, respectively, primarily because (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.

Year ended December 31, 2023 Compared to Year ended December 31, 2024

Revenue

Our revenue increased by 5.2% from RMB222.4 million in 2023 to RMB234.0 million in 2024, which was primarily due to an increase in sales revenue of (i) our collaborative robots of RMB5.8 million, and (ii) our six-axis multifunctional industrial robots of RMB3.7 million; while sales revenue of our six-axis welding industrial robots remained relatively stable.

Our revenue generated from six-axis welding industrial robots slightly decreased by 2.0% from RMB124.7 million in 2023 to RMB122.3 million in 2024, for which we saw (1) an increase in sales volume from 1,893 units in 2023 to 1,973 units in 2024. This growth was mainly driven by such series that were gradually received by the market by virtue of their improved performance; (2) the average selling price for our six-axis welding industrial robots decreased from RMB66 thousand per unit to RMB62 thousand per unit mainly due to the addition of our PRO Series to our product matrix which has a lower average selling prices compared to other series.

Our revenue generated from six-axis multifunctional industrial robots increased by 5.1% from RMB72.2 million in 2023 to RMB75.8 million 2024, primarily attributable to the increased sales volume from 1,245 units in 2023 to 1,348 units in 2024, as a result of the increase in sales volume of our light-load series due to organic growth, as well as in heavy-load series due to newly onboarded customers in the automotive industry. The average selling price for our six-axis multifunctional industrial robots remained relatively stable at RMB58 thousand and RMB56 thousand in 2023 and 2024, respectively.

Our revenue generated from four-axis industrial robots increased by 13.5% from RMB9.3 million in 2023 to RMB10.6 million 2024, primarily attributable to the increased sales volume from 280 units in 2023 to 331 units in 2024, which was driven by the launch of a model of our four-axis palletizing robots. The average selling price for our four-axis industrial robots remained relatively stable at RMB33 thousand per unit and RMB32 thousand per unit in 2024 and 2025, respectively.

Our revenue generated from collaborative robots increased by 1,312.5% from RMB0.4 million in 2023 to RMB6.2 million 2024, primarily attributable to the increased sales volume from 7 units in 2023 to 94 units in 2024, which was driven by the official launch of our collaborative series in 2024 following our sample sales in 2023. The average selling price for our collaborative robots remained stable at RMB63 thousand per unit and RMB66 thousand per unit in 2023 and 2024, respectively.

Our revenue generated from embodied intelligent robots increased by 19.7% from RMB8.3 million in 2023 to RMB9.9 million in 2024, primarily attributable to the increased sales volume from 72 units in 2023 to 91 units in 2024, primarily because of the sample sales of our LH series in 2024 and the improved performance of our products with laser tracking functions. The average selling price for our embodied intelligent robots remained relatively stable at RMB115 thousand per unit in 2023 and RMB109 thousand per unit in 2024.

In addition, our revenue generated from most industry sectors of application increased in 2024, among which, (i) our revenue generated from the metal and machining industry increased by 5.6% from RMB170.6 million in 2023 to RMB180.2 million in 2024, due to a natural and stable growth of this industry; (ii) our revenue generated from the automotive and components industry increased by 36.4% from RMB19.5 million in 2023 to RMB26.5 million in 2024, mainly due to our scenario-specific development started in 2023 that brought about the subsequent increase in revenue of several heavy-load models in 2024; and (iii) our revenue generated from the electronics and new energy industry increased by 6.0% from RMB18.2 million in 2024 to RMB19.3 million in 2024, due to natural growth. Our revenue generated from the consumer goods and healthcare industry decreased by 43.5% from RMB14.1 million in 2023 to RMB8.0 million in 2024, because the robots with grain sampling application were in pilot production phase and did not generate revenue.

Our revenue generated from China (including Hong Kong and Taiwan) increased by 16.2% from RMB180.2 million in 2023 to RMB209.4 million in 2024, mainly because of the newly launched PRO Series in 2024 that became a new source of revenue; our revenue generated from overseas market decreased by 41.6% from RMB42.1 million in 2023 to RMB24.6 million in 2024, mainly because Customer A (one of our five largest customers in 2023, 2024 and 2025, respectively) starting to transact with us through its distributor entity instead of its system integrator entity in China.

Our revenue generated from direct sales to system integrators remained relatively stable at RMB200.9 million in 2023 and RMB197.8 million in 2024; our revenue generated from direct sales to end customers increased significantly by 64.5% from RMB8.7 million in 2023 to RMB14.3 million in 2024, mainly because we developed some end customers with system integrating capabilities in 2024. Our revenue generated from distribution increased by 70.9% from RMB12.8 million in 2023 to RMB21.9 million in 2024, due to our intensified cooperation with distributors in expansion of our overseas business.

Cost of sales

Our cost of sales remained stable at RMB162.1 million in 2023 to RMB162.8 million in 2024, while we recorded revenue growth of 5.2% for the same years, reflecting enhanced cost efficiency driven by a favorable product mix, economies of scale, and advanced supply chain management.

Gross profit and gross profit margin

Our gross profit increased by 18.3% from RMB60.2 million in 2023 to RMB71.2 million in 2024, which exceeded our revenue growth of 5.2% during the same period. Our gross profit margin increased from 27.1% for the year ended December 31, 2023 to 30.4% for the year ended December 31, 2024, mainly due to our continued cost-reducing efforts.

Among which,

(1) our gross profit for six-axis welding industrial robots remained relatively stable at RMB39.5 million and RMB41.0 million in 2023 and 2024, respectively. The gross profit margin of our six-axis welding industrial robots remained relatively stable at 31.7% and 33.6% in 2023 and 2024, respectively;

(2) our gross profit for six-axis multifunctional industrial robots increased by 20.6% from RMB18.4 million in 2023 to RMB22.2 million in 2024, in line with our increased sales volume. The gross profit margin of our six-axis multifunctional industrial robots increased from 25.5% in 2023 to 29.2% in 2024, primarily due to the cost scale effect brought about by the 54.3% revenue increase in our heavy-load Series;

(3) our gross profit for four-axis industrial robots increased by 58.0% from RMB1.1 million in 2023 to RMB1.8 million in 2024, in line with our increased sales volume. The gross profit margin of our four-axis industrial robots increased from 11.9% in 2023 to 16.6% in 2024, primarily due to the launch of our four-axis palletizing robots with a higher margin;

(4) our gross profit for collaborative robots increased by 1,416.1% from RMB0.1 million in 2023 to RMB1.7 million in 2024, in line with our increased sales volume. The gross profit margin of our collaborative robots remained relatively stable at 25.4% and 27.3% in 2023 and 2024, respectively;

(5) our gross profit for embodied intelligent robots increased by 62.0% from RMB3.1 million in 2023 to RMB5.0 million in 2024, in line with our increased sales volume. The gross profit margin of our embodied intelligent robots increased from 37.7% in 2023 to 51.0% in 2024, respectively, due to the sales of our products with laser tracking functions which have a relatively high margin.

In addition, by industry sector, (i) our gross profit for the metal and machining industry increased by 17.1% from RMB50.5 million in 2023 to RMB59.1 million in 2024; The gross profit margin for the metal and machining industry remained relatively stable at 29.6% and 32.8% in 2023 and 2024; (ii) our gross profit for the automotive and components industry increased by 41.2% from RMB5.6 million in 2023 to RMB7.9 million in 2024. The gross profit margin for the automotive and components industry remained relatively stable at 28.7% and 29.7% in 2023 and 2024; (iii) our gross profit for the electronics and new energy industry increased by 9.6% from RMB5.1 million in 2023 to RMB5.6 million in 2024. The gross profit margin for the electronics and new energy industry remained relatively stable at 28.2% in 2023 and 29.1% in 2024; (iv) our gross profit for the consumer goods and healthcare industry decreased by 39.5% from RMB4.1 million in 2023 to RMB2.5 million in 2024. The gross profit margin for the consumer goods and healthcare industry relatively stable at 28.9% in 2023 and 30.9% in 2024. Our gross profit fluctuations from 2023 to 2024 were all in line with the revenue generated for such sectors.

Other income and gains

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.

Research and development expenses

Our research and development expenses remained stable at RMB36.0 million in 2023 to RMB36.0 million in 2024, respectively. And our research and development expenses as a percentage of revenue slightly decreased from 16.2% in 2023 to 15.4% in 2024.

Selling and distribution expenses

Our selling and distribution expenses increased by 40.8% from RMB27.1 million in 2023 to RMB38.1 million in 2024, primarily attributable to (i) an increase of RMB7.8 million in employee compensation expenses and share-based payment expenses; (ii) an increase of RMB2.2 million in travel expenses; and (iii) an increase of RMB1.1 million in marketing promotion expenses.

The significant increase in our selling and distribution expenses from 2023 to 2024 was primarily driven by our sales and marketing efforts to (i) support promoting our new products in parallel with the ongoing development of our self-developed product matrix. For more information, please see "– Year to Year Comparison of Results of Operations – Year ended December 31, 2024 Compared to Year ended December 31, 2025 – Revenue" above. Specifically, a considerable portion of the selling and distribution expenses in 2024 are 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.

Administrative expenses

Our administrative expenses increased by 12.4% from RMB17.5 million in 2023 to RMB19.7 million in 2024. This was primarily attributable to an increase in employee compensation expenses and share-based payment expenses of RMB1.1 million, driven primarily by our grant of employee bonuses in 2024.

Finance costs

Our finance costs increased by 39.2% from RMB1.0 million in 2023 to RMB1.3 million in 2024, primarily attributable to an increase of RMB0.4 million in interest on bank loans. Such increase was mainly attributable to (i) interest payments for the bank loans we obtained in 2023 were predominantly made in 2024, and (ii) the amount of new bank loans we acquired in 2024 exceeded the repayments we made for the loans obtained in 2023.

Impairment losses on financial assets, net

Our net impairment losses on financial assets increased from RMB3.2 million in 2023 to RMB4.7 million in 2024; mainly due to increased provisions for expected credit losses on trade receivables a result of (i) our revenue growth and expanded customer base; and (ii) our offering of more flexible payment terms to support promoting our new products in parallel with the ongoing development of our self-developed product matrix. For further details, please see "– Year to Year Comparison of Results of Operations – Year ended December 31, 2024 Compared to Year ended December 31, 2025 – Revenue" above.

Income tax expenses

We did not record any income tax expenses for the years ended December 31, 2023 and 2024.

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 of RMB1.7 million for the year ended December 31, 2023 and loss of RMB12.9 million for the year ended December 31, 2024, respectively, primarily 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 "– 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.

DISCUSSION OF CERTAIN KEY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth statements of our financial position as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	109,739	103,257	113,755
Right-of-use assets	10,068	9,551	8,828
Intangible assets	2,832	3,580	4,346
Prepayments, other receivables and other assets	2,680	1,965	425
Total non-current assets	**125,319**	**118,353**	**127,354**
CURRENT ASSETS			
Inventories	94,546	82,456	108,712
Trade and bills receivables	101,060	113,940	143,160
Debt investments at fair value through other comprehensive income	6,823	19,133	18,641
Prepayments, other receivables and other assets	18,219	11,504	21,310
Financial assets at fair value through profit or loss ("**FVTPL**")	3,844	–	-
Restricted bank deposits	–	1,406	261
Cash and cash equivalents	162,374	154,272	176,125
Total current assets	**386,866**	**382,711**	**468,209**
CURRENT LIABILITIES			
Trade and bills payables	115,870	111,079	187,940
Contract liabilities	1,693	3,648	6,579
Other payables and accruals	34,115	23,232	36,133
Interest-bearing bank loans	30,746	40,000	50,567
Lease liabilities	27	104	38
Tax payable	1,485	1,483	-
Total current liabilities	**183,936**	**179,546**	**281,257**
NET CURRENT ASSETS	**202,930**	**203,165**	**186,952**
TOTAL ASSETS LESS CURRENT LIABILITIES	**328,249**	**321,518**	**314,306**
NON-CURRENT LIABILITIES			
Lease liabilities	–	35	-
Deferred income	1,786	5,104	5,666
Provision	2,429	3,323	5,007
Total non-current liabilities	**4,215**	**8,462**	**10,673**
Net assets	**324,034**	**313,056**	**303,633**

Certain Items of Non-Current Assets and Non-current Liabilities

Property, plant and equipment

Our property, plant and equipment consist of (i) buildings; (ii) machinery and equipment; (iii) motor vehicles; (iv) other equipment; and (v) construction in progress. The table below sets forth a breakdown of the net carrying amount of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Buildings	88,236	83,160	78,085
Machinery and equipment	13,170	12,378	31,284
Motor vehicles	322	315	214
Other equipment	6,751	5,338	4,072
Construction in progress	1,260	2,066	100
Total	**109,739**	**103,257**	**113,755**

Our property, plant and equipment slightly decreased from RMB109.7 million as of December 31, 2023 to RMB103.3 million as of December 31, 2024, primarily due to a decrease in net carrying amount of buildings of RMB5.1 million. Such decrease was as a result of continued accumulated depreciation. In addition, we have made adequate provision for expected credit loss for trade and bills receivables in the balance sheet. Our property, plant and equipment increased from RMB103.3 million as of December 31, 2024 to RMB113.8 million as of December 31, 2025, respectively, primarily attributable to additions in our machinery and equipment, mainly representing certain equipment acquired for our production capacity expansion.

Right-of-use assets

Right-of-use assets are recognized 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 any 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 recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. The aggregate value of our right-of-use assets decreased slightly throughout the Track Record Period, with an aggregate value of RMB10.1 million, RMB9.6 million and RMB8.8 million as of December 31, 2023, 2024 and 2025, respectively. Such decrease trend was mainly due to continued amortization charge of our land use rights during the Track Record Period.

Deferred income

Our deferred income consist of government grants. Such grants are credited to profit or loss on a straight-line basis over the expected lives of the related assets, or are recognized as income on a systematic basis over the periods in which the related costs, for which they are intended to compensate, are expensed. Please also refer to "– Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Other Income and Gains" above.

The following table sets forth the recognition of government grants assets in our financial statements as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	1,134	1,786	5,104
Grants received during the year	801	3,480	5,248
Released to profit or loss during the year	(149)	(162)	(4,686)
At end of year	**1,786**	**5,104**	**5,666**

The government grants we received during the Track Record Period were mainly one-off in nature and provided by local government authorities to support our R&D activities and operations as a specialized and innovative enterprise.

Current Assets

Inventories

Our inventories comprise (i) raw materials and components; (ii) finished goods; (iii) materials consigned for processing and work in progress, and (iv) goods in transit. Our materials consigned for processing primarily consisted of certain wiring harnesses and PCBA boards, which were outsourced to third-party suppliers. For more information about our outsourced production, please refer to "Business – Our Production – Outsourced Production". For more information about our types of raw materials and components, please refer to "Business – Raw Materials and Suppliers – Raw Materials and Components".

The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and components	68,067	62,153	82,960
Finished goods	14,338	11,745	15,433
Materials consigned for processing and work in progress	9,684	8,057	9,102
Goods in transit	2,457	501	1,217
Total	**94,546**	**82,456**	**108,712**

Our inventories decreased from RMB94.5 million as of December 31, 2023 to RMB82.5 million as of December 31, 2024, primarily attributable to (i) a decrease of RMB5.9 million in raw materials and components, (ii) a decrease in finished goods of RMB2.6 million, and (iii) a decrease of RMB2.0 million in goods in transit.

The aforementioned decrease in our inventory balance is primarily attributable to (i) the progressive enhancement of our inventory management capabilities. For example, we have refined the industry-specific specialization of our marketing team since 2023 to improve customer order demand forecasting; and (ii) the continuous improvement of our supply chain management capabilities has shortened supplier lead times, thereby enabling us to reduce stock. Our inventories increased from RMB82.5 million as of December 31, 2024, to RMB108.7 million as of December 31, 2025, primarily attributable to an increase of RMB20.8 million in raw materials and components. This strategic inventory increase was made in anticipation of both production growth and rising orders from sectors like automotive and electronics, which demand timely delivery and make proactive stocking essential.

The following table sets forth the number of our inventory turnover days for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
Inventory turnover days(1)	240	211	172

Note:

(1) Calculated as the average of the opening and closing inventory balances for the period, divided by the cost of sales for the relevant period, multiplied by the number of days in the relevant period, which is 365 days for each year.

Our inventory turnover days decreased from 240 days in 2023 to 211 days in 2024 and further decreased to 172 days in 2025, primarily because of the progressive enhancement of our inventory management capabilities. For example, we have refined the industry-specific specialization of our marketing team since 2024 to improve customer order demand forecasting. It was also due to the improved stability in our supply chain and the economies of scale driven by our continued business growth. The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within one year	79,384	68,655	102,855
One to two years	14,429	9,312	5,419
Two to three years	4,618	8,256	2,560
Over three years	147	3,793	3,640
Less: Write-down of inventories	(4,032)	(7,560)	(5,762)
Total	**94,546**	**82,456**	**108,712**

As of April 30, 2026, approximately RMB80.5 million, or 70.3% of our inventories as of December 31, 2025 had been subsequently consumed or sold. We have reviewed the condition of inventories as of December 31, 2025, for which allowance is made when the net realizable value of inventories falls below the cost or any of the inventories is identified as obsolete. We assessed the net realizable value of the inventories as well as the required amount of write-down of inventories at the end of each reporting period, which involves significant judgment on determination of the estimated selling price of our products in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on our current market condition, contract price of products if they are held for particular contracts and the historical experience of distributing and selling products of similar nature. In view of the forgoing, we are of the opinion that sufficient inventory impairment provisions have been made.

Trade and bills receivables

Our trade and bills receivables primarily consist of (i) trade receivables, which primarily represent outstanding amounts due from our customers for products sold in the ordinary course of our business; and (ii) bills receivables, primarily relating to the commercial bills received from customers. The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	91,922	95,943	117,404
Less: Impairment of trade receivables	(4,878)	(9,505)	(12,046)
	87,044	86,438	105,358
Bills receivable	14,016	27,502	37,802
Total	**101,060**	**113,940**	**143,160**

The increase in balance of trade and bills receivables from December 31, 2023 to December 31, 2024 of 12.7% outpaced the increase in our revenue of 5.2% during the same periods. The faster growth in receivables was mainly due to the more flexible payment terms we offered as part of customer acquisitions strategies, mainly to support promoting our new products in parallel with the ongoing development of our self-developed product matrix. For further details, please refer to "– Revenue – Period-To-Period Comparison" above. The increase in balance of trade and bills receivables from December 31, 2024 to December 31, 2025 of 25.6% was lower than the increase in our revenue of 38.5% during the same periods. This trend was primarily due to (i) our implementation of more stringent credit approval standards, as our newly launched products gained market recognition and enhanced our overall brand standing; and (ii) continuously enhanced management of our collection of trade and bills receivables. For trade receivables that do not contain a significant financing component or when we apply the practical expedient of not adjusting the effect of a significant financing component, we apply the simplified approach in calculating ECLs. Under the simplified approach, we do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at the end of each period throughout the Track Record Period. We have established a provision matrix that is based on our historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

We recorded allowance for impairment losses on trade receivables of RMB4.9 million, RMB9.5 million and RMB12.0 million as of December 31, 2023, 2024 and 2025, respectively. The increase in impairment losses on trade receivables was mainly due to our customer acquisitions strategies as mentioned above. Our Directors consider sufficient provision for impairment of trade receivables had been made. We negotiate credit terms with our customers on an individual basis, taking into account factors like cooperation history and creditworthiness, and generally grant a credit period of three months.

The following table sets forth the number of our trade receivables turnover days for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
Trade receivables turnover days[1]	125	146	120

Note:

(1) Calculated as the average of the opening and closing balances of trade receivables for the period, net of loss allowance, divided by revenue for the relevant period, multiplied by the number of days in the relevant period, which is 365 days for each year.

Our trade receivables turnover days increased from 125 days in 2023 to 146 days in 2024, mainly because we offered more flexible payment terms as part of our customer acquisitions strategies as mentioned above. Our trade receivables turnover days then decreased to 120 days for the year ended December 31, 2025, mainly due to our implementation of more stringent credit approval standards, as our newly launched products gained market recognition and enhanced our overall brand standing. The following table sets forth an aging analysis of our trade receivables, based on the invoice date and net of loss allowance, as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within three months	46,191	46,199	61,900
Three to six months	19,445	14,838	19,881
Six to 12 months	13,882	16,093	18,681
Over 12 months	7,526	9,308	4,896
Total	**87,044**	**86,438**	**105,358**

As of April 30, 2026, approximately RMB73.3 million, or 47.2% of our trade and bills receivables as of December 31, 2025, had been subsequently settled. We have assessed the recoverability of trade and bills receivables, including those aged over one year. Based on our historical collection experience and ongoing credit monitoring, our Directors consider that there are no material recoverability issues for these receivables. This assessment is supported by the following factors: (i) the subsequent settlement rates for aged receivables are consistent with our historical collection patterns; (ii) there have been no significant changes in the credit risk profiles of our major customers; and (iii) during the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material disputes, claims, or legal proceedings regarding the settlement of long-aged trade and bills receivables.

Debt investments at fair value through other comprehensive income

The following table sets forth a breakdown of our debt investments at fair value through other comprehensive income as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bank acceptance bills	**6,823**	**19,133**	**18,641**

The above bank acceptance bills were issued by qualified banks in PRC. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cash flows and selling. The fair value approximates to the carrying value due to the short maturity. The fluctuation in the balance of our bank acceptance bills primarily reflected the normal course of our settlement activities with business partners during the respective periods.

Prepayments, other receivables and other assets

Our current prepayments, other receivables and other assets primarily consist of prepayments, other receivables and deposits and value-added tax recoverable. The following table sets forth a breakdown of our current prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	2,928	3,286	1,635
Deferred **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Other receivables and deposits	3,234	1,459	6,118
Value-added tax recoverable	12,075	6,809	11,841
Less: Impairment of other receivables	(18)	(50)	(20)
Total	**18,219**	**11,504**	**21,310**

Our prepayments, other receivables and other assets decreased from RMB18.2 million as of December 31, 2023 to RMB11.5 million as of December 31, 2024, which was mainly attributable to a decrease in value-added tax recoverable of RMB5.3 million. This decrease was mainly due to a reduction in our new procurement of raw materials and components benefiting from our increased inventory management capabilities, which resulted in a corresponding decline in available input VAT credits for offsetting. Our prepayments, other receivables and other assets increased from RMB11.5 million as of December 31, 2024 to RMB21.3 million as of December 31, 2025, primarily due to an increase in value-added tax recoverable of RMB5.0 million. This increase was mainly because (i) we acquired certain equipment and raw materials for our production capacity expansion in 2025, which led to an increase in input VAT credits available for offsetting; and (ii) we incurred **[REDACTED]** expenses in 2025.

Financial assets at fair value through profit or loss

Our current financial assets at fair value through profit or loss comprise wealth management products.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	3,844	–	–

As of the end of each year during the Track Record Period, the wealth management products were issued by qualified banks in the PRC and are not principal-guaranteed, with expected return rates around 2.5% per annum. They were mandatorily classified as financial assets at FVTPL as their contractual cash flows were not solely payments of principal and interest. After making an investment, we closely monitor the performance and fair value of these investments on a regular basis.

We managed and evaluated the performance of investments on a fair value basis in accordance with our business needs and investment strategy. We endeavor to increase the return of idle cash and bank balances by placing investments in wealth management products with high liquidity and low risk such that our risk exposure arising from such investments is controlled. Our investment policy in relation to the purchase of such financial assets is to monitor our level of idle cash and bank balances and, based on the working capital required at the relevant time, utilize such idle cash to increase the return. In addition, in order to monitor and control the investment risks associated with our portfolio of low-risk wealth management products and negotiable certificate of deposits with banks, we have adopted a comprehensive set of internal policies and guidelines to manage our investments. Our finance department is responsible for proposing, analyzing and evaluating potential investment in such products. Our management, including our finance department, has extensive experience in managing the financial aspects of an enterprise's operations. Prior to making any material investments in wealth management products, negotiable certificate of deposits with banks or modifying our existing investment portfolio, the proposal submitted by the finance department shall be approved by the officer responsible for the supervision on our financial matters, the general manager and the Chairperson of our Board. While day-to-day investment decisions are generally delegated to our Board of Directors, short-term or small-sum financial investments that do not meet the standards specified in our Articles of Association do not require prior approval from the Board of Directors. The Board exercises ongoing oversight over the overall investment strategy and risk profile. Our wealth management products are not principally guaranteed. To control our risk exposure, we make investment decisions related to wealth management products and negotiable certificate of deposits with banks after thoroughly considering a number of factors, including, but not limited to, macro-economic environment, general market conditions, risk control and credit of issuing financial institutions, our own working capital conditions and the expected profit or potential loss of the investment.

Upon **[REDACTED]**, we intend to continue our investments, such as wealth management products and negotiable certificate of deposits with banks, strictly in accordance with our internal policies (which include approval by the chief financial officer) and Articles of Association, and, to the extent that an investment in wealth management products 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).

The carrying amount of our current financial assets at fair value through profit or loss decreased from RMB3.8 million as of December 31, 2023 to nil as of December 31, 2024, and remained nil as of December 31, 2025. This decrease primarily reflected changes in the volume of wealth management products we held at the end of each year during the Track Record Period.

Cash and cash equivalents, time deposits and restricted bank deposits

The following table sets forth our cash and bank balances, restricted cash and time deposits as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	162,374	155,678	171,396
Time deposits	–	–	4,990
Subtotal	162,374	155,678	176,386
Restricted bank deposits	–	(1,406)	(261)
Cash and cash equivalents	**162,374**	**154,272**	**176,125**

Cash and bank balances

As of December 31, 2023, 2024 and 2025, our cash and bank balances amounted to RMB162.4 million, RMB155.7 million and RMB171.4 million, respectively. Our cash and bank balances were primarily denominated in RMB and USD. The RMB is not freely convertible into other currencies; however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale, and Payment of Foreign Exchange Regulations, We are permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted bank balances are deposited with creditworthy banks with no recent history of default.

Restricted cash

We recorded restricted cash of nil, RMB1.4 million, and RMB0.3 million as of December 31, 2023, 2024 and 2025, respectively. These restricted cash balances during the Track Record Period primarily consisted of deposits for bank acceptance bills and letters of credit, which was mainly as a result of the use of more bank acceptance bills and letters of credit to settle supplier payments to support our business growth and enhance cash management. Our Directors confirm that our cash and cash equivalents are maintained at a prudent level to satisfy the requirements for our daily business operations.

Current Liabilities

Trade and bills payables

Our trade and bills payables primarily consist of payables for the procurement of raw materials and components. During the Track Record Period, our suppliers generally granted us credit periods ranging from one to three months upon receipt of the VAT invoice.

The following table sets forth a breakdown of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	37,330	37,409	58,326
Bills payables	78,540	73,670	129,614
Total	**115,870**	**111,079**	**187,940**

Our trade and bills payables remained relatively stable at RMB115.9 million as of December 31, 2023 and RMB111.1 million as of December 31, 2024, respectively. Our trade and bills payables increased from RMB111.1 million as of December 31, 2024 to RMB187.9 million as of December 31, 2025. This increase was primarily due to our increased purchase of raw materials and components and equipment for anticipated. production expansion in line with the increasing needs for our products.

The following table sets forth an aging analysis of our trade and bills payables, based on the invoice date, as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within three months	60,977	62,899	112,190
Three to six months	31,232	28,889	52,087
Six to 12 months	23,445	18,607	23,460
Over 12 months	216	684	203
Total	**115,870**	**111,079**	**187,940**

The following table sets forth the number of our trade payables turnover days for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
Trade payables turnover days(1)	72	84	80

Note:

(1) Calculated as the average of the opening and closing balances of trade payables for the period divided by the cost of sales for the relevant period, multiplied by the number of days in the relevant period, which is 365 days for each year.

The increase in our trade payables turnover days from 2023 to 2024 primarily reflecting our enhanced bargaining power with suppliers and our engagement with more established suppliers who are willing to offer longer credit terms as we continued to scale our procurement of raw materials and components. Our trade payables turnover days remained relatively stable at 84 days in 2025.

As of April 30, 2026, approximately RMB93.9 million, or 50.0% of our trade and bills payables as of December 31, 2025, had been subsequently settled.

Contract liabilities

Our contact liabilities increased from RMB1.7 million as of December 31, 2023 to RMB3.6 million as of December 31, 2024, mainly due to advance payments received from new customer acquisitions. Subsequently, our contract liabilities further increased to RMB6.6 million as of December 31, 2025, primarily because our customer are willing prepay us a portion of the contract price as a result of our growing product competitiveness and market influence.

Other payables and accruals

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**
	RMB'000	*RMB'000*	*RMB'000*
Payroll payables	9,726	9,786	13,900
Payables for property, plant and equipment	13,197	2,216	2,151
Other tax payables	611	1,322	2,892
Deposits from credit sales customers	8,617	7,946	8,287
Other payables[1]	1,964	1,962	8,903
Total	**34,115**	**23,232**	**36,133**

Note:

(1) During the Track Record Period, our other payables primarily included payables for airfare, consulting fees and employee reimbursements.

Our other payables and accruals decreased from RMB34.1 million as of December 31, 2023 to RMB23.2 million as of December 31, 2024, primarily due to an additional decrease of RMB11.0 million in payables for property, plant and equipment, as we continued to settle capital expenditure commitments. Our other payables and accruals increased from RMB23.2 million as of December 31, 2024 to RMB36.1 million as of December 31, 2025, mainly due to an increase in other payables of RMB6.9 million, as well as an increase of RMB4.1 million in payroll payables mainly attributable to the new employees hired for our R&D center in 2025.

As of April 30, 2026, RMB21.0 million, or 58.0% of our other payables and accruals as of December 31, 2025, had been settled.

Other payables are non-interest-bearing and have no fixed terms of settlement, except for payables relating to property, plant and equipment, which are normally settled within one month.

Interest-bearing bank loans

The following table sets forth a breakdown and details of our interest-bearing bank loans as of the dates indicated:

	As of December 31,								
	2023			2024			2025		
	Effective interest rate *(%)*	Maturity	*RMB'000*	Effective interest rate *(%)*	Maturity	*RMB'000*	Effective interest rate *(%)*	Maturity	*RMB'000*
Current – repayable within one year									
Bank loans – secured[(1)]	0.51-3.2	2024	30,746	2.5-2.6	2025	40,000	1.1-2.5	2026	12,567
Bank loans – unsecured[(2)]	–	–	–	–	–	–	2.3-2.5	2026	38,000
Total			**30,746**			**40,000**			**50,567**

Notes:

(1) Certain of our bank loans are secured by: (i) the pledge of certain of our bills receivables amounting to RMB746,000 and RMB2,570,000 as of 31 December 2023 and 2025, respectively, for details, Please refer to Note 36(a) to the Accountants' Report in Appendix I to this document; and (ii) a pledge over one of our patents securing loans of RMB10,000,000 as of 31 December 2025. In addition, our bank loans of RMB30,000,000 and RMB40,000,000 as of 31 December 2023 and 2024, respectively, were guaranteed by Messrs. Li Liangjun and Zhu Lusheng, both of which are our Controlling Shareholders. Such guarantees have been released as of the Latest Practicable Date. For further details, please refer to "Relationship with our Controlling Shareholders – Financial Independence".

The changes in our interest-bearing bank loans during the Track Record Period were mainly due to adjustments we made to meet our operating needs and our treasury management plans. Our bank loans contain standard terms, conditions and covenants that are customary for commercial bank loans in China. Our Directors confirmed that we did not experience any difficulty in obtaining bank loans or other borrowings, default in payment of bank loans or other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

As of April 30, 2026, we had committed unutilized banking facilities of RMB290.4 million.

Lease liabilities

Our current lease liabilities primarily consist of leases of office premises. Our current lease liabilities increased from RMB27,000 as of December 31, 2023 to RMB104,000 as of December 31, 2024, mainly attributable to lease commitments for our newly established Malaysia subsidiary. Our current lease liabilities decreased from RMB104,000 as of December 31, 2024 to RMB38,000 as of December 31, 2025, primarily due to our timely settlement of the rent during this period.

Tax payable

Our tax payable mainly represents the income tax payable for the taxable income in the PRC. We recorded tax payable of RMB1.5 million, RMB1.5 million and nil as of December 31, 2023, 2024 and 2025, respectively.

NET CURRENT ASSETS

The following table sets forth our current assets, current liabilities and net current assets as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current Assets				
Inventories	94,546	82,456	108,712	131,117
Trade and bills receivables	101,060	113,940	143,160	157,260
Debt investments at fair value through other comprehensive income	6,823	19,133	18,641	29,960
Prepayments, other receivables and other assets	18,219	11,504	21,310	23,724
Financial assets at fair value through profit or loss ("**FVTPL**")	3,844	–	–	10,000
Restricted bank deposits	–	1,406	261	44
Cash and cash equivalents	162,374	154,272	176,125	94,898
Total current assets	**386,866**	**382,711**	**468,209**	**447,003**
Current Liabilities				
Trade and bills payables	115,870	111,079	187,940	196,396
Contract liabilities	1,693	3,648	6,579	3,438
Other payables and accruals	34,115	23,232	36,133	32,619
Interest-bearing bank loans	30,746	40,000	50,567	28,474
Lease liabilities	27	104	38	343
Tax payable	1,485	1,483	–	–
Total current liabilities	**183,936**	**179,546**	**281,257**	**261,270**
NET CURRENT ASSETS	**202,930**	**203,165**	**186,952**	**185,733**

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 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 (i) trade and bills payable of RMB76.9 million; and (ii) an increase in other payables and accruals of RMB12.9 million, which was partially offset by an increase in (i) trade and bills receivable of RMB29.2 million; and (ii) an increase in cash and cash equivalent of RMB21.9 million. Our net current assets remained relatively stable at RMB187.0 million as of December 31, 2025 and RMB185.7 million as of April 30, 2026, respectively.

For discussion of items in balanced sheet items under current assets and current liabilities as of end of each year or period during the Track Record Period, please see "– Discussion of Certain Key Consolidated Statements of Financial Position – Current Assets" and "– Discussion of Certain Key Consolidated Statements of Financial Position – Current Liabilities" above.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we had historically funded our cash requirements principally from cash generated from our business operations and bank borrowings. After the **[REDACTED]**, we intend to finance our future capital requirements through cash generated from our business operations and the **[REDACTED]** from the **[REDACTED]**. We do not anticipate any changes in the availability of financing to fund our operations in the future.

Cash Flows

The following table sets forth certain selected information from our consolidated statements of cash flows for the years indicated:

	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 at end of year	**162,374**	**154,272**	**176,125**

Operating Activities

For the year ended December 31, 2025, our net cash from operating activities was RMB28.3 million, primarily due to loss before tax of RMB16.1 million, as adjusted by (i) non-cash and non-operating items such as (a) depreciation of property, plant and equipment of RMB11.6 million, (b) impairment losses on trade receivables and other receivables, net of RMB7.0 million and, (c) equity-settled share-based payment expenses of RMB6.6 million; and (ii) changes in working capital, such as (a) an increase in inventories of RMB25.1 million, (b) an increase in trade and bills receivables of RMB41.0 million, which was partially offset by an increase in trade and bills payable of RMB76.8 million.

For the year ended December 31, 2024, our net cash used in operating activities was RMB17.8 million, primarily due to loss before tax of RMB12.9 million, as adjusted by (i) non-cash and non-operating items such as (a) depreciation of property, plant and equipment of RMB10.0 million, (b) impairment losses on trade receivables and other receivables, net of RMB4.7 million, and (c) write-down of inventories to net realizable value of RMB3.9 million; and (ii) changes in working capital, such as (a) an increase in trade and bills receivables of RMB22.9 million, (b) an increase in debt investments at fair value through other comprehensive income of RMB13.8 million.

For the year ended December 31, 2023, our net cash used in operating activities was RMB30.9 million, primarily due to profit before tax of RMB1.7 million, as adjusted by (i) non-cash and non-operating items such as (a) depreciation of property, plant and equipment of RMB9.4 million, (b) write-down of inventories to net realizable value of RMB5.0 million, and (c) impairment losses on trade receivables and other receivables, net of RMB3.2 million; and (ii) changes in working capital, such as (a) an increase in trade and bills receivables of RMB33.7 million, and (b) a decrease in trade and bills payables of RMB21.1 million.

Investing Activities

For the year ended December 31, 2025, our net cash used in investing activities was RMB13.8 million, primarily attributable to (i) purchases of financial assets at FVTPL of RMB110.0 million and (ii) purchases of items of property, plant and equipment of RMB40.9 million, which was partially offset by (i) proceeds from disposal of financial assets at FVTPL of RMB110.5 million, and (ii) proceeds from disposal of items of property, plant and equipment of RMB25.3 million.

For the year ended December 31, 2024, our net cash from investing activities was RMB0.8 million. This was primarily driven by (i) proceeds from disposal of financial assets at FVTPL of RMB44.2 million and (ii) interest received of RMB4.5 million, which were partially offset by (i) purchases of financial assets at FVTPL of RMB40.0 million, and (ii) purchases of items of property, plant and equipment of RMB7.4 million.

For the year ended December 31, 2023, our net cash from investing activities was RMB28.4 million. This was primarily driven by (i) proceeds from disposal of financial assets at FVTPL of RMB107.8 million, and (ii) proceeds from disposal of debt investments at fair value through other comprehensive income of RMB10.0 million, which were partially offset by (i) purchases of financial assets at FVTPL of RMB90.0 million, and (ii) purchases of items of property, plant and equipment of RMB3.8 million.

Financing Activities

For the year ended December 31, 2025, our net cash from financing activities was RMB7.9 million. This was primarily driven by (i) proceeds from new bank loans of RMB50.6 million, which was partially offset by (ii) repayment of bank loans of RMB40.0 million.

For the year ended December 31, 2024, our net cash from financing activities was RMB8.6 million. This was primarily driven by (i) proceeds from new bank loans of RMB40.0 million, which was partially offset by (ii) repayment of bank loans of RMB30.0 million.

For the year ended December 31, 2023, our net cash used in financing activities was RMB23.4 million. This was mainly due to (i) repayment of bank loans of RMB50.0 million and (ii) dividends paid of RMB3.0 million, which was partially offset by (iii) proceeds from new bank loans of RMB30.7 million.

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 **[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 cash burn rate refers to the average monthly (i) net cash used in operating activities (applicable when we generated net cash used in operating activities during such period), (ii) purchases of property, plant and equipment, (iii) purchases of intangible assets, (iv) payment of lease liabilities. We consider these items to be key indicators of our operational efficiency, reflecting payments which can significantly impact our cashflow, such as our capital expenditures representing significant cash outflows, and our investment in intellectual property or technology, and payments of lease obligations, all of which may occur on a regular basis. Our historical cash burn rate was RMB2.9 million, RMB2.2 million and RMB3.5 million for the years ended December 31, 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 **[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]** 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 **[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 **[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 "– Indebtedness and Contingent Liabilities." We do not expect to have next round of financing before the **[REDACTED]**.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Workforce employment[1]	57,316	25.6	62,630	26.6	74,651	24.5
Direct production costs, including materials[2]	134,955	60.4	135,362	57.4	180,077	59.1
Research and development costs[3]	7,863	3.5	8,500	3.6	14,985	4.9
Product marketing[4]	11,394	5.1	14,738	6.3	16,092	5.3
Non-income taxes and other charges	11,969	5.4	14,422	6.1	18,975	6.2
Contingency allowances	–	–	–	–	–	–
Total	**223,497**	**100.0**	**235,652**	**100.0**	**304,780**	**100.0**

Notes:

(1) Cash operating costs relating to workforce employment represent the sum of employee compensation expenses under research and development expenses, administrative expenses, costs of sales and selling and marketing expenses (excluding share-based payments expenses which are non-cash in nature).

(2) Cash operating costs relating to direct service and production costs, including materials, represent the costs of sales (excluding direct labor costs and non-cash items under contract fulfillment costs).

(3) Research and development costs represent research and development expenses, excluding employee compensation, share-based payment expenses and non-cash items under research and development expenses.

(4) Product and solution marketing represents selling and marketing expenses, excluding employee compensation, share-based payment expenses and non-cash items under selling and marketing expenses.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current				
Interest-bearing bank loans	30,746	40,000	50,567	28,474
Lease liabilities	27	104	38	343
	30,773	**40,104**	**50,605**	**28,817**
Non-current				
Lease liabilities	–	35	–	437
Total	**30,773**	**40,139**	**50,605**	**29,254**

Interest-Bearing Bank Loans

Please see "– Discussion of Certain Key Consolidated Statements of Financial Position – Current Liabilities – Interest-bearing bank loans" above.

Lease Liabilities

Our lease liabilities primarily represent the amounts to be paid for our lease of office premises.

The following table sets forth a breakdown of our lease liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current	27	104	38	343
Non-current	–	35	–	437
Total	**27**	**139**	**38**	**780**

For discussion of the current portion of lease liabilities as of end of each period during the Track Record Period, please see "– Discussion of Certain Key Consolidated Statements of Financial Position – Current Liabilities – Lease liabilities" above.

Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively.

Indebtedness Statement

Except as disclosed above, as of April 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any material mortgages, charges, debentures, loan capital, 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.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors also confirm that there has not been any material change in our indebtedness since April 30, 2026, and up to the date of this document.

RESEARCH AND DEVELOPMENT EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our research and development expenditure primarily consisted of research and development expenses adjusted by adding back intangible assets acquired from third parties and deducting amortization expenses of capitalized intangible assets included in research and development expenditure. The table below sets forth our annual and total R&D expenditure for the years indicated:

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Research and development expenses	35,972	35,994	48,917
Adjustments:			
Add: intangible assets acquired from third parties[2]	673	–	702
Less: amortization expense of capitalized intangible assets included in research and development expenditure	(204)	(204)	(211)
Annual research and development expenditure	**36,441**	**35,790**	**49,408**
Total research and development expenditure			**121,639**[1]

Notes:

(1) Total R&D expenditure for the three financial years prior to **[REDACTED]**.

(2) Primarily related to software procured from third parties for our R&D activities.

The following table sets forth our annual and total operating expenditure for the years indicated:

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
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
Adjustments:			
Add: intangible assets acquired from third parties	673	–	702
Less: amortization expense of capitalized intangible assets included in research and development expenditure	(204)	(204)	(211)
Annual operating expenditure	**81,016**	**93,580**	**133,443**
Total operating expenditure			**308,039**[(1)]

Notes:

(1) Total operating expenditure for the three financial years prior to the **[REDACTED]**.

The following table sets forth our annual research and development expenditure ratio and total research and development expenditure ratio for the years indicated:

	Year Ended December 31,		
	2023	**2024**	**2025**
Annual research and development expenditure ratio[(1)]	45.0%	38.2%	37.0%
Total research and development expenditure ratio			39.5%[(2)]

Notes:

(1) Calculated by dividing annual or semi-annual R&D expenditure by annual or semi-annual total operating expenditure.

(2) Calculated by dividing total R&D expenditure for the three financial years prior to the **[REDACTED]** by total operating expenditure for the three financial years prior to the **[REDACTED]**.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

During the Track Record Period, our capital expenditures primarily consisted of purchases of property, plant and equipment and intangible assets. The following table sets forth our capital expenditure for the years indicated.

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Purchases of property, plant and equipment	3,817	7,425	40,916
Purchases of intangible assets	463	1,486	1,166
Total	**4,280**	**8,911**	**42,082**

We intend to fund our planned capital expenditures mainly through a combination of the **[REDACTED]** from the **[REDACTED]**, cash generated from operating activities and bank loans. See "Future Plans and **[REDACTED]**." Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, financial condition and results of operations, economic conditions in China and changes in the regulatory environment in China. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

Capital Commitments

Capital commitments represent capital expenditure contracted for as of a particular date but not yet incurred. The table below sets forth the capital commitments contracted for during the Track Record Period but not yet incurred:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for:			
Machinery and other equipment	243	520	841
Total	**243**	**520**	**841**

RELATED PARTY TRANSACTIONS

During the Track Record Period, we engaged in certain related party transactions from time to time. See Note 34 to the Accountants' Report in Appendix I to this document for more details. These transactions mainly included bank loans guaranteed by Mr. Li and Mr. Zhu, being members of our Controlling Shareholders. Such guarantees have been released as of December 31, 2025. For further details, please refer to "Relationship with our Controlling Shareholders – Financial Independence".

Our Directors believe that our transactions with related parties during the Track Record Period were conducted in the ordinary and usual course of business and on an arm's length basis, and they did not distinct our results of operations or make our historical results not reflective of our future performance.

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 and for the year ended December 31,		
	2023	2024	2025
Gross profit margin[(1)]	27.1%	30.4%	33.0%
Current ratio[(2)]	2.1	2.1	1.7
Quick ratio[(3)]	1.6	1.7	1.3
Gearing ratio[(4)]	9.5%	12.8%	16.7%

Notes:

(1) Calculated by dividing gross profit by total revenue for the year.

(2) Calculated by dividing total current assets by total current liabilities as of the end of the year.

(3) Calculated by dividing total current assets minus inventory by total current liabilities as of the date indicated.

(4) Calculated as total debt (including interest-bearing bank loans and lease liabilities) divided by total equity as of the date indicated.

Gross Profit Margin

For detailed analysis, please see "– Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Gross Profit and Gross Profit Margin" above.

Current Ratio and Quick Ratio

Our current ratio remained stable at 2.1 as of December 31, 2024, compared to 2.1 as of December 31, 2023. Our quick ratio remained relatively stable at 1.7 as of December 31, 2024, compared to 1.6 as of December 31, 2023.

Our current ratio decreased from 2.1 as of December 31, 2024 to 1.7 as of December 31, 2025, primarily due to (i) an increase in trade and bills payables; and (ii) an increase in interest-bearing bank loans. As a result, the growth in current assets, mainly in inventories, financial assets at FVTPL and trade and bills receivables, was insufficient to offset the growth in current liabilities. Our quick ratio decreased from 1.7 as of December 31, 2024 to 1.3 as of December 31, 2025, primarily due to the factors mentioned above and an increase in inventories, which resulted in the growth in current liabilities outweighing the growth in related assets.

Gearing Ratio

Our gearing ratio was 9.5%, 12.8% and 16.7% as of December 31, 2023, 2024 and 2025, respectively. The fluctuation of our gearing ratio was primarily as a result of fluctuation of our interest-bearing bank loans. For details, please see "– Discussion of Certain Key Consolidated Statements of Financial Position – Current Liabilities – Interest-bearing bank loans" above.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market risks, including foreign currency risk, credit risk and liquidity risk in the normal course of our business. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of the risks to which we are exposed, see note 38 to the Accountant's Report set out in Appendix I in this document.

For foreign currency risk, we have transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. As our major businesses are in China, the majority of the transactions are conducted in RMB. Most of our assets and liabilities are denominated in RMB. The Group was not exposed to material foreign currency risk during the Track Record Period.

For credit risk, we trade only with recognized and creditworthy third parties. It is our 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 our exposure to bad debts is not significant.

For liquidity risk, our objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and lease liabilities. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations.

For capital management, the primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize shareholders' value. We manage our 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, we may adjust the dividend payment to shareholders, return capital to shareholders or **[REDACTED]** new shares.

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 our Company 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.

DISTRIBUTABLE RESERVE

As of December 31, 2025, our distributable reserves were RMB4.7 million.

[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 **[REDACTED]** of the **[REDACTED]**. 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]**.

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.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

Please refer to Appendix II to this document.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

NO MATERIAL ADVERSE CHANGE

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.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

Please see "Business – Growth Strategies" for a detailed discussion.

[REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]**), we estimate that we will receive **[REDACTED]** of approximately HK$**[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 **[REDACTED]** for the following purposes.

Strengthening Research and Development Capabilities to Drive Core Technology Advancement and Product Portfolio Expansion

We intend to allocate approximately **[REDACTED]**% of the **[REDACTED]** from the **[REDACTED]** (equivalent to HK$**[REDACTED]**) to enhance our research and development capabilities in 2026 to 2030:

- Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to (i) the expansion of our R&D team, and (ii) the improvement of salary and compensation for our R&D professionals. In 2026 to 2030, we plan to recruit R&D personnel at junior to senior levels, with specializations in areas such as control systems, software, motion algorithms, robotic hardware, and advanced sensor integrations. For further details, please refer to "– Expected Key Implementation Timeline and Milestones" below.

- Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to the enhancement of our R&D infrastructure, including (a) the purchase and installation of R&D equipment primarily including essential equipment for the design, testing, and validation of our robotic products; and (b) procurement of software, primarily dedicated to R&D management, simulation, and mechanical analysis applications. For further details, please refer to "– Expected Key Implementation Timeline and Milestones" below.

- Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to the procurement of raw materials required for our R&D activities, for example, reducers and other machine components, electronic components, and other R&D consumables; and

- Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to third-party fees for R&D-related services, such as design, testing, experimentation, and certification.

We will drive innovation and accelerate our technological advancements, mainly including (i) improvement of underlying robotic technologies, and (ii) expansion of scenario-specific multimodal vertical models. In addition, through dedicated and ongoing investment in R&D, production, and sales and marketing, we will be positioned to continuously optimize and upgrade our product matrix. See "Business – Growth Strategies – Strengthening research and development capabilities to upgrade core technologies and enhance product competitiveness/Continuous expansion of product portfolio and application scenarios".

We believe our current R&D capabilities face the following key limitations:

(1). *Core underlying technologies:* collaborative robots require further serialization and expansion into non-welding applications; embodied intelligent robots need enhanced force control precision and integration of the robotic "brain" (central planning) and "cerebellum" (motion execution); limitations in transmission mechanism lifespan modeling and gear transmission precision control; and industrial robots have not yet obtained ISO 10218-1:2025 functional safety certification.

(2). *Scenario-specific technologies:* we lack dedicated multi-modal models for vertical applications in core scenarios such as welding, grinding, logistics and household scenarios, and our capabilities in processing visual, force and tactile information remain under development. Multi-robot collaborative control and cross-scenario adaptation technologies have yet to achieve breakthroughs.

(3). *R&D infrastructure:* We do not yet possess advanced AI model training capabilities, and we face gaps in test equipment for product reliability and core components such as reducers and motors.

Going forward, we will focus on strengthening technological R&D across (i) robotic underlying technologies, (ii) multi-modal models, and (iii) robotic "brain" (for central planning), robotic "cerebellum" (for motion execution), as well as key raw materials and components. See "Business – Growth Strategies – Strengthening research and development capabilities to upgrade core technologies and enhance product competitiveness".

For details of expected key implementation plan for enhancing our R&D capabilities by addressing the above-mentioned limitations, including how investments in R&D equipment and software will address these limitations and support growth, please refer to "- Expected Key Implementation Timeline and Milestones" below.

Domestic Market Brand Building and Overseas Market Expansion

We intend to allocate approximately **[REDACTED]**% of the **[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 in 2026 to 2030:

- Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to establish and develop our China-based sales network and service teams to strengthen our local market foundation, mainly including (i) the expansion of our sales and marketing as well as after-sales personnel; (ii) the expansion of our regional sales and service networks by establishing additional regional sales and marketing offices as well as after-sales service centers; and (iii) investment in market promotion activities such as exhibitions and conferences.

- Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to establish local teams in international markets and enhance our global presence, mainly including: (i) approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) to support our plan of establishing local presence in North America, Latin America and Europe; (ii) approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) to support our plan of establishing local presence in Japan, South Korea and Southeast Asia; and (iii) approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) to support our plan of establishing local presence in both northern and southern India.

Leveraging our continuous market channel development and key customer penetration, we are dedicated to completing our overall overseas market localization, in aligning with our principle to serve local markets with local resources. For further details, please refer to "Business – Growth Strategies – Expand our influence among current and future customers, both domestically and internationally".

Enhance Manufacturing Capabilities

We intend to allocate approximately **[REDACTED]**% of the **[REDACTED]** from the **[REDACTED]** (equivalent to HK$**[REDACTED]**) for enhancement of manufacturing capabilities in 2026 to 2030:

- Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to procuring advanced production and testing equipment as well as software for production expansion, which we expect to mainly include robotic assembly lines (機器人裝配線), robotic painting lines (機器人噴塗線), robotic testing stations (機器人測試工位), integrated drive and control unit production lines (驅控一體機芯線), electrical cabinet assembly lines (電櫃裝配線), power supply assembly lines (電源裝配線), teach pendant assembly lines (示教器線), cable and hose package flow lines (管線包流水線), power supply aging test lines (電源老化裝配線), high-low temperature test chambers (高低溫箱), video measuring instruments (影像測量儀), automated storage and retrieval systems for raw materials and finished goods (原材料/成品倉立庫), as well as Manufacturing Execution System and Warehouse Management System (MES/WMS);

- Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to production plant leasing and development of new production lines to support our production capacity expansion; and

- Approximately **[REDACTED]**% of the **[REDACTED]** (equivalent to HK$**[REDACTED]**) will be allocated to human resources investment in our production and quality management teams. This includes providing salary increases for current employees and funding the addition of operators and managerial staff.

For further details, please refer to "– Expected Key Implementation Timeline and Milestones" below.

By strengthening our manufacturing capabilities and expanding production capacity, we will be able to enhance internal operation efficiency and further support our expansion into both domestic and international markets. For further details, please refer to "Business – Growth Strategies – Optimize supply chain and enhance internal operation efficiency".

EXPECTED KEY IMPLEMENTATION TIMELINE AND MILESTONES

The table below sets forth our expected key implementation timeline and milestones for the future plans as mentioned above:

Strengthening Research and Development Capabilities to Drive Core Technology Advancement and Product Portfolio Expansion

Timeline	Expected Key Milestones	Key equipment and software to be procured
2026	(1) improve robot cycle time and trajectory accuracy by approximately 10%; (2) conduct serialized development of collaborative robots for handling application scenarios and expand applications of our robots in non-welding markets; (3) conduct research on the reliability and service life of electronic and electrical systems; (4) develop motion execution technology for embodied intelligent robots; (5) finalize modular technical development for collaborative robots; and launch new series including RC18-20, RC09-06 and RC18-06; (6) complete functional safety certification for the serialized collaborative robots (系列化協作機器人功能安全認證); and (7) launch bipedal humanoid robots	(1) build a 50-point calibration device and a test bench for medium and large reducers to support the R&D of robot bodies; (2) procure 3D vision systems, AI training servers, depth camera sensors and motion capture equipment sets to prepare for projects in the coming two years; and (3) procure high-speed digital oscilloscopes and a set of current probes to meet the needs of electronic and electrical reliability design
2027	(1) develop multi-modal models for vertical applications in welding, grinding and logistics scenarios; (2) launch a multi-robot control system (多機控制系統); (3) prepare for the integrated R&D platform for the robotic "brain" (central planning) and robotic "cerebellum" (motion execution); (4) obtain ISO 10218-1:2025 functional safety certification for industrial robots; (5) conduct R&D on heavy-load rear-drive series robots; (6) release industry-specific models for welding scenarios; and (7) launch humanoid dual-arm fixed-position robots	(1) procure fiber optic inspection magnifiers, metallographic microscopes (with measurement software), wire cutting/metallographic cutting machines, metallographic polishing machines, chemical operation benches, hot mounting presses with hot mounting resin, and desktop Vickers hardness testers for reinforcement learning of multi-modal models for vertical applications; (2) procure multi-robot test systems, AI training servers, edge computing servers, mobile robot chassis, dexterous hands, depth camera sensors, IMU inertial measurement units and motion capture equipment sets to prepare for the integrated R&D platform for the robotic "brain" and robotic "cerebellum"; and (3) purchase additional mechanical, electrical and electronic design software to accommodate the expansion of the R&D team

Timeline	Expected Key Milestones	Key equipment and software to be procured
2028	(1) complete development of multi-modal models for vertical applications in assembly and logistics scenarios; (2) build an AI training server cluster and a computing power platform to support parallel training of multiple models to cover core industrial scenarios; (3) achieve a breakthrough in multi-robot collaborative control technology; (4) achieve a breakthrough in key technologies for the overall reliability of humanoid robots	(1) procure AI training servers, edge computing servers and six-axis force/torque sensors to support the production expansion of embodied intelligent humanoid robots; (2) procure R&D equipment including horizontal machining centers 500, vertical machining centers 800A & 1300A, coordinate measuring machines, terminal analyzers, wire harness continuity testers, 50-point test equipment and HALT (Highly Accelerated Life Test)/HASS (Highly Accelerated Stress Screening) reliability test systems to ensure the consistency and reliability of mass-produced humanoid robots and dual-arm robots at the R&D prototype stage; and (3) purchase product lifecycle management software to digitalize the full product lifecycle management
2029	(1) complete the development of multi-modal models for vertical applications in household scenarios; (2) promote the implementation of the integrated R&D platform for the robotic "brain" and robotic "cerebellum"; (3) complete the R&D of core technologies for household service robots; and (4) pass the prototype test of household service robots	(1) procure X-Ray testing equipment, motor power test benches, spectrum analyzers and LMS vibration testers to further ensure the reliability of the electrical systems of humanoid robots and reduce external electromagnetic interference (EMI); and (2) continue to increase the procurement of robot body R&D and AI R&D equipment to meet the product iteration needs
2030	(1) realize the large-scale application of integrated R&D platform for the robotic "brain" and robotic "cerebellum"; (2) achieve technical upgrades for products across all scenarios (industrial and household); (3) launch a cross-platform delivery system for cross-category robots; (4) launch approximately five humanoid robot products that could achieve mass production; and (5) extend technical coverage of our robotic products from industrial scenarios to the full range of household service scenarios	Complete the upgrade of test equipment to enhance R&D verification capabilities

Overseas Market Expansion

Timeline	Expected Key Milestones
2026	(1) establish two combined demonstration, sales and marketing, and after-sales service centers in northern and southern India (i.e., Delhi and Chennai); (2) establish a combined demonstration, sales and marketing, and after-sales service center in Italy and Germany, respectively; (3) establish a combined sales and marketing, and after-sales service center in Mexico; and (4) establish a local service center in Singapore, and expand it into a training center, after-sales service center and demonstration center within the same year
2027	(1) establish a combined sales and marketing, and after-sales service center in Brazil; (2) establish a local service center in South Korea; (3) establish a combined sales and marketing, and after-sales service center in North America
2028	Establish a local service center in Japan
2029	(1) upgrade sales and marketing center in North America to oversee sales and technical services for the entire Americas region; and (2) upgrade the sales and marketing center in Germany to coordinate sales and technical services for Europe
2030	(1) upgrade the center in Delhi as mentioned above to coordinate the sales and technical services for the entire Southern Asia; (2) upgrade the center in Malaysia as mentioned above to coordinate the sales and technical services of the entire Southeast Asia and Oceania; and (3) upgrade the center in Japan as mentioned above to oversee the sales and technical services for the entire Northeast Asia

Note: Our overseas centers have different functions, tailored to local market needs and operational priorities: (1) demonstration centers are expected to showcase our products and technologies, enabling prospective customers to experience our products firsthand and supporting localized marketing efforts; (2) sales and marketing centers are responsible for organizing marketing activities, developing local customer networks, and proactively expanding our customer base in the region; (3) after-sales service centers are expected to provide local after-sales support and maintain spare parts inventory, thereby reducing transportation costs and response times for overseas after-sales services; (4) training centers are intended to train local employees in areas such as sales, marketing and after-sales service, supporting the build-up of our locally stationed teams; and (5) local service centers generally combine the above functions to varying degrees, depending on the scale and maturity of the local market.

Enhance Manufacturing Capabilities

Timeline	Expected Key Milestones
2026	Increase the production capacity of our Chengdu facility to 15,000 units
2027	Complete renovation and leasing of a new production facility located in Chengdu with a floor area of approximately 40,000 sq.m. by 2027, and gradually set up (1) one medium-load robot production line (covering robots with payload capacity ranging from 10 kg to 50 kg), with a designed capacity of 6,000 units per phase; (2) one heavy-load robot production line (covering robots with payload capacity ranging from 50 kg to 800 kg), with a designed capacity of 3,000 units per phase; (3) one automatic painting line; (4) one medium-load robot packaging line, and (5) one heavy-load robot packaging line

Timeline	Expected Key Milestones
2028	(1) complete construction of one light-load robot production line (covering robots with payload capacity ranging from 3 kg to 10 kg), together with one automatic painting line, one robot aging test line and one packaging line for such light-load robots, with a designed capacity of 3,000 units per year; (2) complete construction of an electrical workshop with eight production lines covering teaching pendants, power supplies, robot control cabinets, integrated drive-control units, cable harness kits, key modules for intelligent robots, and testing lines for integrated drive-control units, together with supporting warehouse facilities, with an annual output of 10,000 units for intelligent robot controllers; (3) implement a Manufacturing Execution System (MES)/Warehouse Management System (WMS) information system to realize digitalized and intelligent workshop management, full-process data traceability, and refined inventory control
2029	Complete construction of two robot production lines (one medium-load and one light-load robot assembly line) and six electrical production lines (including integrated drive-control unit assembly lines, control cabinet assembly lines, welding power source assembly lines, cable harness assembly lines, and aging test lines) to bring the overall designed capacity to 15,000 units
2030	Complete the construction of three robot production lines (one heavy-load, one medium-load, and one light-load assembly line) and three electrical production lines to bring the overall designed capacity to 18,000 units

FINANCIAL IMPACT OF THE FUTURE PLANS

Aspect	Expected Impact
Cost Structure	Implementation of our future plans will result in additional costs, including: (i) depreciation of equipment; (ii) amortization of leasehold improvements and software; and (iii) personnel costs for newly recruited R&D, production and marketing staff. These costs will be recognized in our consolidated statement of profit or loss over the useful lives of the assets or as incurred.
Profit Margin	While these costs may put short-term pressure on our profit margins, we believe such investments are essential for long-term growth. Enhancing R&D capabilities is expected to improve product competitiveness. Expanding manufacturing capacity is expected to bring economies of scale. Growing our domestic and overseas sales network is expected to drive revenue growth. These factors are expected to support our profitability over the medium to long term.
Cash Flow	The implementation of our future plans will involve cash outflows for capital expenditures, personnel recruitment and lease payments. These outflows are expected to be funded by a combination of the **[REDACTED]** from the **[REDACTED]** and our internal resources. Over time, we expect that the enhancement of our R&D capabilities, expansion of manufacturing capacity and growth of our overseas sales network will generate additional operating cash inflows, which should gradually offset the initial cash outflows.
Risk Profile	Implementation of our future plans exposes us to certain risks, including but not limited to: (i) if expected benefits from capacity expansion or R&D investment are not realized, we may face lower asset utilization and potential asset impairment; (ii) lump-sum payments for renovations, equipment and leases may strain our liquidity if not properly planned, potentially affecting our ability to meet operating and R&D needs; and (iii) early lease termination due to strategic changes could result in accelerated recognition of unamortized leasehold improvements and penalty payments, negatively impacting our profit.

Note: We intend to implement the above future plans in stages over the next few years. The actual impact on our financial condition and results of operations may vary from our current expectations, depending on the timing and progress of implementation and other factors that may affect our business.

RECRUITMENT PLAN

New R&D Staff to be Recruited

Position Level	Number	Core Qualification Requirements
Senior R&D Personnel	Approximately 60	At least five years of core technical experience in the robotics field, with expertise aligned to specific directions such as embodied intelligence force control/planning technology, multi-modal models, collaborative robot modular development, or compliance with international safety standards (ISO 10218-1:2025).
Junior and Intermediate R&D Personnel	Approximately 90	Bachelor's degree or above in relevant fields such as automation (force control algorithms), computer science (AI models), mechanical engineering (structural design), or electronic information (electrical reliability); strong learning ability and initiative

Business need for recruitment:

The recruitment plan is driven by our strategic development goals and phased business expansion requirements, rather than being totally tied to historical R&D expenditure patterns. For the above-mentioned R&D implementation plan, we need senior engineers with expertise in embodied intelligence, multi-modal models, and international safety standards (ISO 10218-1:2025), as well as junior and intermediate engineers with learning potential. The "senior-led breakthroughs + junior and intermediate-supported delivery" talent echelon will align with our planned annual R&D investment growth rate and lay the groundwork for achieving full technical coverage from industrial to household applications.

New Production Staff to be Recruited

Position Level	Number	Core Qualification Requirements
Production management personnel	Approximately 14	Experience in factory production management, familiar with intelligent production line operation and quality control; capable of supporting capacity expansion and team coordination
Production technicians/ frontline staff	Approximately 156	Proficiency in assembly, debugging, or testing of robotic equipment; familiarity with manufacturing processes for mechanical and electrical products; strong sense of responsibility and compliance with production standards.

New Sales and Marketing Staff to be Recruited

Region	Number	Core Qualification Requirements
Domestic	Approximately 169	(1). Domestic sales and marketing personnel: Experience in industrial product sales, familiar with the robotics or intelligent manufacturing market; strong customer development and relationship management capabilities.
Overseas	Approximately 29	(2). Overseas sales and marketing personnel: Proficiency in English or local languages; experience in overseas market development or technical service in the manufacturing industry; understanding of local market regulations and customer needs
		(3). Technical support personnel: Professional knowledge of robotic product debugging, maintenance, and application; ability to provide timely after-sales support and technical training.

Note: The above recruitment plans are based on our strategic plan and will be implemented in stages subject to market conditions and business developments. The actual number of hires may vary depending on the timing and progress of our expansion initiatives.

Working Capital and Corporate Purposes

Approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, will be reserved for general working capital and operational flexibility. This allocation will allow us to respond to strategic opportunities, unforeseen market shifts, and other financial needs in a timely and prudent manner, including the repayment of loans or any other necessary funding requirements. In the event that the designated **[REDACTED]** are insufficient to fully fund the aforementioned purposes, we intend to utilize internal resources or equity debt financing to address any shortfalls. Conversely, should there be surplus funds, these will be applied toward other projects consistent with our strategic objectives. In the event that the **[REDACTED]** is fixed below or above the mid-point of the indicative **[REDACTED]**, the **[REDACTED]** allocated to the above purposes will be adjusted on a pro rata basis. Any **[REDACTED]** received from the exercise of the **[REDACTED]** will be allocated to the above purposes on a pro rata basis. In the event of any material change in our use of **[REDACTED]** of the **[REDACTED]** from the purposes described above or in our allocation of the **[REDACTED]** among the purposes described above, a formal announcement will be made.

To the extent that the **[REDACTED]** from the **[REDACTED]** are not immediately applied to the above purposes, we will only deposit such **[REDACTED]** into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

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The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong.

[To insert the letterhead of the firm]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHENGDU CRP ROBOT TECHNOLOGY CO., LTD.* AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Chengdu CRP Robot Technology Co., Ltd.* (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[3] to I-[•], which comprises the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated 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 I-[3] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "**Document**") in connection with the **[REDACTED]** of the **[REDACTED]** 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* as 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.

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 I-[3] 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

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 as 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.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*5*	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	*5*	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	*6*	(955)	(1,329)	(868)
Impairment losses on financial assets, net		(3,202)	(4,682)	(7,025)
PROFIT/(LOSS) BEFORE TAX	*7*	1,688	(12,944)	(16,146)
Income tax expense	*10*	–	–	–
PROFIT/(LOSS) FOR THE YEAR		1,688	(12,944)	(16,146)
OTHER COMPREHENSIVE INCOME				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of a foreign operation		–	115	85
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		1,688	(12,829)	(16,061)
Profit/(loss) attributable to:				
Owners of the parent		1,688	(12,944)	(16,146)
Total comprehensive income/(loss) attributable to:				
Owners of the parent		1,688	(12,829)	(16,061)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted *(RMB per share)*	*12*	0.38 cents	(2.88) cents	(3.59) cents

CONSOLIDATED STATEMENTS 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*	109,739	103,257	113,755
Right-of-use assets	*14*	10,068	9,551	8,828
Intangible assets	*15*	2,832	3,580	4,346
Prepayments, other receivables and other assets	*20*	2,680	1,965	425
Total non-current assets		125,319	118,353	127,354
CURRENT ASSETS				
Inventories	*17*	94,546	82,456	108,712
Trade and bills receivables	*18*	101,060	113,940	143,160
Debt investments at fair value through other comprehensive income	*19*	6,823	19,133	18,641
Prepayments, other receivables and other assets	*20*	18,219	11,504	21,310
Financial assets at fair value through profit or loss ("**FVTPL**")	*21*	3,844	–	–
Restricted bank deposits	*22*	–	1,406	261
Cash and cash equivalents	*22*	162,374	154,272	176,125
Total current assets		386,866	382,711	468,209
CURRENT LIABILITIES				
Trade and bills payables	*23*	115,870	111,079	187,940
Contract liabilities	*24*	1,693	3,648	6,579
Other payables and accruals	*25*	34,115	23,232	36,133
Interest-bearing bank loans	*26*	30,746	40,000	50,567
Lease liabilities	*14*	27	104	38
Tax payable		1,485	1,483	–
Total current liabilities		183,936	179,546	281,257
NET CURRENT ASSETS		202,930	203,165	186,952
TOTAL ASSETS LESS CURRENT LIABILITIES		328,249	321,518	314,306

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Lease liabilities	*14*	–	35	–
Deferred income	*27*	1,786	5,104	5,666
Provision	*28*	2,429	3,323	5,007
Total non-current liabilities		4,215	8,462	10,673
Net assets		**324,034**	**313,056**	**303,633**
EQUITY				
Equity attributable to owners of the parent				
Share capital	*29*	45,000	45,000	45,000
Reserves	*30*	279,034	268,056	258,633
Total equity		**324,034**	**313,056**	**303,633**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent							
	Share capital	Capital reserve*	Share-based payment reserve*	Difference arising from acquisition of non-controlling interests*	Statutory surplus reserve*	Safety production fund*	Retained profits*	Total equity
	RMB'000 *(note 29)*	*RMB'000* *(note 30)*	*RMB'000* *(note 30)*	*RMB'000*	*RMB'000* *(note 30)*	*RMB'000* *(note 30)*	*RMB'000*	*RMB'000*
At 1 January 2023	45,000	235,395	4,446	362	2,771	2,260	31,809	322,043
Profit for the year	–	–	–	–	–	–	1,688	1,688
Total comprehensive income for the year	–	–	–	–	–	–	1,688	1,688
Share-based payments	–	–	303	–	–	–	–	303
Safety production fund provided	–	–	–	–	–	1,606	(1,606)	–
Safety production fund used	–	–	–	–	–	(1,766)	1,766	–
Transfer from retained profits	–	–	–	–	169	–	(169)	–
At 31 December 2023	45,000	235,395	4,749	362	2,940	2,100	33,488	324,034

Year ended 31 December 2024

	Attributable to owners of the parent								
	Share capital	Capital reserve*	Share-based payment reserve*	Difference arising from acquisition of non-controlling interests*	Statutory surplus reserve*	Safety production fund*	Foreign currency translation reserve*	Retained profits*	Total equity
	RMB'000 *(note 29)*	*RMB'000* *(note 30)*	*RMB'000* *(note 30)*	*RMB'000*	*RMB'000* *(note 30)*	*RMB'000* *(note 30)*	*RMB'000* *(note 30)*	*RMB'000*	*RMB'000*
At 1 January 2024	45,000	235,395	4,749	362	2,940	2,100	–	33,488	324,034
Loss for the year	–	–	–	–	–	–	–	(12,944)	(12,944)
Other comprehensive income for the year:									
Exchange differences related to a foreign operation	–	–	–	–	–	–	115	–	115
Total comprehensive income/(loss) for the year	–	–	–	–	–	–	115	(12,944)	(12,829)
Share-based payments	–	–	1,851	–	–	–	–	–	1,851
Vested shares under the share award scheme	–	1,295	(1,295)	–	–	–	–	–	–
Safety production fund provided	–	–	–	–	–	1,670	–	(1,670)	–
Safety production fund used	–	–	–	–	–	(1,255)	–	1,255	–
At 31 December 2024	45,000	236,690	5,305	362	2,940	2,515	115	20,129	313,056

Year ended 31 December 2025

	Attributable to owners of the parent								
	Share capital	Capital reserve*	Share-based payment reserve*	Difference arising from acquisition of non-controlling interests*	Statutory surplus reserve*	Safety production fund*	Foreign currency translation reserve*	Retained profits*	Total equity
	RMB'000 *(note 29)*	*RMB'000* *(note 30)*	*RMB'000* *(note 30)*	*RMB'000*	*RMB'000* *(note 30)*	*RMB'000* *(note 30)*	*RMB'000* *(note 30)*	*RMB'000*	*RMB'000*
At 1 January 2025	45,000	236,690	5,305	362	2,940	2,515	115	20,129	313,056
Loss for the year	–	–	–	–	–	–	–	(16,146)	(16,146)
Other comprehensive income for the year:									
Exchange differences related to a foreign operation	–	–	–	–	–	–	85	–	85
Total comprehensive income/(loss) for the year	–	–	–	–	–	–	85	(16,146)	(16,061)
Share-based payments	–	–	6,638	–	–	–	–	–	6,638
Vested shares under the share award scheme	–	9,475	(9,475)	–	–	–	–	–	–
Safety production fund provided	–	–	–	–	–	1,701	–	(1,701)	–
Safety production fund used	–	–	–	–	–	(2,355)	–	2,355	–
At 31 December 2025	45,000	246,165	2,468	362	2,940	1,861	200	4,637	303,633

* These reserve accounts comprise the consolidated reserves of RMB279,034,000, RMB268,056,000 and RMB258,633,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax		1,688	(12,944)	(16,146)
Adjustments for:				
Bank interest income	*5*	(4,721)	(4,549)	(2,559)
Finance costs	*6*	955	1,329	868
(Gains)/losses on disposal of items of property, plant and equipment, net	*7*	(77)	(349)	1,432
Loss on disposal of intangible assets	*7*	–	421	–
Depreciation of property, plant and equipment	*7*	9,397	9,959	11,558
Depreciation of right-of-use assets	*7*	767	723	733
Amortisation of intangible assets	*7*	389	373	529
Write-down/(reversal of write-down) of inventories to net realisable value	*7*	5,043	3,855	(1,180)
Impairment losses on trade receivables and other receivables, net	*7*	3,202	4,682	7,025
Deferred income released to profit or loss	*5*	(149)	(162)	(4,686)
Fair value gains on financial assets at FVTPL	*5*	(901)	(309)	(468)
Unrealised foreign exchange losses/(gains), net		241	(205)	701
Equity-settled share-based payment expenses		303	1,851	6,638
		16,137	4,675	4,445
Decrease/(increase) in inventories		10,575	7,843	(25,076)
Increase in trade and bills receivables		(33,714)	(22,874)	(41,010)
Decrease/(increase) in restricted bank deposits		989	(1,406)	1,145
Decrease/(increase) in prepayments, deposits and other receivables		2,142	6,683	(8,040)
Increase in debt investments at fair value through other comprehensive income		(5,947)	(13,782)	(1,370)
(Decrease)/increase in trade and bills payables		(21,068)	(5,320)	76,835
(Decrease)/increase in contract liabilities		(503)	1,955	2,931
(Decrease)/increase in other payables and accruals		(1,138)	98	12,966
Increase in provision		845	894	1,684
Increase in deferred income		801	3,480	5,248
Cash (used in)/generated from operations		(30,881)	(17,754)	29,758
Tax paid		–	(2)	(1,483)

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Net cash flows (used in)/from operating activities		(30,881)	(17,756)	28,275
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		4,721	4,549	2,559
Purchases of items of property, plant and equipment		(3,817)	(7,425)	(40,916)
Purchases of intangible assets		(463)	(1,486)	(1,166)
Purchases of financial assets at FVTPL		(90,000)	(40,000)	(110,000)
Proceeds from disposal of financial assets at FVTPL		107,780	44,153	110,468
Proceeds from disposal of items of property, plant and equipment		145	966	25,298
Proceeds from disposal of debt investments at fair value through other comprehensive income		10,000	–	–
Net cash flows from/(used in) investing activities		28,366	757	(13,757)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid		(951)	(1,325)	(863)
New bank loans		30,746	40,000	50,565
Repayment of bank loans		(50,000)	(30,000)	(40,000)
Increase in deferred **[REDACTED]** expenses		**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Dividend paid		(3,004)	–	–
Payment of lease liabilities		(162)	(98)	(114)
Net cash flows (used in)/from 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, net		(241)	320	(517)
Cash and cash equivalents at beginning of year		188,501	162,374	154,272
CASH AND CASH EQUIVALENTS AT END OF YEAR		162,374	154,272	176,125
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents as stated in the consolidated statements of financial position and consolidated statements of cash flows	22	162,374	154,272	176,125

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	109,735	103,257	113,755
Right-of-use assets	*14*	10,068	9,422	8,801
Intangible assets	*15*	2,391	3,580	4,346
Prepayments, other receivables and other assets	*20*	2,680	1,965	425
Investments in subsidiaries	*16*	4,930	6,115	1,691
Total non-current assets		129,804	124,339	129,018
CURRENT ASSETS				
Inventories	*17*	94,361	82,456	108,712
Trade and bills receivables	*18*	101,047	113,940	143,160
Debt investments at fair value through other comprehensive income	*19*	6,823	19,133	18,641
Prepayments, other receivables and other assets	*20*	18,314	11,402	21,204
Restricted bank deposits	*22*	–	814	261
Cash and cash equivalents	*22*	161,216	149,054	174,937
Total current assets		381,761	376,799	466,915
CURRENT LIABILITIES				
Trade and bills payables	*23*	115,917	111,079	187,940
Contract liabilities	*24*	1,693	3,648	6,579
Other payables and accruals	*25*	33,395	23,225	36,133
Interest-bearing bank loans	*26*	30,746	40,000	50,567
Lease liabilities	*14*	27	–	–
Tax payable		1,483	1,483	–
Total current liabilities		183,261	179,435	281,219
NET CURRENT ASSETS		198,500	197,364	185,696
TOTAL ASSETS LESS CURRENT LIABILITIES		328,304	321,703	314,714

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Deferred income	*27*	1,786	5,104	5,666
Provision	*28*	2,429	3,323	5,007
Total non-current liabilities		4,215	8,427	10,673
Net assets		**324,089**	**313,276**	**304,041**
EQUITY				
Equity attributable to owners of the parent				
Share capital	*29*	45,000	45,000	45,000
Reserves	*30*	279,089	268,276	259,041
Total equity		**324,089**	**313,276**	**304,041**

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was a company established in Chengdu, the People's Republic of China (the "**PRC**") on 6 September 2012 and converted into a joint stock company with limited liability on 30 June 2021. The registered office of the Company is located at No. 188, Huayue Road, Chenghua District, Chengdu City, Sichuan Province, the PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively, the "**Group**") were principally engaged in the design, development, manufacture and commercialisation of industrial robots.

As at the date of this report, the Company had direct 100% equity interests in its subsidiaries, all of which are private limited liability companies, and the particulars of the Company's subsidiaries are set out below:

Entity name	Place and date of incorporation/registration and place of operations	Registered share capital	Principal activities
Jiangsu CRP Robot Technology Co., Ltd. */** (江蘇卡諾普機器人有限公司)	PRC/Chinese Mainland, 8 December 2021	RMB100 million	Manufacture of computers, communication and other electronic equipment
CRP Robot Malaysia Sdn. Bhd.**	Malaysia, 11 January 2024	Malaysian Ringgit ("**MYR**") 1 million	Development, manufacture and sale of industrial robots

* The English name of the company registered in the PRC represents the best effort made by the management of the Company to directly translate the Chinese name as it did not register any official English name.

** As at the date of this report, no audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024, and 2025 and these entities were either not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation/registration or remained dormant since its incorporation/registration.

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 HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries 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.

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.

The financial information of the subsidiaries is prepared for the same reporting periods 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.

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	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[1]

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

The Group is in the process of making a detailed assessment of the impact of these new and amended HKFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised HKFRS Accounting Standards, except for HKFRS 18, may result in changes in accounting policies but are unlikely to have a significant impact on the Group's financial performance and financial position in the period of initial application. 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 the statements of profit or loss and other comprehensive income and statements of cash flows and relevant disclosures in the future financial information. The Group will continue to assess the impact of HKFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Interests in subsidiaries

Interests in subsidiaries are stated in the statement of financial position of the Company at cost less impairment loss, if any.

Fair value measurement

The Group measures its certain financial assets at fair value at the end of each reporting period. 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 financial statements 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 financial statements 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 reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial 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.

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 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 reporting period 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 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

(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; and the sponsoring employers of the post-employment benefit plan;

(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.

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.

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	5.28%
Machinery and equipment	9.50% to 31.67%
Motor vehicles	19.00% to 23.75%
Other equipment	19.00% to 33.33%

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 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 cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. 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.

Patents

Purchased patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years. The useful life of the patents is estimated by reference to the expected lifespan of the products utilising the patents.

Software

Purchased computer software is stated at cost less any impairment losses and is amortised on a straight-line basis over its estimated useful life of 2 to 10 years. The useful life of the computer software is assessed by the Group considering the purposes and usage of the software.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when 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.

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 any 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. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. 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	Between 1 year and 3 years
Land use rights	20 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 and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of offices and employee dormitories (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). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value. Lease payments on short-term leases and leases of low-value assets 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 FVTPL.

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 FVTPL, 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.

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 FVTPL, 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 FVTPL.

Purchases or sales of financial assets that require delivery of assets within the periods 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 FVTPL

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in 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 statements 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.

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 FVTPL. 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 each reporting date, 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 the reporting date 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 that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and 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 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 reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables 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 each reporting date. 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 accruals, lease liabilities and interest-bearing bank loans.

Subsequent measurement

Financial liabilities at amortised cost (trade and bills payable, other payables, and borrowings)

After initial recognition, trade and bills payables, other payables, and interest-bearing bank loans 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 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 profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or terminated, 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 the derecognition of the original liability and the recognition of a new liability, and the difference between the respective carrying amounts is recognised in 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 materials consigned for processing, 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.

Cash and cash equivalents

Cash and cash equivalents in the statements 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 statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

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 the reporting period 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 profit or loss.

The Group provides for warranties in relation to the sale of certain products for general repairs of defects occurring during the warranty periods. 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 and returns, 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 the reporting period, 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 the reporting period 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

- in respect of taxable temporary differences associated with investments in subsidiaries, 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 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 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

- in respect of deductible temporary differences associated with investments in subsidiaries, 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 reporting period 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 reporting period 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 periods 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 the reporting period.

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 periods 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 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) Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery or acceptance of the products as agreed in the sales contracts.

(b) Product-related supporting services

Revenue from product-related supporting services is recognised at a point in time when the service is provided and accepted by the customer.

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 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 Group adopts share award and share subscription rights schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. 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 on which they are granted. Further details are included in note 31 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 reporting period 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 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 terminated, 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.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in the Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of their 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.

Housing fund and other social insurances in the Chinese Mainland

The Group contributes on a monthly basis to a defined contribution housing fund plan and other social insurance plans operated by the local municipal government. Contributions to these plans by the Group are expensed as incurred.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, 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 by the equity holders of relevant entities comprising the Group in a general meeting. Proposed dividends are disclosed in 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 the reporting period. 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 RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period 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 foreign currency translation 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of 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 judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Development expenses

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Determining the amounts of development costs to be capitalised requires the use of judgements and estimation.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences and the carry forward of unused tax 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 level of future taxable profits together with future tax planning strategies.

The Group has accumulated tax losses and deductible temporary differences in the Chinese Mainland at the end of each of the Relevant Periods as disclosed in note 10 to the Historical Financial Information. These losses and deductible temporary differences related to the Company and a subsidiary that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. These entities 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.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for non-financial assets (other than inventories and financial assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2023, 2024 and 2025, the directors assessed that no indicators of impairment were identified for non-financial assets.

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 days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, 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 18 to the Historical Financial Information.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories at the end of each reporting period and makes provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of the robotics industry. Management estimates the net realisable value for those obsolete and slow-moving inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each reporting period. The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed. The information about the provision for inventory is disclosed in note 7 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the design, development, manufacture and commercialisation of industrial robots, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resource allocation and performance assessment. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
China (including Hong Kong and Taiwan)	180,219	209,436	287,458
Overseas	42,146	24,603	36,770
Total	**222,365**	**234,039**	**324,228**

The revenue information above is based on the locations of the customers.

(b) Non-current assets

Most of the non-current assets of the Group are located in the Chinese Mainland. Thus, no geographic information is presented.

Information about a major customer

Revenue from a major customer, 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*
Customer A	23,108	N/A*	N/A*

* Less than 10% of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sale of products	221,539	233,324	323,340
Services	826	715	888
Total	**222,365**	**234,039**	**324,228**
Timing of revenue recognition			
Products transferred at a point in time	221,539	233,324	323,340
Services provided at a point in time	826	715	888
Total	**222,365**	**234,039**	**324,228**

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of each of the Relevant Periods:			
Sale of products	2,196	1,693	3,588

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon the acceptance of delivered products and payment is mainly due within 3 months from delivery or made in advance.

Product-related supporting services

The performance obligation is satisfied at the point in time when services are completed and payment is generally due upon completion of the services and customer acceptance.

As the original expected duration of the contracts with customers of the Group is within one year or less, the Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation.

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Bank interest income	4,721	4,549	2,559
Deferred income released *(note 27)*	149	162	4,686
Government grants*	20,674	10,139	9,785
Additional deductible input value added tax	36	267	2,324
Rental income	48	98	68
Others	83	250	832
Total other income	25,711	15,465	20,254
Gains			
Gains on disposal of items of property, plant and equipment	77	349	–
Fair value gains on financial assets at FVTPL	901	309	468
Foreign exchange gains, net	–	385	–
Total gains	978	1,043	468
Total other income and gains	**26,689**	**16,508**	**20,722**

* Government grants received and recognised as "Other income" during the Relevant Periods related to grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. There are no unfulfilled conditions or contingencies relating to these grants.

6. 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 loans	951	1,325	865
Interest on lease liabilities	4	4	3
Total	**955**	**1,329**	**868**

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cost of inventories sold	161,628	162,277	216,594
Cost of services provided	518	544	768
Depreciation of property, plant and equipment*	9,397	9,959	11,558
Depreciation of right-of-use assets*	767	723	733
Amortisation of intangible assets*	389	373	529
(Gains)/losses on disposal of property, plant and equipment, net	(77)	(349)	1,432
Write-off of intangible assets	–	421	–
Foreign exchange losses/(gains), net	289	(385)	780
Lease payment not included in the measurement of lease liabilities	185	214	182
Impairment of trade receivables	3,189	4,650	7,055
Impairment/(reversal of impairment) of other receivables	13	32	(30)
Write-down/(reversal of write-down) of inventories to net realisable value, net	5,043	3,855	(1,180)
Product warranty provision	1,795	2,628	3,759
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Employee benefit expense (excluding directors' and supervisors' remuneration) *(note 8)*:			
Wages and salaries	46,911	51,684	62,643
Pension scheme contributions, social welfare and other welfare**	10,405	10,946	12,008
Share-based payment expenses, net	(377)	1,794	6,262
Total	56,939	64,424	80,913

* The depreciation of property, plant and equipment, amortisation of intangible assets, and depreciation of right-of-use assets are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses", and "Research and development expenses" in profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. DIRECTORS' AND SUPERVISORS'REMUNERATION

Directors' and supervisors' remuneration for the Relevant Periods, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, 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	360	219	90
Other emoluments:			
Salaries, allowances and benefits in kind	1,692	2,136	2,136
Performance related bonuses	458	518	1,178
Pension scheme contributions	183	161	161
Share-based payment expenses	680	57	376
Subtotal	3,013	2,872	3,851
Total	**3,373**	**3,091**	**3,941**

During the Relevant Periods, share awards and share subscription rights were granted to certain supervisors in respect of their services to the Group, further details of which are set out in note 31 to the Historical Financial Information. The fair values of such granted share awards and share subscription rights, which have been recognised in profit or loss, were determined as at the date of grant and the amounts included in the Historical Financial Information are included in the above directors' and supervisors' remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Ms. Zhi Nan *(i)*	120	73	30
Mr. Yang Xiaojian *(ii)*	120	60	–
Mr. Yu Haizong *(ii)*	120	60	–
Ms. He Na *(iii)*	–	13	30
Ms. Liang Min *(iii)*	–	13	30
Total	**360**	**219**	**90**

Notes:

(i) Ms. Zhi Nan was appointed as an independent non-executive director of the Company on 18 June 2021.

(ii) Mr. Yang Xiaojian and Mr. Yu Haizong were appointed as independent non-executive directors of the Company with effect from 18 June 2021 and resigned on 18 June 2024.

(iii) Ms. He Na and Ms. Liang Min were appointed as independent non-executive directors of the Company on 21 August 2024. Ms. He Na will resign as an independent non-executive director, and Mr. Chan Yik Pun will be appointed as an independent non-executive director effective upon the **[REDACTED]**.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, non-executive directors, and supervisors

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Li Liangjun *(i)*	300	94	27	–	421
Mr. Zhu Lusheng *(ii)*	300	94	27	–	421
Mr. Zeng Bing *(ii)*	240	38	26	–	304
Ms. Gu Fei *(ii)*	240	49	26	–	315
Subtotal	1,080	275	106	–	1,461
Non-executive directors:					
Mr. Huang He ***(iii)***	–	–	–	–	–
Ms. Qing Chen *(iii)*	–	–	–	–	–
Subtotal	–	–	–	–	–
Supervisors:					
Mr. Chen Hui *(iv)*	216	82	27	300	625
Mr. Li Xiang *(iv)*	216	79	25	360	680
Mr. Li Daichun *(iv)*	180	22	25	20	247
Subtotal	612	183	77	680	1,552
Total	**1,692**	**458**	**183**	**680**	**3,013**

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Li Liangjun *(i)*	384	78	23	–	485
Mr. Zhu Lusheng *(ii)*	384	103	23	–	510
Mr. Zeng Bing *(ii)*	276	75	23	–	374
Ms. Gu Fei *(ii)*	300	63	23	–	386
Subtotal	1,344	319	92	–	1,755
Non-executive directors:					
Mr. Huang He *(iii)*	–	–	–	–	–
Ms. Qing Chen *(iii)*	–	–	–	–	–
Subtotal	–	–	–	–	–

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Supervisors:					
Mr. Chen Hui *(iv)*	360	70	23	25	478
Mr. Li Xiang *(iv)*	240	105	23	30	398
Mr. Li Daichun *(iv)*	192	24	23	2	241
Subtotal	792	199	69	57	1,117
Total	**2,136**	**518**	**161**	**57**	**2,872**

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Li Liangjun *(i)*	384	328	23	–	735
Mr. Zhu Lusheng *(ii)*	384	328	23	–	735
Mr. Zeng Bing *(ii)*	276	131	23	–	430
Ms. Gu Fei *(ii)*	300	131	23	–	454
Subtotal	1,344	918	92	–	2,354
Non-executive directors:					
Mr. Huang He *(iii)*	–	–	–	–	–
Ms. Qing Chen *(iii)*	–	–	–	–	–
Subtotal	–	–	–	–	–
Supervisors:					
Mr. Chen Hui *(iv)*	360	147	23	99	629
Mr. Li Xiang *(iv)*	240	80	23	262	605
Mr. Li Daichun *(iv)*	192	33	23	15	263
Subtotal	792	260	69	376	1,497
Total	**2,136**	**1,178**	**161**	**376**	**3,851**

Notes:

(i) Mr. Li Liangjun was appointed as an executive director and the chief executive officer on 1 April 2017.

(ii) Mr. Zhu Lusheng, and Mr. Zeng Bing, and Ms. Gu Fei were appointed as executive directors of the Company on 5 February 2018, 20 April 2020, and 13 September 2018, respectively. Mr. Zeng Bing will resign as an executive director effective upon the **[REDACTED]**.

(iii) Mr. Huang He and Ms. Qing Chen were appointed as non-executive directors of the Company on 5 February 2018 and 13 September 2018, respectively.

(iv) Mr. Chen Hui, Mr. Li Xiang and Mr. Li Daichun were appointed as supervisors of the Company on 18 June 2021. Mr. Li Xiang will be appointed as a non-executive director effective upon the **[REDACTED]**. Mr. Chen Hui and Mr. Li Daichun will resign as supervisors effective upon the **[REDACTED]**.

There was no arrangement under which a director, or a supervisor waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024, and 2025 included two, two, two directors and supervisors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three, three and three highest paid employees who are neither a director nor supervisor of the Company during the years ended 31 December 2023, 2024, and 2025, respectively, are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	628	794	1,392
Performance related bonuses	193	392	725
Pension scheme contributions	67	69	117
Share-based payment expenses	1,617	1,265	5,185
Total	**2,505**	**2,520**	**7,419**

The number of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
Nil to Hong Kong Dollar ("**HK$**") 1,000,000	2	1	1
HK$1,000,001 to HK$1,500,000	1	2	–
HK$1,500,001 to HK$2,000,000	–	–	–
HK$2,000,001 to HK$2,500,000	–	–	1
HK$2,500,001 to HK$3,000,000	–	–	1
Total	**3**	**3**	**3**

During the Relevant Periods, share awards and share subscription rights were granted to certain highest paid employees in respect of their services and contributions to the Group, further details of which are set out in note 31 to the Historical Financial Information. The fair values of such granted share awards and share subscription rights, which have been recognised in profit or loss immediately upon the dates of grant or over the vesting periods, were determined as at the dates of grant and the amounts included in the Historical Financial Information for the Relevant Periods are included in the above 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 operate.

The Chinese Mainland

The provision for corporate income tax in the Chinese Mainland is based on the statutory rate of 25% of the assessable profits, in accordance with the PRC Income Tax Law and the respective regulations which were approved and became effective on 1 January 2008 except for the Company which was qualified as a high and new technology enterprise and was subject to income tax at a preferential tax rate of 15% during the Relevant Periods.

Malaysia

The Group's subsidiary in Malaysia is subject to enterprise income tax on its taxable income in Malaysia at a rate of 24%. No provision for Malaysia profits tax has been made as the Group had no taxable profit derived or earned in Malaysia during the Relevant Periods.

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) before tax	1,688	(12,944)	(16,146)
Tax at the statutory tax rate of 25%	422	(3,236)	(4,037)
Lower tax rate enacted by local authorities	(145)	1,384	1,642
Additional deductible allowance for qualified research and development expenses	(4,732)	(2,675)	(2,915)
Expenses not deductible for tax	95	106	354
Effect of deductible temporary differences not recognised	1,018	2,052	480
Tax losses not recognised	3,342	2,369	4,476
Tax charge at the Group's effective rate	–	–	–

According to the PRC Corporate Income Tax regulations, the Company is entitled to claim an additional deduction for qualified research and development expenses. The applicable additional deduction percentage was 100% during the Relevant Periods.

The Group has the following accumulated tax losses and deductible temporary differences in the Chinese Mainland. These accumulated tax losses will expire in one to ten years for offsetting against future taxable profits of the companies located in the Chinese Mainland in which the tax losses arose.

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	22,280	38,073	67,913
Deductible temporary differences	14,174	27,854	31,054
Total	**36,454**	**65,927**	**98,967**

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in the Company and a subsidiary that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

11. DIVIDENDS

During the year ended 31 December 2023, the Company paid a dividend of RMB3,004,000, which was declared on 26 April 2021.

Save as disclosed above, no dividend was declared or paid by the Company during the Relevant Periods.

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) attributable to ordinary equity holders of the parent. The number of ordinary shares of 450,000,000 being used for the calculation of basic and diluted earnings/(loss) per share has been retrospectively adjusted according to the share split completed on 12 May 2026.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the Relevant Periods in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

31 December 2023

	Buildings	Machinery and equipment	Motor vehicles	Other equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023						
Cost	95,850	10,266	1,358	9,954	3,701	121,129
Accumulated depreciation	(2,538)	(3,624)	(989)	(4,919)	–	(12,070)
Net carrying amount	93,312	6,642	369	5,035	3,701	109,059
At 1 January 2023, net of accumulated depreciation	93,312	6,642	369	5,035	3,701	109,059
Additions	–	3,997	69	4,544	1,535	10,145
Transfers	–	3,970	–	6	(3,976)	–
Disposals	–	(60)	(6)	(2)	–	(68)
Depreciation provided during the year	(5,076)	(1,379)	(110)	(2,832)	–	(9,397)
At 31 December 2023, net of accumulated depreciation	88,236	13,170	322	6,751	1,260	109,739
At 31 December 2023						
Cost	95,850	18,173	1,421	14,502	1,260	131,206
Accumulated depreciation	(7,614)	(5,003)	(1,099)	(7,751)	–	(21,467)
Net carrying amount	88,236	13,170	322	6,751	1,260	109,739

31 December 2024

	Buildings	Machinery and equipment	Motor vehicles	Other equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024						
Cost	95,850	18,173	1,421	14,502	1,260	131,206
Accumulated depreciation	(7,614)	(5,003)	(1,099)	(7,751)	–	(21,467)
Net carrying amount	88,236	13,170	322	6,751	1,260	109,739
At 1 January 2024, net of accumulated depreciation	88,236	13,170	322	6,751	1,260	109,739
Additions	–	559	124	1,694	1,717	4,094
Transfers	–	857	–	54	(911)	–
Disposals	–	(579)	(27)	(11)	–	(617)
Depreciation provided during the year	(5,076)	(1,629)	(104)	(3,150)	–	(9,959)
At 31 December 2024, net of accumulated depreciation	83,160	12,378	315	5,338	2,066	103,257
At 31 December 2024						
Cost	95,850	19,010	1,518	16,239	2,066	134,683
Accumulated depreciation	(12,690)	(6,632)	(1,203)	(10,901)	–	(31,426)
Net carrying amount	83,160	12,378	315	5,338	2,066	103,257

31 December 2025

	Buildings	Machinery and equipment	Motor vehicles	Other equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025						
Cost	95,850	19,010	1,518	16,239	2,066	134,683
Accumulated depreciation	(12,690)	(6,632)	(1,203)	(10,901)	–	(31,426)
Net carrying amount	83,160	12,378	315	5,338	2,066	103,257
At 1 January 2025, net of accumulated depreciation	83,160	12,378	315	5,338	2,066	103,257
Additions	–	1,768	6	1,828	45,184	48,786
Transfers	–	47,150	–	–	(47,150)	–
Disposals	–	(26,611)	–	(119)	–	(26,730)
Depreciation provided during the year	(5,075)	(3,401)	(107)	(2,975)	–	(11,558)
At 31 December 2025, net of accumulated depreciation	78,085	31,284	214	4,072	100	113,755
At 31 December 2025						
Cost	95,850	41,317	1,524	17,948	100	156,739
Accumulated depreciation	(17,765)	(10,033)	(1,310)	(13,876)	–	(42,984)
Net carrying amount	78,085	31,284	214	4,072	100	113,755

The Company

31 December 2023

	Buildings	Machinery and equipment	Motor vehicles	Other equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023						
Cost	95,850	10,174	1,358	9,918	3,701	121,001
Accumulated depreciation	(2,538)	(3,550)	(989)	(4,889)	–	(11,966)
Net carrying amount	93,312	6,624	369	5,029	3,701	109,035
At 1 January 2023, net of accumulated depreciation	93,312	6,624	369	5,029	3,701	109,035
Additions	–	3,997	69	4,544	1,535	10,145
Transfers	–	3,970	–	6	(3,976)	–
Disposals	–	(60)	(6)	(2)	–	(68)
Depreciation provided during the year	(5,076)	(1,364)	(110)	(2,827)	–	(9,377)
At 31 December 2023, net of accumulated depreciation	88,236	13,167	322	6,750	1,260	109,735
At 31 December 2023						
Cost	95,850	18,081	1,421	14,466	1,260	131,078
Accumulated depreciation	(7,614)	(4,914)	(1,099)	(7,716)	–	(21,343)
Net carrying amount	88,236	13,167	322	6,750	1,260	109,735

31 December 2024

	Buildings	Machinery and equipment	Motor vehicles	Other equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024						
Cost	95,850	18,081	1,421	14,466	1,260	131,078
Accumulated depreciation	(7,614)	(4,914)	(1,099)	(7,716)	–	(21,343)
Net carrying amount	88,236	13,167	322	6,750	1,260	109,735
At 1 January 2024, net of accumulated depreciation	88,236	13,167	322	6,750	1,260	109,735
Additions	–	559	124	1,694	1,717	4,094
Transfers	–	857	–	54	(911)	–
Disposals	–	(576)	(27)	(10)	–	(613)
Depreciation provided during the year	(5,076)	(1,629)	(104)	(3,150)	–	(9,959)
At 31 December 2024, net of accumulated depreciation	83,160	12,378	315	5,338	2,066	103,257
At 31 December 2024						
Cost	95,850	18,921	1,518	16,204	2,066	134,559
Accumulated depreciation	(12,690)	(6,543)	(1,203)	(10,866)	–	(31,302)
Net carrying amount	83,160	12,378	315	5,338	2,066	103,257

31 December 2025

	Buildings	Machinery and equipment	Motor vehicles	Other equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025						
Cost	95,850	18,921	1,518	16,204	2,066	134,559
Accumulated depreciation	(12,690)	(6,543)	(1,203)	(10,866)	–	(31,302)
Net carrying amount	83,160	12,378	315	5,338	2,066	103,257
At 1 January 2025, net of accumulated depreciation	83,160	12,378	315	5,338	2,066	103,257
Additions	–	1,768	6	1,828	45,184	48,786
Transfers	–	47,150	–	–	(47,150)	–
Disposals	–	(26,611)	–	(119)	–	(26,730)
Depreciation provided during the year	(5,075)	(3,401)	(107)	(2,975)	–	(11,558)
At 31 December 2025, net of accumulated depreciation	78,085	31,284	214	4,072	100	113,755
At 31 December 2025						
Cost	95,850	41,228	1,524	17,913	100	156,615
Accumulated depreciation	(17,765)	(9,944)	(1,310)	(13,841)	–	(42,860)
Net carrying amount	78,085	31,284	214	4,072	100	113,755

14. LEASES

The Group as a lessee

The Group has lease contracts for buildings and land use rights. Lump sum payments were made upfront to acquire the land use rights for 20 years from the government, and no ongoing payments will be made under the terms of these land use rights. Leases of buildings generally have lease terms between 1 year and 3 years.

(a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Land use rights	Buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	10,665	170	10,835
Depreciation charge	(621)	(146)	(767)
At 31 December 2023 and 1 January 2024	10,044	24	10,068
Additions	–	206	206
Depreciation charge	(622)	(101)	(723)
At 31 December 2024 and 1 January 2025	9,422	129	9,551
Depreciation charge	(621)	(112)	(733)
Exchange realignment	–	10	10
At 31 December 2025	8,801	27	8,828

The Company

	Land use rights	Buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	10,665	170	10,835
Depreciation charge	(621)	(146)	(767)
At 31 December 2023 and 1 January 2024	10,044	24	10,068
Depreciation charge	(622)	(24)	(646)
At 31 December 2024 and 1 January 2025	9,422	–	9,422
Depreciation charge	(621)	–	(621)
At 31 December 2025	8,801	–	8,801

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of year	185	27	139
New leases	–	206	–
Accretion of interest recognised during the year	4	4	3
Payments	(162)	(98)	(114)
Exchange realignment	–	–	10
Carrying amount at end of year	27	139	38
Analysed into:			
Current	27	104	38
Non-current	–	35	–

The Company

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of year	185	27	–
Accretion of interest recognised during the year	4	–	–
Payments	(162)	(27)	–
Carrying amount at end of year	27	–	–
Analysed into:			
Current	27	–	–

(c) The amounts charged in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Expense relating to short-term leases and leases of low-value assets (included in administrative expenses)	185	214	182
Depreciation charge of right-of-use assets	767	723	733
Interest expense on lease liabilities	4	4	3
Net amount charged in profit or loss	956	941	918

The Group as a lessor

The Group leases part of its property, plant and equipment (note 13) consisting of equipment for rental in the Chinese Mainland under operating lease arrangements. During the Relevant Periods, rental income recognised by the Group are included in note 5 to the Historical Financial Information.

As no equipment was under operating leases at the end of each of the Relevant Periods, the Group accordingly had no lease payments receivable from its tenants in future periods.

15. INTANGIBLE ASSETS

The Group

	Software	**Patents**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
At 1 January 2023:			
Cost	2,621	588	3,209
Accumulated amortisation	(544)	(118)	(662)
Net carrying amount	2,077	470	2,547
At 1 January 2023, net of accumulated amortisation	2,077	470	2,547
Additions	674	–	674
Amortisation provided during the year	(360)	(29)	(389)
At 31 December 2023, net of accumulated amortisation	2,391	441	2,832
At 31 December 2023:			
Cost	3,295	588	3,883
Accumulated amortisation	(904)	(147)	(1,051)
Net carrying amount	2,391	441	2,832

	Software	**Patents**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
At 1 January 2024:			
Cost	3,295	588	3,883
Accumulated amortisation	(904)	(147)	(1,051)
Net carrying amount	2,391	441	2,832
At 1 January 2024, net of accumulated amortisation	2,391	441	2,832
Additions	1,542	–	1,542
Write-off	–	(421)	(421)
Amortisation provided during the year	(353)	(20)	(373)
At 31 December 2024, net of accumulated amortisation	3,580	–	3,580
At 31 December 2024:			
Cost	4,837	167	5,004
Accumulated amortisation	(1,257)	(167)	(1,424)
Net carrying amount	3,580	–	3,580

	Software	**Patents**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025:			
Cost	4,837	167	5,004
Accumulated amortisation	(1,257)	(167)	(1,424)
Net carrying amount	3,580	–	3,580
At 1 January 2025, net of accumulated amortisation	3,580	–	3,580
Additions	1,295	–	1,295
Amortisation provided during the year	(529)	–	(529)
At 31 December 2025, net of accumulated amortisation	4,346	–	4,346
At 31 December 2025:			
Cost	6,132	–	6,299
Accumulated amortisation	(1,786)	–	(1,953)
Net carrying amount	4,346	–	4,346

The Company

Software

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year:			
Cost	2,621	3,295	4,837
Accumulated amortisation	(544)	(904)	(1,257)
Net carrying amount	2,077	2,391	3,580
At beginning of year, net of accumulated amortisation	2,077	2,391	3,580
Additions	674	1,542	1,295
Amortisation provided during the year	(360)	(353)	(529)
At end of year, net of accumulated amortisation	2,391	3,580	4,346
At end of year:			
Cost	3,295	4,837	6,132
Accumulated amortisation	(904)	(1,257)	(1,786)
Net carrying amount	2,391	3,580	4,346

16. INVESTMENT IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investment in subsidiaries, at cost	5,800	7,291	1,691
Less: impairment	(870)	(1,176)	–
Net carrying amount	4,930	6,115	1,691

Notes:

(a) During the year ended 31 December 2025, the Company deregistered two subsidiaries. Chengdu CRP Intelligent Equipment Co., Ltd.* (established on 22 December 2017) was deregistered on 3 January 2025, resulting in a decrease of RMB3,950,000 in the cost of investment in subsidiaries. Chengdu Junnuo Weishi Intelligent Technology Co., Ltd.* (established on 7 March 2018) was deregistered on 19 March 2025, resulting in a decrease of RMB1,650,000 in the cost of investment in subsidiaries.

(b) During the year ended 31 December 2023 and 2024, impairment for investment in subsidiaries was provided based on recoverable amount with reference to the fair value of the underlying net assets held by the subsidiaries. As at 31 December 2025, the directors of the Company considered no impairment indicators were identified based on the impairment assessment performed by the management.

17. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	68,067	62,153	82,960
Finished goods	14,338	11,745	15,433
Materials consigned for processing and work in progress	9,684	8,057	9,102
Goods in transit	2,457	501	1,217
Total	**94,546**	**82,456**	**108,712**

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	67,882	62,153	82,960
Finished goods	14,338	11,745	15,433
Materials consigned for processing and work in progress	9,684	8,057	9,102
Goods in transit	2,457	501	1,217
Total	**94,361**	**82,456**	**108,712**

18. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	91,922	95,943	117,404
Less: Impairment of trade receivables	(4,878)	(9,505)	(12,046)
	87,044	86,438	105,358
Bills receivable	14,016	27,502	37,802
Total	**101,060**	**113,940**	**143,160**

Bills receivable are subject to impairment under the general approach and the impairment is considered to be minimal.

The Group's trading terms with its certain customers are on credit, and the credit period is generally 90 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to various diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	46,191	46,199	61,900
3 to 6 months	19,445	14,838	19,881
6 to 12 months	13,882	16,093	18,681
Over 12 months	7,526	9,308	4,896
Total	**87,044**	**86,438**	**105,358**

The movements in the loss allowance for impairment of trade receivables are as follows:

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	1,967	4,878	9,505
Impairment losses, net *(note 7)*	3,189	4,650	7,055
Amount written off as uncollectible	(278)	(23)	(4,514)
At end of year	4,878	9,505	12,046

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date 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 trade receivables using a provision matrix:

	As at 31 December 2023		
	Gross carrying amount	**Expected credit loss rate**	**Expected credit losses**
	RMB'000	*%*	*RMB'000*
Impairment based on individual assessment	147	100	147
Impairment based on collective assessment by credit risk portfolio			
Within 6 months	66,731	2	1,095
6 to 12 months	14,737	6	855
12 to 18 months	4,310	15	667
18 to 24 months	5,995	35	2,112
Above 24 months	2	100	2
Total	**91,922**	**5**	**4,878**

	As at 31 December 2024		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	*%*	*RMB'000*
Impairment based on individual assessment	4,296	72	3,097
Impairment based on collective assessment by credit risk portfolio			
Within 6 months	62,385	2	1,348
6 to 12 months	17,332	7	1,239
12 to 18 months	7,625	16	1,246
18 to 24 months	2,353	26	623
Above 24 months	1,952	100	1,952
Total	**95,943**	**10**	**9,505**

	As at 31 December 2025		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	*%*	*RMB'000*
Impairment based on individual assessment	4,177	100	4,177
Impairment based on collective assessment by credit risk portfolio			
Within 6 months	83,187	2	1,406
6 to 12 months	20,282	8	1,601
12 to 18 months	4,925	16	777
18 to 24 months	1,459	49	711
Above 24 months	3,374	100	3,374
Total	**117,404**	**10**	**12,046**

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	91,889	95,943	117,404
Less: Impairment of trade receivables	(4,858)	(9,505)	(12,046)
	87,031	86,438	105,358
Bills receivable	14,016	27,502	37,802
Total	**101,047**	**113,940**	**143,160**

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	46,191	46,199	61,900
3 to 6 months	19,445	14,838	19,881
6 to 12 months	13,882	16,093	18,681
Over 12 months	7,513	9,308	4,896
Total	**87,031**	**86,438**	**105,358**

19. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank acceptance bills	6,823	19,133	18,641

The above bank acceptance bills were issued by reputable banks in the Chinese Mainland. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cash flows and selling. The fair value approximates to the carrying value due to the short maturity.

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for property, plant and equipment	2,680	1,965	425
Current			
Prepayments	2,928	3,286	1,635
Deferred **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Other receivables and deposits	3,234	1,459	6,118
Value-added tax recoverable	12,075	6,809	11,841
Less: Impairment of other receivables	(18)	(50)	(20)
Subtotal	18,219	11,504	21,310
Total	**20,899**	**13,469**	**21,735**

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for property, plant and equipment	2,680	1,965	425
Current			
Prepayments	2,925	3,286	1,635
Deferred **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Other receivables and deposits	3,350	1,360	6,015
Value-added tax recoverable	12,057	6,806	11,838
Less: Impairment of other receivables	(18)	(50)	(20)
Subtotal	18,314	11,402	21,204
Total	**20,994**	**13,367**	**21,629**

The other receivables and deposits are interest-free and unsecured.

As at the end of each of the Relevant Periods, impairment of other receivables was measured based on 12-month expected credit losses 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 lifetime expected credit losses.

21. 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 product	3,844	–	–

As at 31 December 2023, the wealth management product was issued by a bank in the Chinese Mainland, with expected return rates around 2.50% per annum. It was mandatorily classified as financial assets at FVTPL as its contractual cash flows were not solely payments of principal and interest.

22. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	162,374	155,678	171,396
Time deposits	–	–	4,990
Subtotal	162,374	155,678	176,386
Less:			
Restricted bank deposits	–	(1,406)	(261)
Cash and cash equivalents	162,374	154,272	176,125
Denominated in:			
RMB	152,987	132,313	143,479
United States Dollar ("**USD**")	9,387	21,865	32,502
MYR	–	94	144
Total	**162,374**	**154,272**	**176,125**

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	161,216	149,868	170,208
Time deposits	–	–	4,990
Subtotal	161,216	149,868	175,198
Less:			
Restricted bank deposits	–	(814)	(261)
Cash and cash equivalents	161,216	149,054	174,937
Denominated in:			
RMB	151,829	128,389	143,391
USD	9,387	20,665	31,546
Total	**161,216**	**149,054**	**174,937**

The RMB is not freely convertible into other currencies, however, under the 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.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. Short term time deposits are made for period of 3 months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposits rates.

As at 31 December 2024 and 2025, the restricted bank deposits represented guarantee deposits for the issuance of letters of credit.

23. TRADE AND BILLS PAYABLES

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	37,330	37,409	58,326
Bills payable	78,540	73,670	129,614
Total	**115,870**	**111,079**	**187,940**

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	60,977	62,899	112,190
3 to 6 months	31,232	28,889	52,087
6 to 12 months	23,445	18,607	23,460
Over 12 months	216	684	203
Total	**115,870**	**111,079**	**187,940**

Trade payables of the Group are non-interest-bearing and are normally settled on terms of 1 to 3 months.

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	37,377	37,409	58,326
Bills payable	78,540	73,670	129,614
Total	**115,917**	**111,079**	**187,940**

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	61,024	62,899	112,190
3 to 6 months	31,232	28,889	52,087
6 to 12 months	23,445	18,607	23,460
Over 12 months	216	684	203
Total	**115,917**	**111,079**	**187,940**

Trade payables of the Company included the amount due to a subsidiary of RMB47,000 as at 31 December 2023.

24. CONTRACT LIABILITIES

The Group and the Company

	As at 1 January	As at 31 December		
	2023	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances from customers:				
Sale of products	2,196	1,693	3,648	6,579

Contract liabilities represent short-term advances received for the delivery of products. The change in contract liabilities primarily reflects the changes in advances from customer for orders.

25. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Payroll payables	9,726	9,786	13,900
Payables for property, plant and equipment	13,197	2,216	2,151
Other tax payables	611	1,322	2,892
Deposits from credit sales customers	8,617	7,946	8,287
Other payables	1,964	1,962	8,903
Total	**34,115**	**23,232**	**36,133**

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll payables	9,706	9,786	13,900
Payables for property, plant and equipment	13,197	2,216	2,151
Other tax payables	611	1,322	2,892
Deposits from credit sales customers	8,617	7,946	8,287
Other payables	1,264	1,955	8,903
Total	**33,395**	**23,225**	**36,133**

Other payables are non-interest-bearing and have no fixed terms of settlement, except for payables relating to acquisition of property, plant and equipment, which are normally settled within one month.

26. INTEREST-BEARING BANK LOANS

The Group and the Company

	As at 31 December								
	2023			2024			2025		
	Effective interest rate *(%)*	Maturity	*RMB'000*	Effective interest rate *(%)*	Maturity	*RMB'000*	Effective interest rate *(%)*	Maturity	*RMB'000*
Current – repayable within one year									
Bank loans – secured	0.51-3.2	2024	30,746	2.5-2.6	2025	40,000	1.1-2.5	2026	12,567
Bank loans – unsecured	–	–	–	–	–	–	2.3-2.5	2026	38,000
			30,746			40,000			50,567

Certain of the Group's bank loans are secured by:

(i) the pledge of certain of the Group's bills receivables amounting to RMB746,000 and RMB2,570,000 as at 31 December 2023 and 2025, respectively (note 36);

(ii) a pledge over one of the Group's patents, of which its cost was charged to profit or loss in prior years, securing loans of RMB10,000,000 as at 31 December 2025.

In addition, the certain of the Group's bank loans of RMB30,000,000 and RMB40,000,000 as at 31 December 2023 and 2024, respectively, were guaranteed by Messrs. Li Liangjun and Zhu Lusheng (note 34).

27. DEFERRED INCOME

The Group and the Company

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	1,134	1,786	5,104
Grants received during the year	801	3,480	5,248
Released to profit or loss during the year	(149)	(162)	(4,686)
At end of year	1,786	5,104	5,666

The Group's deferred income represents government grants received for specific projects. Such grants are credited to profit or loss on a straight-line basis over the expected lives of the related assets, or are recognised as income on a systematic basis over the periods in which the related costs, for which they are intended to compensate, are expensed.

28. PROVISION

The Group and the Company

Warranties

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	1,584	2,429	3,323
Additional provision charged during the year	1,795	2,628	3,759
Amounts utilised during the year	(950)	(1,734)	(2,075)
At end of year	2,429	3,323	5,007

The Group generally provides warranties of one to two years to its customers on certain of its products 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 basis is reviewed on an ongoing basis and revised where appropriate.

29. SHARE CAPITAL

	Number of shares in issue	**Share capital**
	(in thousand)	*RMB'000*
As at 31 December 2023, 2024 and 2025	45,000	45,000

In June 2021, the Company 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 base date, including the paid-in capital, capital reserves and accumulated losses, were converted into 45,000,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

30. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Group in section I. The relevant notes to certain movements of the Group's equity during the Relevant Periods are included below:

Capital reserve

The capital reserve of the Group includes the share premium contributed by the shareholders of the Company.

Share-based payment reserve

The share-based payment reserve of the Group represents the share-based compensation reserve due to equity-settled share-based payment transactions contributed by the shareholders of the Company, details of which are set out in note 31 to the Historical Financial Information.

Safety production fund

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside an amount for maintenance, production and other similar funds based on revenue recognised. The funds can be used for maintenance of production and improvements of safety and are not available for distribution to shareholders.

Foreign currency translation reserve

The Group's foreign currency translation reserve represents the differences arising from the translation of the financial statements of the Group's subsidiary outside the Chinese Mainland in accordance with the accounting policy set out for "Foreign currencies" in note 2.3 to the Historical Financial Information.

Statutory surplus reserve

Pursuant to the relevant laws in the PRC, the Company's subsidiaries in the Chinese Mainland shall make appropriations from after-tax profits to non-distributable reserve funds as determined by the boards of directors of the relevant Chinese Mainland subsidiaries. In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profits after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Safety production fund	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	235,395	4,446	2,771	2,260	32,223	277,095
Profit for the year	–	–	–	–	1,691	1,691
Total comprehensive income for the year	–	–	–	–	1,691	1,691
Share-based payments	–	303	–	–	–	303
Safety production fund provided	–	–	–	1,606	(1,606)	–
Safety production fund used	–	–	–	(1,766)	1,766	–
Transfer from retained profits	–	–	169	–	(169)	–
At 31 December 2023	235,395	4,749	2,940	2,100	33,905	279,089

	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Safety production fund	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	235,395	4,749	2,940	2,100	33,905	279,089
Loss for the year	–	–	–	–	(12,664)	(12,664)
Total comprehensive loss for the year	–	–	–	–	(12,664)	(12,664)
Share-based payments	–	1,851	–	–	–	1,851
Vested shares under the share award scheme	1,295	(1,295)	–	–	–	–
Safety production fund provided	–	–	–	1,670	(1,670)	–
Safety production fund used	–	–	–	(1,255)	1,255	–
At 31 December 2024	236,690	5,305	2,940	2,515	20,826	268,276

	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Safety production fund	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	236,690	5,305	2,940	2,515	20,826	268,276
Loss for the year	–	–	–	–	(15,873)	(15,873)
Total comprehensive loss for the year	–	–	–	–	(15,873)	(15,873)
Share-based payments	–	6,638	–	–	–	6,638
Vested shares under the share award scheme	9,475	(9,475)	–	–	–	–
Safety production fund provided	–	–	–	1,701	(1,701)	–
Safety production fund used	–	–	–	(2,355)	2,355	–
Transfer from retained profits	–	–	–	–	–	–
At 31 December 2025	246,165	2,468	2,940	1,861	5,607	259,041

31. SHARE-BASED PAYMENTS

Share Award Scheme

The Group adopted a share award scheme (the "**Share Award Scheme**") for certain employees of the Group ("**Share Incentive Participants**") in order to recognise the contributions of the Share Incentive Participants to the growth and development of the Group, and incentivise them to further promote the development of the Group.

In order to implement the Share Award Scheme, Changzhou Hongzhi Investment Partnership (Limited Partnership) was established and designated as a share incentive platform to hold the shares contributed by certain shareholders of the Company specially awarded to the eligible participants as the ultimate beneficial owners. The Group has no control over the share incentive platform.

On 31 January 2019, the Group granted 189,753 share awards of the Company to 16 eligible employees at nil subscription price. The granted share awards were initially subject to a five-year service condition. However, on 10 December 2020, the vesting conditions were modified to include both a **[REDACTED]** condition (the "**[REDACTED] Condition**") and a five-year service condition. The **[REDACTED]** Condition will be satisfied after the ordinary shares of the Company are successfully **[REDACTED]** on a recognised stock exchange for 36 months. Upon satisfying these conditions, the share awards will vest annually over three years, with 60%, 20%, and 20% allocated each year. As the modification was unfavorable to the Share Incentive Participants, the share-based payment expenses continue to be amortised over the original five-year service period.

Separately, on 31 December 2020, the Group granted 95,104 share awards of the Company to 4 eligible employees, also at nil subscription price, under the same revised vesting conditions as the share awards granted on 31 January 2019.

The fair values of the share awards granted on 31 January 2019 and 31 December 2020 were estimated at RMB55.87 and RMB187.34 per share award, respectively. The fair values of the share award at the grant date were estimated using the most recent transaction method which was based on the transaction price of underlying ordinary shares being **[REDACTED]** by new **[REDACTED]**, taking into account the impact of preferential rights (e.g. anti-diluted provisions and liquidation preferences) stipulated in the investment terms on the fair value.

Pursuant to the board of directors' resolution dated 10 September 2024, 12,959 restricted share awards have been granted special exemptions to be immediately vested and transferable, resulting in an acceleration of share-based payment expenses amounting to RMB410,000, which was recognised in profit or loss.

Pursuant to the Management Resolution dated 25 August 2025, the Company amended the end of service periods for all the unvested share awards to 30 September 2025, with full vesting occurring in a single installment upon completion of the service period. As a result, the remaining unamortised fair value of the share awards was fully recognised in profit or loss during the year ended 31 December 2025.

The following share awards were outstanding under the Share Award Scheme:

	Number of share awards
At 1 January 2023	284,857
Forfeited during the year	(59,161)
At 31 December 2023 and 1 January 2024	225,696
Vested during the year	(12,959)
At 31 December 2024 and 1 January 2025	212,737
Forfeited during the year	(1,787)
Vested during the year	(210,950)
At 31 December 2025	–

During the years ended 31 December 2023, 2024 and 2025, the Group recognised net share-based payment expenses of RMB303,000, RMB1,851,000 and RMB4,170,000, respectively.

Share Subscription Rights Scheme

The Group operates a share subscription rights scheme (the "**Share Subscription Rights Scheme**") to motivate management and employees. The Share Subscription Rights Scheme became effective on 7 November 2025 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

Pursuant to the Share Subscription Rights Scheme, eligible participants shall have the right to subscribe for up to 31.6081% of the share units in Changzhou Hongzhi owned by Mr. Zhu Lusheng, equivalent to 1,110,823 ordinary shares of the Company. On 7 November 2025, 1,110,823 share subscription rights were granted to 28 eligible employees at nil subscription price.

The vesting conditions comprise both the **[REDACTED]** Condition and a service condition. Under the service condition, employees are required to achieve satisfactory performance in annual evaluations for either three consecutive years (the "**Tranche A**") or five consecutive years (the "**Tranche B**"). If performance is assessed as unsatisfactory in any year in the service period, the service period shall be extended by one year. If unsatisfactory performance occurs in two or more years in the service period, the relevant share subscription rights will be cancelled. The vesting of the share subscription rights does not result in an increase in the number of the Company's shares.

There are no cash settlement alternatives under the Share Subscription Rights Scheme, and the Group does not have a past practice of cash settlement in respect of such rights. Accordingly, the Group accounts for the Share Subscription Rights Scheme as an equity-settled share-based payment plan. The share subscription rights do not entitle the holders to receive dividends or to exercise voting rights at shareholders' meetings.

The following share subscription rights were outstanding under the Share Subscription Rights Scheme during the Relevant Periods:

	Exercise price	Number of rights
	RMB	*'000*
As at 1 January 2023, 2024 and 2025	–	–
Granted during the year	–	1,110,823
As at 31 December 2025	–	1,110,823

The exercise prices and exercise periods of the share subscription rights outstanding as at 31 December 2025 are as follows:

	Number of rights	Exercise price	Exercise period
	'000	*RMB*	
Tranche A	570,025	–	7 November 2028-7 November 2030
Tranche B	540,798	–	7 November 2030-7 November 2032
	1,110,823		

The fair value of the share subscription rights on grant date was RMB55,220,000, of which the Group recognised a share-based payment expense of RMB2,468,000 during the year ended 31 December 2025.

The fair value of equity-settled share subscription rights granted in 2025 was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the rights were granted. The following table lists the inputs to the model used:

	Tranche A	Tranche B
Dividend yield (%)	–	–
Expected volatility (%)	61.16%	60.56%
Risk-free interest rate (%)	1.44%	1.59%
Expected life of rights (year)	3	5

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the rights granted was incorporated into the measurement of fair value.

32. 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*
Contracted, but not provided for:			
Machinery and other equipment	243	520	841

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group settled payables for acquisition of property, plant and equipment and intangible assets by using bills, which are classified originally as bills receivable and debt investments at fair value through other comprehensive income.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bills receivable	4,448	4,598	4,636
Debt investments at fair value through other comprehensive income	3,021	1,472	1,862
Total	**7,469**	**6,070**	**6,498**

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2023

	Interest-bearing bank loans	Lease liabilities	Dividends payable
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	50,000	185	3,004
Changes from financing cash flows	(20,205)	(162)	(3,004)
Interest expenses charged to profit or loss	951	4	–
As at 31 December 2023	30,746	27	–

Year ended 31 December 2024

	Interest-bearing bank loans	Lease liabilities
	RMB'000	*RMB'000*
As at 1 January 2024	30,746	27
Changes from financing cash flows	8,675	(98)
Discounted bills settled	(746)	–
New leases	–	206
Interest expenses charged to profit or loss	1,325	4
As at 31 December 2024	40,000	139

Year ended 31 December 2025

	Interest-bearing bank loans	Lease liabilities
	RMB'000	*RMB'000*
As at 1 January 2025	40,000	139
Changes from financing cash flows	10,565	(114)
Interest expenses charged to profit or loss	2	3
Exchange realignment	–	10
As at 31 December 2025	50,567	38

(c) Total cash outflows for leases

Total cash outflows for leases included in the statements of cash flows is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	185	214	182
Within financing activities	162	98	114
Total	**347**	**312**	**296**

34. RELATED PARTY TRANSACTIONS AND BALANCES

The directors are of the view that the following individuals are related parties that had the following material transactions or balances with the Group during the Relevant Periods.

(a) Names and relationships of related parties

Name	Relationship
Mr. Zhu Lusheng	A shareholder and director of the Company
Mr. Li Liangjun	A shareholder and director of the Company
Ms. Gu Fei	A shareholder and director of the Company

(b) Bank loans guaranteed by related parties

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Solely guaranteed by Mr. Li Liangjun	–	10,000	–
Jointly guaranteed by Mr. Li Liangjun and Mr. Zhu Lusheng	30,000	30,000	–
Total	**30,000**	**40,000**	–

Mr. Li Liangjun and Mr. Zhu Lusheng guaranteed certain bank loans of the Group at nil consideration as at 31 December 2023 and 2024 (note 26 to the Historical Financial Information). These guarantees have been released during the year ended 31 December 2025.

(c) Outstanding balances with related parties

Amounts due to related parties

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Mr. Zhu Lusheng*	–	–	463
Mr. Li Liangjun*	65	–	–
Ms. Gu Fei*	–	–	100
Total	**65**	**–**	**563**

* The above balances were the payables for employee reimbursement and were included in "Other payables and accruals" in the consolidated statements of financial position. These balances were non-trade in nature, unsecured and interest-free with no fixed terms of repayment and will be settled prior to the **[REDACTED]**.

(d) Compensation of key management personnel of the Group

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	2,592	3,228	3,228
Performance related bonuses	607	743	1,704
Pension scheme contributions	283	254	258
Share-based payment expenses	1,339	702	3,106
Total	**4,821**	**4,927**	**8,296**

Further details of directors' and supervisors' emoluments are included in note 8 to the Historical Financial Information.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group as at the end of each of the Relevant Periods are as follows:

Financial assets

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value:			
Financial assets at FVTPL	3,844	–	–
Debt investments at fair value through other comprehensive income	6,823	19,133	18,641
Financial assets at amortised cost:			
Trade and bills receivables	101,060	113,940	143,160
Financial assets included in prepayments, other receivables and other assets	3,216	1,409	6,098
Restricted bank deposits	–	1,406	261
Cash and cash equivalents	162,374	154,272	176,125
Total	**277,317**	**290,160**	**344,285**

Financial liabilities

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities at amortised cost:			
Trade and bills payables	115,870	111,079	187,940
Financial liabilities included in other payables and accruals	23,778	12,124	19,341
Lease liabilities	27	139	38
Interest-bearing bank loans	30,746	40,000	50,567
Total	**170,421**	**163,342**	**257,886**

36. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Gross amounts of assets that continued to be recognised:				
Discounted bills	*a*	746	–	2,570
Endorsed bills	*b*	6,475	11,755	15,748
Total		**7,221**	**11,755**	**18,318**

Notes:

(a) Discounted Bills

As at 31 December 2023 and 2025, the Group discounted certain bills receivable in the Chinese Mainland (the "**Discounted Bills**") with carrying amounts of RMB746,000 and RMB2,570,000 to certain local banks. The Discounted Bills had a maturity of 1 to 5 months at 31 December 2023 and 2025, respectively. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Discounted Bills have a right of recourse against the Group if the PRC banks default. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to the Discounted Bills, and accordingly, it continued to recognise the carrying amounts of the Discounted Bills and the respective bank loans (the carrying amounts of the Discounted Bills net of the discount interest). Subsequent to the discounting, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the Discounted Bills to any other third parties. The aggregate carrying amounts of the bank loans recognised due to the Discounted Bills were RMB746,000 and RMB2,567,000 as at 31 December 2023 and 2025, respectively.

(b) Endorsed Bills

As at 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable in the Chinese Mainland (the "**Endorsed Bills**") with carrying amounts of RMB6,475,000, RMB11,755,000 and RMB15,748,000, respectively, to certain of its suppliers in order to settle the trade payables and other payables due to such suppliers (the "**Endorsement**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables and other payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amounts of the trade payables and other payables settled by the Endorsed Bills during the years to which the suppliers have recourse were RMB6,475,000, RMB11,755,000 and RMB15,748,000 as at 31 December 2023, 2024 and 2025, respectively.

Transferred financial assets that are derecognised in their entirety

As at 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable in the Chinese Mainland (the "**Derecognised Bills**") to certain of its suppliers in order to settle the trade payables and other payables due to such suppliers with carrying amounts in aggregate of RMB28,588,000, RMB29,854,000 and RMB37,878,000, respectively. The Derecognised Bills had a maturity of 1 to 6 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 may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. 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 and other 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.

No gains or losses were recognised from the Continuing Involvement, both during the Relevant Periods or cumulatively. The endorsement had been made evenly throughout the Relevant Periods.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair values

As at 31 December 2023, 2024 and 2025, management assessed that the fair values of the Group's financial instruments approximated to their respective carrying amounts due to the short-term maturities of these financial instruments.

The Group's finance department headed by the financial director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets 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 financial assets at FVTPL and debt investments at fair value through other comprehensive income have been estimated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair value measurement hierarchy of the Group's financial assets at FVTPL and debt investments at fair value through other comprehensive income required significant observable inputs (Level 2) as at 31 December 2023, 2024 and 2025.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank loans, financial assets at FVTPL, debt investments at fair value through other comprehensive income, and cash and cash equivalents. 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 and bills receivables, and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss/profit before tax (due to changes in the fair value of monetary assets) and the Group's equity.

	Increase/(decrease) in rate	Increase/(decrease) in profit before tax
	%	RMB'000
Year ended 31 December 2023		
If the RMB weakens against the USD	5	584
If the RMB strengthens against the USD	(5)	(584)
Year ended 31 December 2024		
If the RMB weakens against the USD	5	1,253
If the RMB strengthens against the USD	(5)	(1,253)
Year ended 31 December 2025		
If the RMB weakens against the USD	5	2,147
If the RMB strengthens against the USD	(5)	(2,147)

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

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.

The amounts presented are gross carrying amounts for financial assets.

At 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	91,922	91,922
Bills receivable	14,016	–	–	–	14,016
Financial assets included in prepayments, other receivables and other assets**	3,214	20	–	–	3,234
Debt investments at fair value through other comprehensive income	6,823	–	–	–	6,823
Cash and cash equivalents	162,374	–	–	–	162,374
Total	**186,427**	**20**	**–**	**91,922**	**278,369**

At 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	95,943	95,943
Bills receivable	27,502	–	–	–	27,502
Financial assets included in prepayments, other receivables and other assets**	1,439	20	–	–	1,459
Debt investments at fair value through other comprehensive income	19,133	–	–	–	19,133
Restricted bank deposits	1,406	–	–	–	1,406
Cash and cash equivalents	154,272	–	–	–	154,272
Total	**203,752**	**20**	**–**	**95,943**	**299,715**

At 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	117,404	117,404
Bills receivable	37,802	–	–	–	37,802
Financial assets included in prepayments, other receivables and other assets**	6,098	–	20	–	6,118
Debt investments at fair value through other comprehensive income	18,641	–	–	–	18,641
Restricted bank deposits	261	–	–	–	261
Cash and cash equivalents	176,125	–	–	–	176,125
Total	**238,927**	**–**	**20**	**117,404**	**356,351**

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 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" (Stage 1) 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" (Stage 2 and Stage 3).

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and lease liabilities. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, was as follows:

As at 31 December 2023

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	115,870	–	115,870
Financial liabilities included in other payables and accruals	23,778	–	23,778
Interest-bearing bank loans	31,348	–	31,348
Lease liabilities	27	–	27
Total contractual undiscounted payments	**171,023**	**–**	**171,023**

As at 31 December 2024

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	111,079	–	111,079
Financial liabilities included in other payables and accruals	12,124	–	12,124
Interest-bearing bank loans	40,311	–	40,311
Lease liabilities	112	37	149
Total contractual undiscounted payments	**163,626**	**37**	**163,663**

As at 31 December 2025

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	187,940	–	187,940
Financial liabilities included in other payables and accruals	19,341	–	19,341
Interest-bearing bank loans	51,026	–	51,026
Lease liabilities	38	–	38
Total contractual undiscounted payments	**258,345**	**–**	**258,345**

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 **[REDACTED]** new **[REDACTED]**. 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 the Relevant Periods.

The Group monitors capital using an asset-liability ratio, which is total assets divided by total liabilities. The asset-liability ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	**2024**	**2025**
Total liabilities *(RMB'000)*	188,151	188,008	291,930
Total assets *(RMB'000)*	512,185	501,064	595,563
Asset-liability ratio	37%	38%	49%

39. EVENTS AFTER THE REPORTING PERIOD

On 7 November 2025, the shareholders of the Company resolved to approve the share split. The share split took place upon completion of the filing as required by applicable laws and regulations on 12 May 2026. Immediately after the share split, the registered share capital of the Company in the amount of RMB45,000,000 was divided into 450,000,000 shares with a nominal value of RMB0.10 per share.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its companies now comprising the Group in respect of any period subsequent to 31 December 2025.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Articles of Association, which is adopted by the shareholders in the general meeting held on November 7, 2025, will become effective on the date that the H shares of the Company are **[REDACTED]** on the Stock Exchange. The primary purpose of this appendix is to provide **[REDACTED]** with an overview of the Articles of Association of the Company. Accordingly, it may not contain all the information that may be considered material or relevant by **[REDACTED]**.

1. DIRECTORS AND BOARD OF DIRECTORS

(1) Power to allocate and issue shares

The Articles of Association provide that the shareholders may authorize the board of directors through a general mandate at a general meeting to allocate or issue shares of no more than 20% of all outstanding H shares. The board of directors shall prepare suggestions for share allotment or issue, which are subject to approval by the shareholders at the general meeting in the form of a special resolution.

Any such allotment or issue shall be in accordance with the procedures stipulated in appropriate laws, administrative regulations and supervision rules of shares listed region.

(2) Power to dispose assets of the Company or any subsidiary

The sale of substantial assets that exceeds 30% of total assets of the latest audited financial statement are subject to approval by the shareholders at the general meeting in the form of a special resolution. The boards of directors may decide on the disposal of assets of the Company as authorized by the shareholders in a general meeting.

(3) Emoluments or compensation for directors' loss of office

There is no provision in the Articles of Association regarding the provision of emoluments or compensation to the directors for their loss of office.

(4) Loans to directors

There is no provision in the Articles of Association regarding the provision of loans to the directors.

(5) Provide financial assistance for acquiring the shares of the Company

The Company or its subsidiaries (including affiliates of the Company) shall not provide any financial assistance in the form of gifts, advances, or loans for the acquisition of the Company's or its parent company's shares by third parties, except for employee shareholding schemes.

The Company may provide financial assistance for the acquisition of the Company's or its parent company's shares by third parties provided that such financial assistance is for the benefit of the Company and has been duly approved either by a resolution of shareholders in general meeting or by a resolution of the board of directors acting pursuant to authority granted under the Articles of Association or by shareholders. The aggregate amount of any such financial assistance shall in no event exceed 10% of the Company's total issued share capital. Any resolution of the board of directors approving such financial assistance must be passed by a super majority of not less than two-thirds of all directors then in office.

(6) Disclosure of interests in contracts with the Company and/or its affiliates

No director shall, without prior disclosure to and approval by either the board of directors or the general meeting in accordance with the Articles of Association, directly or indirectly enter into any contract or transaction with the Company.

(7) Remuneration

The remuneration of directors shall be approved by the shareholders at the general meeting in the form of an ordinary resolution.

(8) Appointment, Resignation and Dismissal

The board of directors consists of nine directors, including three executive directors, three non-executive directors, and three independent non-executive directors.

Directors are elected or replaced by the general meeting. The general meeting may remove any director whose term has not expired by an ordinary resolution without affecting any claim for damages that may be made pursuant to any contract, provided that such removal is in compliance with relevant laws and regulations.

The board of directors has one chairman. The chairman of the board shall be elected and dismissed by a vote of more than one half of the directors.

The term of office of a director shall be calculated from the date of assumption of office until the expiration of the current term of office of the board of directors, which is a three-year term. Upon expiration of the term, the director may be re-elected in accordance with the relevant regulatory rules where the Company's shares are listed.

In the event a director is not re-elected in time for the expiration of his/her term of office, or if a director resigns during his/her term of office, resulting in the number of the board of directors being less than the minimum number required by law, before the re-elected director assumes his/her office, the original director shall still perform the duties of a director in accordance with the provisions stipulated by laws, administrative regulations, departmental rules, and the Articles of Association.

In the event a director resigns, the director shall notify the Company in writing, and the resignation shall take effect on the date the Company receives the notification; however, if the circumstances set forth in the preceding paragraph exist, the director shall continue to perform the duties.

None of the following persons shall serve as our director:

i. A person who has no civil capacity or has limited civil capacity;

ii. A person who has been imposed penalty for the offense of corruption, bribery, embezzlement, larceny, disrupting the socialist economic order or has been deprived of political rights because of this conviction and is within five years of the expiry date of the sentence; in the case of a probation, less than two years have elapsed since the date of expiration of the probationary period;

iii. A person who is a former director, factory manager or general manager of a company or enterprise that is bankrupt and liquidated because of poor operation, was personally liable for the bankruptcy of such company or enterprise, and is within three years of the date of completion of bankruptcy and liquidation of such company or enterprise;

iv. A person who has served as the legal representative of a company or enterprise whose business license was revoked or was ordered to close due to violation of laws, was personally liable, and is within three years of the date on which the business license of such company or enterprise was revoked;

v. a person listed by the people's court as dishonest judgment debtors, who has a relatively large sum of debt, which was not paid at maturity;

vi. a person who is prohibited by relevant securities regulator from entering into the securities market and is still in such prohibition period; or

vii. a person who has been publicly determined by the stock exchange to be not suitable to serve as a director or senior management of a listed company, and the period has not elapsed; or

viii. Any other person who is otherwise not eligible under laws, administrative regulations, regulations of the authorities, regulatory documents and other conditions set out by the Listing Rules.

The election, appointment or engagement of a director shall be invalid if such election, appointment or engagement violates the above-mentioned provisions. If a director falls into the situations provided in the above-mentioned situations during their term of office, they would be dismissed by the Company.

(9) Borrowing powers

The Articles of Association do not contain any specific provisions regarding directors' power of borrowing money.

The board of directors shall be entitled to develop proposals for the Company to issue bonds and to list its Shares, and that such bond issues must be approved by the shareholders by a special resolution at the general meeting.

2. MODIFICATION OF THE ARTICLES OF ASSOCIATION

The Company may amend the Articles of Association based on the provisions of the laws, administrative regulations and Articles of Association.

In the event that the amendments to the Articles of Association passed by a general meeting need the examination and approval of the competent authorities, these amendments shall be submitted hereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

3. MODIFICATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

There are no provisions for modification of rights in respect of existing shares or classes of shares in the Articles of Association.

4. SPECIAL RESOLUTIONS NEEDED TO BE ADOPTED BY ABSOLUTE MAJORITY VOTE

The resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a simple majority of the votes held by the shareholders (including proxies of shareholders) attending the general meeting.

A special resolution can be adopted by a two-thirds majority of the votes held by the shareholders (including proxies of shareholders) attending the general meeting.

5. VOTING RIGHTS

When shareholders (including proxies) vote at the general meeting, they exercise their voting rights based on the number of voting shares they represent, and each share has one voting right.

The shares held by the Company itself shall have no voting right and shall not be counted in the total number of voting shares at the general meeting.

Any shareholder who is required by the Listing Rules to abstain from voting on a matter or is limited to an affirmative or negative vote shall abstain from voting or be required to so vote; any vote cast by or on behalf of relevant shareholder which is cast in violation of such requirement or restriction shall not be counted in the voting result.

6. RULES ON ANNUAL GENERAL MEETINGS

The general meetings are divided into an annual general meeting and an extraordinary general meeting. The annual general meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

7. ACCOUNTS AND AUDITS

(1) Financial and accounting policies

The Company shall develop its financial accounting policies pursuant to laws, administrative regulations and rules developed by the competent department.

The Company shall publish the financial reports twice in each accounting year. Interim financial reports shall be published within 2 months of the end of the first six months of a fiscal year, while the annual financial report shall be published within 4 months of the end of each accounting year.

(2) Appointment and Dismissal of Accountants

The Company shall engage a reputable accounting firm that meets appropriate requirements of the relevant laws, regulations and regulatory requirements to be responsible for auditing its annual financial report, conduct accounting statement audit, net asset verification and other related consulting services, and the term of service shall be one year, which is renewable upon expiry of the term.

The appointment and removal of an accounting firm providing regular audit services to the Company shall be determined by ordinary resolution of the shareholders in general meeting.

Prior to the removal or the non-reappointment of an accounting firm, notice of such removal or non-reappointment shall be given to the firm concerned 30 days in advance and such firm shall be entitled to make representation at the general meeting when voting on the dismissal of such firm at the general meeting.

In the event the accounting firm resigns from its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

If the position of an appointed accounting firm is vacant, the board of directors may appoint an accounting firm before the start of general meeting. However, if during the vacant period, the Company has other incumbent accounting firm, such accounting firm may take the vacant.

8. NOTICE AND AGENDA OF GENERAL MEETINGS

Under any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months:

i. The number of directors is less than the number specified in the Company Law or less than two thirds of the number required in the Articles of Association;

ii. The uncovered losses of the Company reach one-third of its total paid-in registered capital;

iii. The shareholders with 10% or more shares of the Company (including preference shares with restored voting rights) separately or jointly request to convene an extraordinary general meeting in writing;

iv. The board of directors considers it necessary;

v. The audit committee makes such proposal;

vi. Any other circumstances stipulated in laws, regulations, the Listing Rules, the Articles of Association.

In the event that the general meeting is convened, the board of directors, the audit committee and shareholders who separately or jointly hold more than 1% of the shares of the Company (including preference shares with restored voting rights) may submit a proposal.

When convening an annual general meeting, the Company shall notify shareholders by announcement 21 days before it is convened. When convening an extraordinary general meeting, the Company shall send a written notice 15 days before it is convened.

The notice of the general meeting shall be made in writing, including the following contents:

i. The place, and the date of the meeting;

ii. The matters and proposals to be discussed at the meeting;

iii. Conspicuous statement that all shareholders are entitled to attend the meeting and appoint proxy to attend and vote and that proxy need not be a shareholder;

iv. The date of shareholding registration for the shareholders who are entitled to attend the meeting;

v. The name and telephone number of the contact person for the meeting;

vi. the voting time and voting procedure for internet or other alternative voting methods;

vii. other requirements stipulated by laws, administrative regulations, department rules, Listing Rules or these Articles of Association.

The notice of general meeting and any supplementary notice shall contain full and complete disclosure of all substantive details of every proposed resolution.

The resolution of the general meeting includes ordinary resolution and special resolution. The following matters shall be approved by the general meeting through ordinary resolutions:

i. Work report of the board of directors;

ii. Plans of earnings distribution and loss make-up schemes drafted by the board of directors;

iii. Appointment or dismissal of the members of the board of directors and their renumeration and payment methods;

iv. Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, Listing Rules or the Articles of Association.

The following matters shall be approved by special resolution at the general meeting:

i. The increase or decrease of the registered capital;

ii. Division, split, merger, dissolution and liquidation of the Company;

iii. Amendment of the Articles of Association and the schedules, including the Rules of Shareholders' Meeting and the Rules of Directors' Meeting;

iv. Spin-off of the subsidiaries for listing;

v. Issuance of shares, convertible corporate bonds, preferred shares, and other securities recognized by the CSRC;

vi. The purchase or sale of material assets of the Company or provision of guarantees to others by the Company within one year exceeding 30% of the latest audited total assets of the Company;

vii. The repurchase of shares to reduce registered capital;

viii. Substantial asset restructuring;

ix. Share incentive scheme;

x. Other matters recognized by ordinary resolution of the general meeting that could materially affect the Company and need to be approved by special resolution or as required by the laws, administrative regulations, Listing Rules, the Articles of Association or the securities regulatory rules in the place where the Company's shares are listed and the relevant regulatory authorities' requirements;

In the event that any resolution of the general meeting or resolution of the board of directors violates laws or administrative regulations, any shareholder is entitled to request the court to deem it as invalid.

In the event that the convening procedure or voting formula of the general meeting or meeting of the board of directors violates any of laws, administrative regulations or the Articles of Association, or the content of resolution violates the Articles of Association, any shareholder is entitled to request the court to revoke the relevant resolution within 60 days after the resolution was adopted, unless there is only a minor defect in the procedures for convening a general meeting or a meeting of the board of directors or in the manner of voting, which does not materially affect the resolution.

9. SHARES TRANSFERS

The shares issued before the public issuance of shares by the Company shall not be transferred within one year of the date on which the stocks of the Company are listed and traded on a stock exchange.

The directors and senior managements of the Company shall declare, to the Company, information on their holdings of the shares of the Company and the changes thereto. The shares transferrable by them during each year of their term of office shall not exceed 25% of the total shares of the Company held by them. The shares of the Company held by them shall not be transferred within one year of the date on which the stocks of the Company are listed and traded on a stock exchange. The aforesaid persons shall not transfer their shares of the Company within six months from the date of their resignation.

In the event the laws, administrative regulations, Listing Rules, securities regulatory authorities in the place where the Company's shares are listed and CSRC (if applicable) have any other provisions on the transfer restrictions of H shares or the transfer of shares held by shareholders of the company, such provisions shall prevail.

10. POWERS OF OUR COMPANY TO REPURCHASE ITS SHARES

The Company shall not repurchase its shares except under any of the following circumstances provided that such repurchase does not violate laws, regulations, the Listing Rules, and the Articles of Association:

i. Reduce the Company's registered capital;

ii. Merger with other companies which hold our shares;

iii. Granting shares to the staff of the Company as incentives;

iv. Requesting the Company to buy back its shares from shareholders who vote against any resolution adopted at the general meeting concerning the merger and division of the Company;

v. To convert shares into bond issued by the Company which is convertible to stock of the Company;

vi. Necessary for the Company to maintain the Company's value and shareholders' interests;

vii. Other circumstances permitted by laws, administrative regulations, the securities regulatory rules in the place where the Company's shares are listed and the relevant regulatory authorities.

11. POWER FOR ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN ITS PARENT COMPANY

There are no provisions in the Articles of Association relating to ownership by subsidiary of the Company of shares in its parent.

12. DIVIDEND AND OTHER DISTRIBUTION METHODS

The Company may distribute dividends in the manner of cash or stock.

The board of directors of the Company shall complete the distribution of dividends (or shares) within two months after the general meeting has passed a resolution on the profit distribution plan, or upon the formulation of a specific plan by the board of directors in accordance with the conditions and ceiling for interim dividends in the following year approved at the annual general meeting.

13. SHAREHOLDER PROXIES

Shareholders may attend the general meeting in person or authorize a representative, who is not a shareholder, to attend and vote on their behalf.

Any proxy statement issued by a Shareholder who authorizes a proxy to attend the general meeting on his/her behalf shall include the following details:

i. the name or title of the appointer, class and number of the company shares held;

ii. the name or title of the proxy;

iii. the shareholder's specific instructions, including respective instructions on for, against or abstention voting on each item for deliberation listed in the general meeting agenda;

iv. the issuance date and valid period of the proxy statement;

v. the signature (or seal) of the appointer. Where the appointer is a corporate shareholder, the corporate seal of the legal entity shall be affixed.

14. CALLS ON SHARES AND FORFEITURE OF SHARES

There are no provisions in the Articles of Association regarding the calls on shares and forfeiture of shares.

15. INSPECTION OF THE REGISTER OF SHAREHOLDERS

The Company establishes the register of Shareholders according to the certificate provided by the securities registration authority. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company's shares. Shareholders enjoy rights and assume obligations according to the type and number of shares they hold.

Shareholders holding the same type of Shares shall enjoy the same rights and undertake the same obligations.

The original register of the shareholders of the H Shares listed in Hong Kong shall be kept in Hong Kong.

When the Company convenes the general meeting, pays dividends, goes into liquidation or is involved in other actions that require the confirmation of identities, the board of directors shall fix a date as the equity registration date, upon expiration of which the shareholders whose names registered on the register of shareholders shall be the shareholders entitled to relevant equity.

16. QUORUM FOR GENERAL MEETINGS

There are no provisions in the Articles of Association regarding the quorum for general meetings.

17. RIGHTS OF MINORITIES IN RELATION TO FRAUD OR OPPRESSION

If any director or senior management (other than a member of the Audit Committee) violates laws, administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing any loss to the Company, the shareholder(s) severally or jointly holding 1% or more shares of the Company for more than 180 consecutive days shall have the right to request the Audit Committee in writing to institute legal proceedings at the People's Court; if the member of the Audit Committee violates laws, administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing any loss to the Company, the aforementioned Shareholders shall have the right to request the board of directors in writing to institute legal proceedings at the People's Court.

If the Audit Committee or the board of directors refuses to institute legal proceedings after receipt of the aforesaid written request or fails to institute legal proceedings within 30 days after receipt of the aforesaid written request, or if under urgent circumstances that any delay of legal proceedings may cause irrecoverable damages to the interests of the Company, the Shareholders specified above shall have the right to directly institute legal proceedings at the People's Court in their own names for the interest of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby causing any loss to the Company, the Shareholders specified in paragraph 1 may institute legal proceedings at the People's Court pursuant to the preceding provisions.

Where a director, supervisor or senior management of a wholly-owned subsidiary of the Company violates laws and administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing any loss to the Company, or where a third party infringes upon the lawful rights and interests of such wholly-owned subsidiary thereby causing losses, any shareholders who individually or jointly holding no less than 1% of the Company's shares for no less than 180 consecutive days shall have the right to submit a written request to the board of Supervisors or the board of directors of the wholly-owned subsidiary to initiate legal proceedings with the People's Court in accordance with the relevant provisions of the Corporate Law or directly initiate legal proceedings with the People's Court in their own name.

If a wholly-owned subsidiary of the Company does not set up a board of supervisors or does not have a supervisor, and sets up an Audit Committee instead, the relevant procedure specified in paragraph 1 and 2 above shall be followed.

If any director or senior management violates the laws, administrative regulations or the Articles of Association, thereby causing any loss to the Shareholders' interests, the Shareholders may institute legal proceedings at the People's Court.

18. LIQUIDATION PROCEDURES

The Company shall be dissolved under any of the following circumstances:

(i) the expiration of the business period as stipulated in the Articles of Association or the occurrence of other grounds for dissolution as stipulated in the Articles of Association;

(ii) the general meeting resolves to dissolve the Company;

(iii) dissolution is necessary as a result of the merger or division of the Company;

(iv) the business license of the Company is revoked, or the Company is ordered to be closed down, or it is deregistered according to law; and

(v) the Company is confronted with serious difficulties in operation and management, and its continued existence may cause material loss to the interests of its shareholders, and the difficulties cannot be resolved through other means, in which case the Shareholders holding 10% or more of the voting rights held by all the Shareholders of the Company may request a People's Court to dissolve the Company.

Where any ground for dissolution as specified in the preceding paragraph arises in respect of the Company, the Company shall within 10 days publish such ground for dissolution via the National Enterprise Credit Information Publicity System.

Where the Company is to be dissolved pursuant to items (1), (2), (4) or (5) above, it shall undergo liquidation. Directors shall act as the liquidation obligor and establish a liquidation committee within 15 days from the date when the event of dissolution occurs. The members of the liquidation committee shall be composed of the directors or the personnel appointed by the general meeting.

Within 10 days of the establishment of the liquidation committee, the creditors shall be notified and an announcement shall be published within 60 days. Creditors shall file their claims with the liquidation committee within 30 days of receiving the notice, or within 45 days from the publication if any such creditor has not received the notice.

After identifying the Company's assets and preparing the balance sheet and schedule of assets, the liquidation committee shall formulate a liquidation plan and submit it to the general meeting or the People's Court for confirmation.

Upon completion of the company's liquidation, the liquidation committee shall prepare a liquidation report, submit it to the general meeting or the People's Court for confirmation, and file it with the company registry to apply for deregistration of the company.

19. OTHER IMPORTANT PROVISIONS FOR OUR COMPANY OR SHAREHOLDERS

(1) General Provisions

The Company is a permanently existing joint stock limited company.

According to the Articles of Association, any shareholder may bring a lawsuit against another shareholder, a director, or the senior management, any shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against any shareholder, director or the senior management.

(2) Capital increase and capital reduction

The Company may increase stock capital by the following means in accordance with laws, regulations, the securities regulatory rules in the place where the Company's shares are listed and the relevant regulatory authorities' requirements, subject to the approval by the general meeting, for management and operation needs:

i. Issuing shares in a public offering;

ii. Issuing shares via a private placement;

iii. Giving bonus shares to existing shareholders;

iv. Converting reserve funds into shares; and

v. Other means approved by the laws, administrative regulations, departmental rules and relevant regulatory authorities where the Company's shares are listed and the CSRC (if necessary).

The issuance of new shares by the Company for capital increase shall be conducted according to the procedures prescribed by the relevant laws, regulations and the listing rules of the securities regulatory authority where the Company's shares are listed, following approval in accordance with the Articles of Association and the Listing Rules.

The Company may decrease our registered capital and shall comply with the procedures stipulated in Company Law of the PRC, the Listing Rules, other relevant regulations and the Articles of Association.

(3) Shareholders

Shareholder is entitled to rights and assumes obligations pursuant to the classification of his or her shares. Shareholder holding the same classified share has the same rights and assumes the same obligations.

The rights of our ordinary shareholders are as follows:

i. To receive distribution of dividends and other forms of benefits according to the number of shares held;

ii. To legally require, convene, preside over, participate in or authorize proxies of shareholders to participate in and exercise corresponding voting rights at the general meeting, except where shareholders are required to abstain from voting on relevant matters pursuant to the securities regulatory rules of the jurisdiction where the company's shares are listed;

iii. To supervise and manage business and operational activities of the Company, and to provide suggestions or submit queries;

iv. To transfer, grant or pledge the Company's shares he/she held according to the provisions of the laws, administrative regulations, regulatory rules where the Company's shares are listed and the Articles of Association;

v. To obtain relevant information according to laws, regulations and the provisions of the Articles of Association, including reading and copying the Articles of Association, register of shareholders, minutes of general meetings, resolutions of meetings of the board of directors; eligible Shareholders may inspect the accounting books and accounting vouchers. However, if the company has reasonable basis to believe that the shareholder's inspection of the accounting books and vouchers is for improper purposes and may harm the company's legitimate interests, it may refuse to provide access. In such cases, the company shall provide a written response to the shareholder explaining the reasons;

vi. To participate in the distribution of residual properties of the company in proportion to the number of shares held in the event of the termination or liquidation of the Company;

vii. To request the Company to buy back their shares as dissenting shareholders voting against any resolutions adopted at the general meeting concerning the merger and division of the Company;

viii. Other rights conferred by laws, administrative regulations, departmental rules, the Listing Rules, the securities regulatory rules in the place where the Company's shares are listed, and the Articles of Association.

(5) The board of directors

The board of directors is responsible to the general meeting.

The board of directors exercises the following powers:

i. To convene the general meeting and report on its work to the general meeting;

ii. Implement the resolutions of the general meeting;

iii. Determine the business and investment plans of the Company;

iv. Formulate the earnings distribution and loss offset plans of the Company;

v. Formulate the proposals for increasing or decreasing the Company's registered capital, issuance of corporate bonds or other securities and the listing plan of the Company;

vi. Prepare plans for major acquisition, stocks buy-back, corporate merger, separation, dissolution and change corporate form of the Company;

vii. Determine, in accordance with the Articles of Association or within the scope authorized by the general meeting, such matters as the Company's external investments, the purchase and sale of assets, asset mortgages, external guarantees, entrusted management of finance, related-party transactions and external donations;

viii. Decide on the setup of the Company's internal management organization;

ix. Appoint or dismiss the general manager, secretary of the board, and other senior managers of the Company; based on the nomination of the general manager, appoint or dismiss senior managements of the Company such as deputy general manager, Chief financial officer (CFO) and other senior managers and determine their remuneration, reward and disciplinary matters;

x. Formulate the basic internal management systems of the Company;

xi. Formulate the modification plan to the Articles of Association;

xii. Managing the information disclosure of the Company;

xiii. Make proposals to the general meeting on the appointment or replacement of the accounting firm that provides audit services to the Company;

xiv. Listen to work report of general manager and inspect the general manager's work;

xv. Formulate and implement share incentive plan of the Company;

xvi. Approve transactions required by laws, regulations, the Listing Rules, securities regulatory rules in the place where the Company's shares are listed, relevant regulatory authorities' requirements and the Articles of Association to be approved by the Board of Directors; and

xvii. Other powers and duties authorized by the laws, administrative regulations, regulations of the authorities, the Listing Rules, securities regulatory rules in the place where the Company's shares are listed, relevant regulatory authorities' requirements and the Articles of Association.

Board meeting shall be held only if more than one half of the directors are present. Unless otherwise provided in the Articles of Association, resolutions of the board of directors shall be passed by a simple majority of all directors.

The board of directors of the Company shall give an explanation to the general meeting on the non-standard audit report issued by the certified public accountants on the financial reports of the Company.

(6) Independent non-executive Director

The board of directors of the Company has three independent non-executive Directors. At least one independent non-executive Director shall have applicable professional qualification or is equipped with applicable accounting or relevant financial management expertise.

(7) Secretary of the board of directors

The Secretary of the board of directors, as a senior management officer of the Company, shall be responsible for organizing the shareholders' general meetings and board meetings, maintaining corporate records, managing shareholder information, and handling disclosure matters, while complying with all applicable laws, administrative regulations, departmental rules, the Listing Rules, and the provisions of these Articles of Association. The Company has one secretary of the board of directors.

(8) Audit committee

The Company shall set up an audit committee.

The audit committee consists of three directors.

The audit committee shall consist of non-executive directors who are not senior managements of the company, among them there are two independent directors, and an accounting professional among these two independent directors shall act as the convener.

The audit committee shall be responsible for review of the company's financial information and disclosure thereof, supervision and evaluation of internal and external audit work and internal control. The following matters shall, upon consent by more than half of all the members of the audit committee, be present to board meeting for deliberation:

i. Disclosure of financial information in financial accounting reports and periodic reports, internal control evaluation report;

ii. Engagement or dismissal of accounting firm which undertakes audit business of a listed company;

iii. Engagement or dismissal of the financial controller of a listed company;

iv. Change in accounting policies or accounting estimates or correction of material accounting error for a reason other than change in accounting standards; and

v. Any other matters stipulated by laws, administrative regulations, the CSRC and the articles of association.

(9) General manager

The Company has one general manager, appointed or dismissed by the board of directors. The general manager of the Company is responsible to the board of directors and exercises the following powers:

i. Be in charge of the producing and operational management of the Company, organize the implement of resolutions of the board of directors and report to the board of directors on his/her work;

ii. Organize the implementation of the Company's annual operation plans and investment schemes;

iii. Formulate the plans for establishment of the Company's internal management organization;

iv. Formulate the fundamental management policies of the Company;

v. Formulate the specific management regulations and rules of the Company;

vi. Propose to the board of directors of engagement or dismissal of the Company's deputy general manager, Chief financial officer and other senior management;

vii. Decide to engage or dismiss other managements except those who shall be appointed or dismissed by the board of directors;

viii. Other responsibilities authorized by the Articles of Association and the board of directors.

(10) Reserve fund

When the annual after-tax profits of the Company are distributed, the Company shall allocate 10% of the profits to the statutory reserve fund of the Company. Allocations to the Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of the Company's registered capital.

If the Company's statutory reserve fund is insufficient to offset our losses during the previous year, the profits generated during the current year shall be used to cover such losses before allocating the statutory reserve in accordance with the requirements set forth above.

After allocation to the statutory reserve fund from the after-tax profits of the Company, we may also allocate to the discretionary reserves fund from after-tax profits in line with the resolution(s) adopted at the general meeting.

After the Company has covered for its losses and made allocations to its statutory reserve fund, the remaining profits are distributed in proportion to the number of shares held by the shareholders, unless otherwise specified by the Articles of Association.

If the general meeting violates the above provisions and profits are distributed to the shareholders, the profits distributed in violation of the provisions shall be returned by such shareholders to the Company. If the Company suffers losses, the shareholders and responsible directors, senior managements shall be liable for compensation.

The shares held by the Company itself shall not be subject to profit distribution.

The Company's reserve fund shall be used to offset losses of the Company, expanding the scale of business and operations or for conversion into and increase our capital.

Where reserve fund is used to offset loss of the Company, the discretionary reserve fund and statutory reserve fund shall be firstly used; in the event they are insufficient for offsetting loss, the capital reserve fund may be applied to cover the company's losses.

Where the statutory reserve fund converts into the registered capital, the remaining statutory reserve shall not be less than 25% of the registered capital of the Company before such conversion.

A. FURTHER INFORMATION ABOUT THE COMPANY

1. Incorporation of Our Company

The Company was established as a limited liability company under the laws of the PRC on September 6, 2012 and was converted into a joint stock company with limited liability on June 30, 2021.

The Company has established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) on November 12, 2025, with Ms. Wong Mei Fung Carrie (黃美鳳) appointed as the Hong Kong authorised representative of the Company for acceptance of the service of process and any notices required to be served on the Company in Hong Kong.

As the Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in Appendix III, respectively.

2. Changes in the Share Capital of the Company

Please refer to the section headed "History, Development and Corporate Structure" for changes in the share capital of the Company.

Save as disclosed above, there has been no alteration in the share capital of the Company within two years immediately preceding the date of this document.

3. Changes in the Share Capital of Our Subsidiaries

Details of the changes in the share capital of the Company's subsidiaries during the two years immediately preceding the date of this document are set out in the section headed "History, Development and Corporate Structure – Our Major Subsidiary".

4. Resolutions Passed by Our Shareholders' General Meeting in Relation to the [REDACTED]

At the extraordinary general meeting of the Shareholders held on November 7, 2025, the following resolutions, among other things, were duly passed:

(i) the approval of the Share Split and the **[REDACTED]** by the Company of H Shares with a nominal value of RMB0.10 each and such H Shares be **[REDACTED]** on the Stock Exchange;

(ii) the number of H shares to be **[REDACTED]** shall be no more than **[REDACTED]**% of the total **[REDACTED]** share capital upon the **[REDACTED]** (before the exercise of the **[REDACTED]**), and the grant of the **[REDACTED]** in respect of no more than **[REDACTED]**% of the number of H Shares **[REDACTED]** pursuant to the **[REDACTED]**;

(iii) authorisation of the Board or its authorised individual to handle all matters relating to, among other things, the **[REDACTED]**, the **[REDACTED]** and **[REDACTED]** of H Shares on the Stock Exchange; and

(iv) subject to the completion of the **[REDACTED]**, the conditional adoption of the revised Articles of Association, which shall become effective on the **[REDACTED]**.

5. Restrictions on Repurchase

Please refer to Appendix III and IV to this document for details.

6. Our Subsidiaries

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, no person is directly or indirectly interested in 10% or more of the issued voting shares of the subsidiary of the Company.

There has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this document.

B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of Material Contract

The Group has entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

(a) the **[REDACTED]**.

2. Intellectual Property

As at the Latest Practicable Date, the following intellectual property rights are material to the Group's business:

(a) Trademarks

As at the Latest Practicable Date, the Group had registered the following trademarks which are material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1.	卡诺普	7	Our Company	PRC	19368113	July 6, 2027
2.	卡诺普	41	Our Company	PRC	34899686	July 13, 2029

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
3.	卡诺普	37	Our Company	PRC	34901615	July 13, 2029
4.	CROBOTP	9	Our Company	PRC	34917530	July 27, 2029
5.	CROBOTP	7	Our Company	PRC	34908779	October 6, 2029
6.	卡诺普	35	Our Company	PRC	34901588	February 6, 2030
7.	CROBOTP	9	Our Company	PRC	44079852	November 20, 2030
8.	卡诺普	9	Our Company	PRC	44925258	December 6, 2030
9.	CROBOTP	37	Our Company	PRC	44933613	December 6, 2030
10.	CROBOTP	9	Our Company	PRC	44907208	December 13, 2030
11.	CROBOTP	42	Our Company	PRC	44929915	December 13, 2030
12.	CROBOTP	41	Our Company	PRC	44914671	December 13, 2030
13.	CROBOTP	35	Our Company	PRC	45877093	December 27, 2030
14.	CROBOTP	7	Our Company	PRC	44932211	December 27, 2030
15.	卡诺普	9	Our Company	PRC	44073269	January 27, 2031
16.	卡诺普	7	Our Company	PRC	44932217	February 13, 2031
17.	CRP	9	Our Company	PRC	44925271	March 27, 2031
18.	CROBOTP	7	Our Company	PRC	44076435	July 27, 2031

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
19.	卡诺普	37	Our Company	PRC	53154275	September 6, 2031
20.	卡诺普	41	Our Company	PRC	53134675	September 6, 2031
21.	卡诺普	35	Our Company	PRC	53130597	September 6, 2031
22.	卡诺普	42	Our Company	PRC	53135575	September 6, 2031
23.	CROBOTP	7	Our Company	PRC	52578041	September 13, 2031
24.	卡诺普	9	Our Company	PRC	53131633	September 20, 2031
25.	卡诺普	7	Our Company	PRC	44078724	October 6, 2031
26.	卡诺普	7	Our Company	PRC	53131613A	November 20, 2031
27.	CROBOTP	25	Our Company	PRC	56964998	December 27, 2031
28.	CROBOTP	32	Our Company	PRC	56963882	December 27, 2031
29.	卡诺普	32	Our Company	PRC	56967640	January 6, 2032
30.	卡诺普	16	Our Company	PRC	56958574	January 6, 2032
31.	CROBOTP	16	Our Company	PRC	56979491	January 6, 2032
32.	卡诺普	25	Our Company	PRC	56976936	January 6, 2032
33.	Nynhan	7	Our Company	PRC	70133851	September 6, 2033
34.	Nynhan	9	Our Company	PRC	70154818	September 20, 2033

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
35.	卡诺普	9	Our Company	PRC	12191926	August 6, 2034
36.	卡诺普	42	Our Company	PRC	12191941	August 6, 2034
37.	CROBOTP	35	Our Company	PRC	77483128	September 20, 2034
38.	CRP	9	Our Company	PRC	12458430	September 27, 2034
39.	澜驱	07	Our Company	PRC	86730662	February 7, 2036
40.	澜驱	35	Our Company	PRC	86718087	February 7, 2036
41.	澜驱	09	Our Company	PRC	86725482	February 14, 2036
42.	灵烁	09	Our Company	PRC	86727288	March 20, 2036
43.	灵迅	07	Our Company	PRC	86719800	March 20, 2036
44.	灵烁	07	Our Company	PRC	86719786	March 20, 2036

As at the Latest Practicable Date, the Group is in the course or registering the following trademarks which are material to its business:

No.	Trademark	Class	Applicant	Place of Application	Application Number	Application Date
1.	灵迅	09	Our Company	PRC	86709354	July 25, 2025

(b) Domain Names

As at the Latest Practicable Date, the Group had registered the following domain names which are material to its business:

No.	Domain Name	Registered Owner	Filing Date
1.	crprobot.com	Our Company	November 2, 2022
2.	kanuopu.com	Our Company	April 15, 2022
3.	kanuopu.cn	Our Company	April 24, 2022

(c) Patents

As at the Latest Practicable Date, the Group had registered the following patents which are material to its business:

No.	Patent	Type	Patent Holder	Place of Registration	Patent Number	Authorization Date	Duration of Patent Right
1.	Multi-Axis Motion Control Method for Industrial Robots (工業機器人的多軸運動控制方法)	Invention	Our Company	PRC	2012100997054	April 1, 2015	April 9, 2012-April 8, 2032
2.	A method for solving the inverse kinematics of a six-degree-of-freedom serial robot (一種六自由度串聯機器人運動學逆解的求解方法)	Invention	Our Company	PRC	2012101311507	May 6, 2015	April 28, 2012-April 27, 2032
3.	A simple and efficient robot calibration method (一種高效便捷的簡易機器人標定方法)	Invention	Our Company	PRC	2017110702396	February 12, 2021	November 3, 2017-November 2, 2037
4.	Automatic adaptation method for dynamic parameters of a six-axis industrial robot (六軸工業機器人動力學參數自動適應方法)	Invention	Our Company	PRC	2017110857518	November 20, 2020	November 7, 2017-November 6, 2037
5.	A terminal drive structure for an industrial robot wrist drive structure (一種工業機器人手腕傳動結構的末端傳動結構)	Invention	Our Company	PRC	2019103140209	June 11, 2024	April 18, 2019-April 17, 2039
6.	A method for suppressing low-speed creeping in robot joints (一種抑制機器人關節低速爬行的方法)	Invention	Our Company	PRC	2019110663403	August 21, 2020	November 4, 2019-November 3, 2039
7.	A robot friction identification method (一種機器人摩擦力辨識方法)	Invention	Our Company	PRC	2020100068160	November 20, 2020	January 3, 2020-January 2, 2040
8.	An intelligent tube-sheet welding method (一種管板智能焊接方法)	Invention	Our Company	PRC	2020100114099	November 20, 2020	January 6, 2020-January 5, 2040

No.	Patent	Type	Patent Holder	Place of Registration	Patent Number	Authorization Date	Duration of Patent Right
9.	A method for improving the acquisition speed and accuracy of servo drives based on BISS encoders (基於BISS編碼器提高伺服驅動器採集速度和精度的方法)	Invention	Our Company	PRC	2020103664391	November 20, 2020	April 30, 2020-April 29, 2040
10.	A separate measurement device and identification method for kinematic parameters of a robotic arm (一種機械臂運動學參數分離測量裝置及辨識方法)	Invention	Our Company	PRC	2020108431078	June 1, 2021	August 20, 2020-August 19, 2040
11.	A drive control system for an industrial robot (一種工業機器人的驅動控制系統)	Invention	Our Company	PRC	2020108989648	July 30, 2021	August 31, 2020-August 30, 2040
12.	A consistency compensation method for robotic manipulators (用於機器人機械臂的一致性補償方法)	Invention	Our Company	PRC	2020110612565	October 29, 2021	September 30, 2020-September 29, 2040
13.	A method for improving robot collision force detection accuracy and protection sensitivity (一種提高機器人碰撞力檢測精度及保護靈敏度的方法)	Invention	Our Company	PRC	2020111461914	February 22, 2022	October 23, 2020-October 22, 2040
14.	A multi-layer multi-pass welding method based on an industrial welding robot (一種基於工業焊接機器人的多層多道焊接方法)	Invention	Our Company	PRC	202011146176X	February 22, 2022	October 23, 2020-October 22, 2040
15.	A parameterized cutting method for iron tower angle steel used in robots (一種用於機器人的鐵塔角鋼的參數化切割方法)	Invention	Our Company	PRC	2020112610761	February 22, 2022	November 12, 2020-November 11, 2040
16.	A method for optimizing Joint motion trajectories based on robot dynamics (一種基於機器人動力學的關節運動軌跡優化方法)	Invention	Our Company	PRC	2020113862967	March 5, 2021	December 2, 2020-December 1, 2040
17.	A collaborative robot joint lever control method (一種協作機器人關節檔杆控制方法)	Invention	Our Company	PRC	2020116284723	April 29, 2022	December 30, 2020-December 29, 2040
18.	Parameterized teaching-free welding method for iron tower legs, computer equipment, and storage medium (鐵塔腳的參數化免示教焊接方法、計算機設備、存儲介質)	Invention	Our Company	PRC	2021100197448	April 29, 2022	January 7, 2021-January 6, 2041

No.	Patent	Type	Patent Holder	Place of Registration	Patent Number	Authorization Date	Duration of Patent Right
19.	Ship-shaped welding realization method for iron tower legs, computer equipment, and storage medium (用於鐵塔腳的船形焊接實現方法、計算機設備、存儲介質)	Invention	Our Company	PRC	2021100188025	April 29, 2022	January 7, 2021-January 6, 2041
20.	A robot trajectory synchronization control method and computer readable storage medium (一種機器人軌跡同步控制方法、計算機可讀存儲介質)	Invention	Our Company	PRC	2021100386971	July 26, 2022	January 12, 2021-January 11, 2041
21.	A method for detecting the stability of short-circuit transition welding (一種短路過渡焊接的穩定性檢測方法)	Invention	Our Company	PRC	2021110446536	May 9, 2023	September 7, 2021-September 6, 2041
22.	Control method and automatic control system (控制方法和自動控制系統)	Invention	Our Company	PRC	2021113320455	January 21, 2025	November 11, 2021-November 10, 2041
23.	A force-sensing collaborative robot joint and collaborative robot (一種帶力傳感協作機器人關節及協作機器人)	Invention	Our Company	PRC	2021116767367	June 3, 2025	December 31, 2021-December 30, 2041
24.	Robot joint friction compensation adjustment method, robot friction compensation method (機器人關節摩擦力補償調節方法、機器人摩擦力補償方法)	Invention	Our Company	PRC	2022105816542	May 9, 2023	May 26, 2022-May 25, 2042
25.	Training method and operational state detection method for support vector data description model (支持向量數據描述模型的訓練方法及運行狀態檢測方法)	Invention	Our Company	PRC	2022106536534	October 18, 2024	June 9, 2022-June 8, 2042
26.	An inverse Solution method for a seven-axis robot and the seven-axis robot (一種七軸機器人逆解方法及七軸機器人)	Invention	Our Company	PRC	2022117264425	December 19, 2023	December 30, 2022-December 29, 2042
27.	A dual-encoder structure and robot (一種雙編碼器結構及機器人)	Utility model	Our Company	PRC	2023217478782	February 9, 2024	July 5, 2023-July 4, 2033
28.	A dual-encoder collaborative robot joint (一種雙編碼器協作機器人關節)	Utility model	Our Company	PRC	202323226076X	August 2, 2024	November 27, 2023-November 26, 2033
29.	A humanoid robot joint (一種人型機器人關節)	Utility model	Our Company	PRC	2023231970920	August 2, 2024	November 27, 2023-November 26, 2033
30.	A collaborative robot end flange structure and collaborative robot (一種協作機器人末端法蘭結構及協作機器人)	Utility model	Our Company	PRC	2023236438687	January 21, 2025	December 29, 2023-December 28, 2033

No.	Patent	Type	Patent Holder	Place of Registration	Patent Number	Authorization Date	Duration of Patent Right
31.	A multi-robot synchronous cooperative control method, device and storage medium (一種多機器人間同步協同控制方法、裝置及存儲介質)	Invention	Our Company	PRC	2022117307098	February 12, 2026	December 30, 2022-December 29, 2042
32.	Robot motion trajectory processing method, device, medium and computing equipment (機器人的運動軌跡處理方法、裝置、介質和計算設備)	Invention	Our Company	PRC	2023117025931	May 18, 2026	December 11, 2023-December 10, 2043

As at the Latest Practicable Date, the Group had applied for registration the following patents which are material to its business:

No.	Patent	Type	Applicant	Place of Registration	Application Number	Application Date
1.	A modular joint for collaborative robots (一種協作機器人模塊化關節)	Invention	Our Company	PRC	CN2020104203848	May 18, 2020
2.	A hollow collaborative robot mechanical arm joint (一種中空型協作機器人機械臂關節)	Invention	Our Company	PRC	CN2020103062804	April 17, 2020
3.	Robot joint flexibility coefficient identification method and related device (機器人關節柔度係數辨識方法及相關裝置)	Invention	Our Company	PRC	CN2022116676729	December 23, 2022
4.	An industrial robot impedance control method, industrial robot and storage medium (一種工業機器人阻抗控制方法、工業機器人及存儲介質)	Invention	Our Company	PRC	CN2022117307670	December 30, 2022
5.	Robot fault detection method, device, equipment and readable storage medium (機器人故障檢測方法、裝置、設備及可讀存儲介質)	Invention	Our Company	PRC	CN2023115795602	November 24, 2023
6.	A multi-axis robot drive and control integrated system and operation method with heterogeneous processors (一種處理器異構的多軸機器人驅控一體化系統及運行方法)	Invention	Our Company	PRC	CN2023117232236	December 12, 2023
7.	An automated parameter iterative optimization method and system (一種自動化參數迭代優化方法及系統)	Invention	Our Company	PRC	CN2023118365714	December 28, 2023
8.	Multi-robot synchronous control method and system, multi-robot synchronous workstation (多機器人同步控制方法及系統、多機器人同步工作站)	Invention	Our Company	PRC	CN2024100834030	January 19, 2024

No.	Patent	Type	Applicant	Place of Registration	Application Number	Application Date
9.	A refined servo overload determination method and system (一種精細化伺服過載的判定方法及系統)	Invention	Our Company	PRC	CN2023118727556	December 29, 2023
10.	A robot reducer life prediction method, device, equipment and medium (一種機器人減速器壽命預測方法、裝置、設備及介質)	Invention	Our Company	PRC	CN202411355488X	September 27, 2024
11.	A welding arc-ending method, device and storage medium (一種焊接收弧方法、裝置及存儲介質)	Invention	Our Company	PRC	CN2025103420347	March 21, 2025
12.	Mechanical arm performance analysis method, device, electronic equipment and storage medium (機械臂的性能分析方法、裝置、電子設備及存儲介質)	Invention	Our Company	PRC	CN2024117919178	December 6, 2024
13.	A current loop bandwidth expansion method for servo drives and servo drives (一種伺服驅動器電流環帶寬擴展方法及伺服驅動器)	Invention	Our Company	PRC	CN2024119755308	December 31, 2024
14.	Calibration method, device, terminal and medium applied to manipulator end effector and 3D camera (應用於機械手末端執行器與三維相機的標定方法、裝置、終端和介質)	Invention	Our Company	PRC	CN2024119615637	December 30, 2024

(d) Software Copyrights

As at the Latest Practicable Date, the Group had registered the following software copyrights which are material to its business:

No.	Software Name	Registrant	Registration Number	Registration Date
1.	CRP-S40 industrial robot control system (CRP-S40工業機器人控制系統)	Our Company	2014SR021066	February 21, 2014
2.	CRP-S80 industrial robot control system (CRP-S80工業機器人控制系統)	Our Company	2014SR026244	March 4, 2014
3.	Industrial robot control system (工業機器人控制系統)	Our Company	2016SR192120	July 25, 2016
4.	Industrial robot software (工業機器人軟件)	Our Company	2022SR0668329	May 30, 2022
5.	Welding Machine Power Software (焊機電源軟件)	Our Company	2022SR0881323	July 4, 2022
6.	Crobotp Smart Cloud Operations Management System (卡諾普智慧雲運營管理系統)	Our Company	2023SR0353025	March 17, 2023

No.	Software Name	Registrant	Registration Number	Registration Date
7.	Industrial Robots Control System (工業機器人控制系統)	Our Company	2024SR1858105	November 21, 2024
8.	Industrial Robots Teaching System (工業機器人示教系統)	Our Company	2024SR1858112	November 21, 2024

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interest

(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]** (without taking into account the H Shares which may be **[REDACTED]** and **[REDACTED]** pursuant to the exercise of the **[REDACTED]**) in our Shares, 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 H Shares are **[REDACTED]**:

Name	Capacity/Nature of Interest	Class of Shares held after the [REDACTED]	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares upon completion of the [REDACTED] (assuming that no exercise of the [REDACTED])[1]	Approximate percentage of shareholding in the [REDACTED] share capital of our Company after the [REDACTED] (assuming that no exercise of the [REDACTED])[1]
Mr. Li[2][3]	Beneficial interest	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	Interest in controlled corporation[3]	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	A concert party to an agreement	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
Mr. Zhu[2][3]	Beneficial interest	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	Interest in controlled corporation[3]	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%
	A concert party to an agreement	H Shares	**[REDACTED]**	**[REDACTED]**%	**[REDACTED]**%

Name	Capacity/Nature of Interest	Class of Shares held after the [REDACTED]	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares upon completion of the [REDACTED] (assuming that no exercise of the [REDACTED])[1]	Approximate percentage of shareholding in the [REDACTED] share capital of our Company after the [REDACTED] (assuming that no exercise of the [REDACTED])[1]
Ms. Gu Fei[3]	Beneficial interest	H Shares	[REDACTED]	[REDACTED]%	[REDACTED]%
	A concert party to an agreement	H Shares	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

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

(2) Under the SFO, Mr. Li and Mr. Zhu are deemed to be interested in the Shares held by Changzhou Hongzhi, which was an employee shareholding platform owned as to approximately 1.13% by Mr. Li as the executive general partner and 73.21% by Mr. Zhu as a limited partner. As Mr. Zhu contributed more than one third of the capital to the limited partnership, he is also deemed to be interested in the Shares held by Changzhou Hongzhi.

(3) Pursuant to the Concert Party Agreement, Mr. Li, Mr. Zhu, Changzhou Hongzhi, Ms. Gu, Mr. Zeng, Mr. Xia and Mr. Deng acknowledged and confirmed their acting-in-concert relationship in our Company since becoming our direct Shareholders. As such, each of Mr. Li, Mr. Zhu, Changzhou Hongzhi, Ms. Gu, Mr. Zeng, Mr. Xia and Mr. Deng is deemed to be interested in each other's interest in the Shares under the SFO. For details, see "History, Development and Corporate Structure – Concert Party Agreement."

(b) Interests of the substantial shareholders in the Shares

Save as disclosed in the section headed "Substantial Shareholders" of this document, immediately following the completion of the **[REDACTED]** and without taking into account any Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**, 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.

2. Particulars of the Directors Service Contracts

Pursuant to Rules 19A.54 and 19A.55 of the Hong Kong Listing Rules, we will enter into a contract with each of our Directors in respect of, among other things (i) compliance of relevant laws and regulations, (ii) observance of the Articles of Association, and (iii) provisions on arbitration.

Save as disclosed above, none of the Directors has entered into any service contracts as a director with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

3. Remuneration of Directors

For details of the remuneration of Directors, see "Directors and Senior Management – Directors' Remuneration and Remuneration of Five Highest Paid Individuals" and note 9 in "Appendix I Accountant's Report" to this document.

4. Disclaimers

(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 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 a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once the H Shares are **[REDACTED]** on the Stock Exchange;

(c) Save as disclosed in the section headed "History, Development and Corporate Structure" of this document, none of the Directors nor any of the experts referred to in "D. Other Information – 8. Qualifications and Consents of Experts" below:

(i) has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group; or

(ii) is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group;

(d) Save in connection with the **[REDACTED]**, none of the Directors nor any of the experts referred to in "D. Other Information – 8. Qualifications and Consents of Experts" below:

(i) interested legally or beneficially in any shares in any member of our Group; or

(ii) has any right (whether legally enforceable or not) to **[REDACTED]** for or to nominate persons to **[REDACTED]** for any **[REDACTED]** in any member of our Group;

(e) So far as is known to the Directors, none of the Directors or their associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of the Company has any interest in the top five customers or our top five suppliers of the Group.

D. OTHER INFORMATION

1. Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group.

2. Litigation

As of the Latest Practicable Date, the Company was not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial conditions.

3. The Sole Sponsor' Independence

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor will receive an aggregate fee of USD600,000 for acting as the sponsor for the **[REDACTED]**.

4. Compliance Adviser

The Company has appointed Zhongtai International Capital Limited as the compliance adviser upon **[REDACTED]** in compliance with Rules 3A.19 and 19A.05 of the Listing Rules.

5. Preliminary Expenses

The Company has not incurred any preliminary expenses.

6. Taxation of holder of H Shares

The **[REDACTED]**, **[REDACTED]** and **[REDACTED]** of H Shares **[REDACTED]** with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

7. Promoters

Our promoters comprised of five Shareholders immediately before at the establishment of our Company on September 6, 2012. For details of our promoters, see "History, Development and Corporate Structure – History and Development".

Within the two years immediately preceding the date of this document, no cash, securities, amount or benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the **[REDACTED]** or the related transactions described in this document.

8. Qualifications and Consents of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) which have given opinions or advice in, or referred to in, this document are as follows:

Name of Expert	Qualifications
Guotai Junan Capital Limited	A 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
Jun He LLP	Legal advisers as to PRC law to our Company
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant
Hogan Lovells	Legal advisers to our Company as to International Sanctions law

Each of the experts listed above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or references to its name and qualifications included herein in the form and context in which they respectively appear.

9. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, 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.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

11. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

12. Miscellaneous

(a) Save as disclosed in this section, within the two years preceding the date of this document, no share or loan capital of the Company or any of its subsidiary has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash.

(b) No share or loan capital of the Company or any of its subsidiary is under option or is agreed conditionally or unconditionally to be put under option.

(c) No founder, management or deferred shares of the Company or any of its subsidiary have been issued or have been agreed to be issued.

(d) Our Company has no outstanding convertible debt securities or debentures.

(e) None of the experts listed under "– 8. Qualifications and Consents of Experts":

(i) is interested beneficially or non-beneficially in any shares in any member of the Group; or

(ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save in connection with the **[REDACTED]**.

(f) The English text of this document shall prevail over their respective Chinese text.

(g) There is no arrangement under which future dividends are waived or agreed to be waived.

(h) There has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this document.

(i) Our Company is not presently **[REDACTED]** on any stock exchange or **[REDACTED]** on any trading system.

(j) Our Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited liability company and does not expect to be subject to the Law of the PRC on Sino-foreign Equity Joint Ventures.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the material contract referred to in "Appendix IV – Statutory and General Information"; and

(b) the written consents referred to in "Appendix IV – Statutory and General Information."

DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **https://crprobot.com/** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report for the Track Record Period and the report on the unaudited **[REDACTED]** financial information prepared by Ernst & Young, the texts of which are set out in "Appendix I – Accountants' Report" and "Appendix II – Unaudited **[REDACTED]** Financial Information," respectively;

(c) the audited consolidated financial statements of the Group for the Track Record Period;

(d) the legal opinion from JunHe LLP, the Company's PRC Legal Advisers, in respect of certain aspects of the Company and the property interests of our Group in the PRC;

(e) the industry report prepared by F&S;

(f) the PRC Company Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations;

(g) the service contracts between each of the Directors and the Company referred to in "Appendix IV – Statutory and General Information";

(h) the material contract[s] referred to in "Appendix IV – Statutory and General Information";

(i) the written consents referred to in "Appendix IV – Statutory and General Information"; and

(j) the legal memorandum issued by Hogan Lovells, our legal advisers as to International Sanctions law.