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Application Proof of

FJD Inc.

(the “Company”)

Incorporated in the Cayman Islands with limited liability)

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FJD Inc.

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED] under [REDACTED] : [REDACTED] (subject to the [REDACTED])
Number of [REDACTED] : [REDACTED] (subject to reallocation)
Number of [REDACTED] : [REDACTED] (subject to reallocation and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per [REDACTED], plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)
Nominal value : US\$0.000001 per Share
[REDACTED]

Joint Sponsors, [REDACTED]

Morgan Stanley  **CICC 中金公司**

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The final [REDACTED] is expected to be fixed by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and the Company on the [REDACTED], which is expected to be on or before [REDACTED]. The [REDACTED] will be no more than HK\$[REDACTED] per [REDACTED] and is currently expected to be not less than HK\$[REDACTED] per [REDACTED] unless otherwise announced. If, for any reason, the final [REDACTED] is not agreed by 12:00 noon [REDACTED] between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and the Company, the [REDACTED] will not proceed and will lapse.

The [REDACTED], on behalf of the [REDACTED], may, where considered appropriate and with the Company’s consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] below that which is stated in this Document (which is HK\$[REDACTED] to HK\$[REDACTED]) at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, an announcement will be published on the website of our Company at www.fjdynamics.com and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the [REDACTED] will be canceled and relaunched at the revised number of [REDACTED] and/or the revised [REDACTED] in accordance with the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new document (as appropriate)) as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging [REDACTED] under the [REDACTED]. Further details are set forth in the sections headed “Structure of the [REDACTED]” and “[REDACTED]” in this Document.

Prior to making an [REDACTED], prospective [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” in this Document.

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]. See [REDACTED] in this Document.

The [REDACTED] not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be [REDACTED], pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and [REDACTED] in the United States and to U.S. persons in reliance on Rule 144A, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, only to [REDACTED]. The [REDACTED] may be [REDACTED], [REDACTED] or delivered outside the United States to non-U.S. persons in offshore transactions in accordance with Regulation S.

[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO [REDACTED]

This Document is issued by us solely in connection with the [REDACTED] and does not constitute an [REDACTED] or a solicitation of an [REDACTED] to [REDACTED] any security other than the [REDACTED] by this Document pursuant to the [REDACTED]. This Document may not be used for the purpose of, and does not constitute, an [REDACTED] or a solicitation of an [REDACTED] for or [REDACTED], any security in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the [REDACTED] or the distribution of this Document in any jurisdiction other than Hong Kong. The distribution of this Document and the [REDACTED] and sale of the [REDACTED] in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this Document to make your [REDACTED] decision. We have not authorized anyone to provide you with information that is different from what is contained in this Document. Any information or representation not made in this Document must not be relied on by you as having been authorized by us, the Joint Sponsors, the [REDACTED], [REDACTED], any of the [REDACTED], any of our or their respective directors, officers or representatives, or any other person or party involved in the [REDACTED].

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SUMMARY

This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by and should be read in conjunction with, the full Document. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors” in this Document. You should read the section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

We are a global provider of robotics solutions and associated enabling technologies that enhance human potential by building digital models for the real world and bringing autonomous transition to essential workflows in agriculture and livestock farming, construction, and facility management industries and beyond. Our integrated, proprietary hardware and software systems free the workforce from repetitive and menial tasks, empowering them to dedicate time and effort toward tasks where human insight, judgment, creativity make a difference. Over the years, we have continued to advance our commitment to creating accessible robotics solutions and transforming the way people live and work for the better.

We are dedicated to the design, development and production of robotics solutions and the associated enabling technologies that enhance human potential by driving the digitalization and automation of traditionally labor-intensive workflows in various scenarios, including agriculture and livestock farming, construction, and facility management. During the Track Record Period, we generated our revenue primarily from sales of various types of robotics solutions, covering agriculture and livestock farming, construction and facility management, and provision of software solutions, such as Trion and farming management system. For sales of robotic solutions, we charge customers on a one-off basis. For provision of software solutions, we charge customers either a subscription fee for using our applications over a period of time, or a one-off fee for granting access to specific applications. Since the inception, our products have been designed to be compatible with major agricultural machinery brands and specifications, allowing flexible deployment across diverse agricultural scenarios and will compete with the branding players in more and more scenarios in the future.

Our solutions, ranging from steering and construction control systems to scanners and robotic mowers, focus on addressing the most critical and widespread pain points faced by participants of our target industries. By offering solutions that address the common, often practical challenges within an industry, we help our end users achieve efficiency and enhance job satisfaction while driving significant growth in our business. Following substantial growth since our inception, we are now an established global player in the agricultural robotics solutions market. In the global agricultural robotics solutions market, we became the third largest provider of agricultural auto-steering system kits and the second largest provider of retrofit agricultural auto-steering system kits globally in terms of shipment, with market shares of approximately 8.5% and 16.9% in 2024, respectively. Since our inception, our continuum of innovations has propelled us to achieve rapid growth, establishing us as the youngest company among the top five industry players. In terms of revenue, we became the sixth largest provider of agricultural auto-steering system kits and the fourth largest provider of retrofit agricultural auto-steering system kits globally, with market shares of approximately 3.4% and 6.6% in 2025, respectively.

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What We Offer

Our Solutions

We are committed to making transformative innovations broadly accessible to those essential but underserved industries. By strategically focusing on underpenetrated sectors, we purposefully building solutions that address the specific pain points of the markets we serve. Currently, we offer robotics solutions and associated enabling technologies tailored to the distinct needs of agriculture and livestock farming, construction and facility management industries at affordable prices.

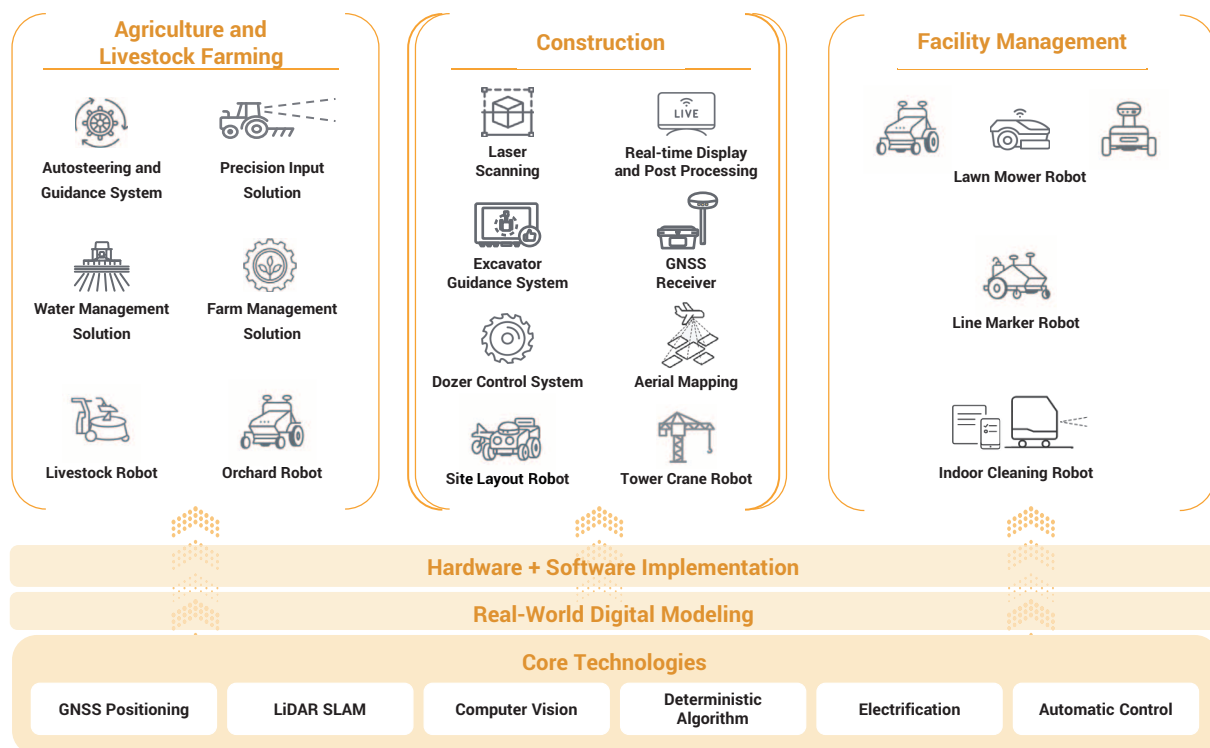
The following table sets forth a breakdown of our revenue by segment, in absolute amounts and as percentages of total revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
(RMB in thousands except for percentages)						
Agriculture and livestock						
farming	470,348	88.8%	443,177	77.8%	497,536	67.2%
Construction	41,027	7.7%	82,807	14.5%	118,890	16.1%
Facility management	12,610	2.4%	32,174	5.7%	89,696	12.1%
Software	5,629	1.1%	11,679	2.0%	33,796	4.6%
Total	529,614	100.0%	569,837	100.0%	739,918	100.0%

- *Agriculture and livestock farming solutions.* Our precision agriculture solutions provide guidance and steering systems throughout the farming cycle. Our product offerings primarily consist of auto-steering and guidance systems, water management systems and precision input, which are sold on a one-off basis, with revenue recognised upon delivery. Together with our water management solution, precise input solution, and farm management solution, we help farms reduce input costs and resources usage while meaningfully increasing yield. Our livestock farming solutions introduce automation to various aspects of livestock farming and animal farming, such as feed pushing, manure cleaning and herd management. Our revenue generated from agriculture and livestock farming solutions remained relatively stable at RMB470.3 million and RMB443.2 million in 2023 and 2024, respectively, and increased to RMB497.5 million in 2025, representing a year-over-year increase of 12.3%, as a result of our initiative to optimize our product mix where we strategically focus on products of high gross profit margin.
- *Construction solutions.* With our real-world modeling capabilities, we enable laser scanning, GNSS receiver, 3D modeling, and post-processing in construction workflows. On top of the digital model for the real world, we provide machine control systems and robots to enable safer, more streamlined construction process with shorter delivery timelines for the construction industry. Our product offerings primarily consist of 3D excavator guidance systems and control systems, which are sold on a one-off basis, with revenue recognised upon delivery.
- *Facility management solutions.* Our product offerings primarily consist of lawn mower robots, line marker robots, mower auto-steering kit and cleaning robots, which are sold on a one-off basis, with revenue recognised upon delivery. With our smart robots, including mowers, line markers and cleaning robots, we make facility management workflow smoother, more efficient, and more sustainable.

SUMMARY

Our Offerings



We have consistently invested in R&D, which allows us to deliver high-quality, pioneering products that meet the evolving needs of our end users. Our core technologies comprise a suite of advanced, proprietary capabilities that underpin our product innovation and market leadership, including high-precision positioning systems that integrate GNSS technologies (such as GNSS, RTK, and PPP) to achieve centimetre-level and even millimetre-level accuracy through multi-satellite coordination, error correction algorithms, and enhancement systems. We also leverage LiDAR SLAM, computer vision, deterministic algorithms, electrification and automatic control to support advanced functionality, adaptability, and performance across a wide range of scenarios.

The global agricultural and livestock farming robotics solutions value chain comprises three key segments: upstream component and technology providers, midstream manufacturers and solution providers, and downstream distribution channels and end users. For details, see “Industry Overview — Value Chain of Global Agricultural and Livestock Farming Robotics Solutions Market”.

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (i) entrepreneurial culture and leadership driving; customer-centric innovation; (ii) strong R&D capabilities enabling technology integration and scalable product innovation; (iii) product innovation powered by deep industry expertise; and (iv) scalable, efficient distributor model built on close collaboration with global partners.

For details, see “Business — Our Strengths”

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OUR STRATEGIES

We will focus on leveraging our core modularized technology to rapidly expand into diverse markets and broaden our product and solution portfolio: (i) broaden product matrix to pursue market potential; (ii) continue to enhance R&D capabilities strengthening our core technologies and product offerings; and (iii) improve global penetration and market reach.

For details, see “Business — Our Strategies.”

OUR CUSTOMERS AND SUPPLIERS

Customers

We primarily sell our products to domestic and international distribution partners. In 2023, 2024 and 2025, revenue from sales to our top five customers in aggregate accounted for 25.4%, 22.3% and 12.3% of our total revenue in each year during the Track Record Period, respectively, and revenue from sales to our largest customer accounted for 10.2%, 6.3% and 3.2% of our total revenue for the same years, respectively.

During the Track Record Period, all of our top five customers in each year during the Track Record Period were Independent Third Parties of the Group. While the controlling shareholder of Xin Zhifeng, one of our Shareholders, holds certain equity interest in Customer F, none of our Directors and their close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) has any interest in any of our top five customers in each year during the Track Record Period that is required to be disclosed under the Listing Rules.

Suppliers

Our suppliers primarily comprise electronic components used for signal transmission, such as integrated circuits and modules, electrical components used for converting electric power to other forms of energy, such as motors and batteries, and structural components. In 2023, 2024 and 2025, purchases from our five largest suppliers in aggregate accounted for 16.4%, 20.4% and 14.9% of our total purchase in each year during the Track Record Period, respectively, and purchases from our largest supplier accounted for 5.0%, 8.5% and 4.6% of our total purchase for the same years, respectively. During the Track Record Period, with the exception of some standardized sensor components, all of the hardware components related to our proprietary core technologies are self-designed and self-produced.

During the Track Record Period, all of our top five suppliers in each year during the Track Record Period were Independent Third Parties of the Group. None of our Directors and their close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) have any interest in any of our top five suppliers in each year during the Track Record Period that is required to be disclosed under the Listing Rules.

RISK FACTORS

Our business and the [REDACTED] involve certain risks, including (i) risks relating to our business and industry; (ii) risks relating to our financial performance; (iii) risks relating to our legal and regulatory requirements and (iv) risks relating to the [REDACTED]. Some of the major risks we face include, but not limited to: our future growth is dependent on the demand for, and customers’ willingness to adopt, our robotics solutions; any economic slowdown or decrease in industrial or economic activities may adversely affect the industries in which our end users operate, which may reduce the market demand for our robotics solutions; our agriculture and livestock farming robotics solutions business depends upon the agricultural industry and are subject to seasonality. Factors that

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adversely affect the agricultural industry could affect our performance; we compete with both domestic and foreign companies in the robotics solutions industry. If we fail to compete successfully, our business, financial condition and results of operations would be adversely affected; we have incurred in the past, and may incur in the future, losses; we may not be able to or realize revenue increase continuously, and our historic results of operations may not be indicative of our future performance; we recorded net operating cash outflows historically and there can be no assurance that we will not have net operating cash outflow in the future; changes in the political and economic policies of the geographic markets in which we operate may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies; there may be changes from time to time with respect to the legal systems of the markets where we operate, and any of our failure to comply with these laws and regulations could adversely affect us; any legal or regulatory proceedings against us could be costly and time-consuming to defend or settle and could harm our reputation; there has been no prior [REDACTED] for our Shares, and an active [REDACTED] for our Shares may not develop or be sustained; and the [REDACTED] and [REDACTED] of our Shares may be volatile.

COMPETITION

We operate in the global robotics solutions market across agriculture and livestock farming, construction and facility management sectors. The market size of the global robotics solutions market increased from US\$49.4 billion in 2021 to US\$91.4 billion in 2025, reflecting a CAGR of 16.6%. It is projected to reach US\$200.9 billion by 2030, reflecting a CAGR of 17.1% from 2025. Market growth is supported by continued advances in perception, navigation and control software, ageing demographics alongside labour scarcity and rising labour costs, the need for traceable and standardised operations, alongside the declining hardware and integration costs that enable pilots to scale into multi-site deployments. By industry applications, the market spans agriculture and livestock, construction, facility management and other robotics solutions. In 2025, the combined market position of the agriculture and livestock, construction, and facility management segments accounted for about 24.9% of the global total and is expected to increase to around 27.7% by 2030. The remaining portion comprises other robotics solutions. Market growth among these segments is activated by practical objectives that enhance human wellbeing and free up labour for higher-value work, including reducing exposure to repetitive and hazardous tasks, extending service availability and consistency, raising productivity and quality, and improving cleanliness and safety in workplaces and public spaces. As the third largest provider of agricultural auto-steering system kits and the second largest provider of retrofit agricultural auto-steering system kits globally in terms of shipment in global agricultural robotics market, we believe we are in a strong position to capture the opportunities offered by the growth of the market.

Agricultural auto-steering system kits can be categorized into front-fit (OEM) auto-steering system kits and retrofit auto-steering system kits. Front-fit agricultural auto-steering system kits are integrated into new agricultural machinery at the manufacturing stage, offering higher system compatibility, better user experience, and a perception of being a complete, factory-grade solution. In contrast, retrofit agricultural auto-steering system kits are designed for existing machines or mixed-brand fleets, enabling faster market penetration and higher per-unit margins for suppliers, albeit with potential variability in installation quality, user experience, and technical support.

The global agricultural auto-steering system kits market increased from approximately US\$1.2 billion in 2021 to US\$2.1 billion in 2025, representing a CAGR of 16.5%. Within this market, the retrofit agricultural auto-steering system kits segment reached around US\$1.1 billion, accounting for 50.7% of the total in 2025. Its growth has been driven by strong replacement and upgrade demand from existing agricultural machinery fleets, as downstream consumers increasingly adopt automation retrofits to enhance precision and efficiency without purchasing new equipment.

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By contrast, the OEM-integrated segment, which mainly serves new tractor or harvester sales and targets customers seeking factory-installed precision systems with higher upfront costs, reached approximately US\$1.0 billion in 2024, representing 48.2% of the total market.

Looking ahead, the total market is projected to expand to around US\$4.7 billion by 2029, reflecting a CAGR of 18.7%. Over the same period, the retrofit segment is expected to grow from US\$1.0 billion in 2024 to US\$2.6 billion in 2029, representing a CAGR of 20.6%, with its market share increasing to around 56.0%. The OEM-integrated segment is forecast to reach US\$2.1 billion by 2029, reflecting a CAGR of 16.6%. Overall market expansion will continue to be supported by the wider adoption of GNSS-based retrofit solutions, which enhance operational accuracy, productivity, and labour efficiency.

See “Industry Overview” for more details on our competitive landscape, industry growth drivers and development trends.

SUMMARY OF KEY FINANCIAL INFORMATION

Summary of the Consolidated Statements of Profit or Loss

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

	Year ended December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Revenue	529,614	569,837	739,918
Cost of revenue	(245,777)	(202,386)	(253,068)
Gross profit	283,837	367,451	486,850
Other income	8,141	24,488	11,818
Selling and distribution expenses	(166,521)	(159,361)	(204,175)
Administrative expenses	(93,049)	(72,411)	(51,234)
Other gains/(losses), net	6,074	(24)	(962)
Research and development expenses	(269,561)	(232,058)	(230,960)
Finance costs	(5,422)	(11,011)	(10,959)
Fair value change of financial assets at fair value through profit or loss	(1,682)	(14,142)	(20,772)
Fair value changes of preferred shares	(185,529)	(239,145)	(241,461)
Fair value changes of Warrants	(4,782)	(9,235)	(2,627)
(Impairment losses) reversal of impairment under expected credit loss model, net	(43,141)	15,091	562
Impairment of investment properties	(3,610)	0	0
Share of result of a joint venture	0	436	(472)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loss before tax	(475,245)	(329,921)	(281,732)
Income tax credit/(expense)	4,184	(3,587)	642
Loss for the year	(471,061)	(333,508)	(281,090)

During the Track Record Period, our revenue increased from RMB529.6 million in 2023 to RMB569.8 million in 2024 and further increased to RMB739.9 million in 2025, primarily due to an increase in our revenue generated from construction products.

SUMMARY

During the Track Record Period, our gross profit increased from RMB283.8 million in 2023 to RMB367.5 million in 2024 and further increased to RMB486.9 million in 2025, primarily due to our continued efforts to optimize our product mix where we strategically focus on products of high gross profit margin.

Cost of Revenue

During the Track Record Period, our cost of revenue consists of raw material costs, production costs, and staff costs. Our cost of revenue decreased from RMB245.8 million in 2023 to RMB202.4 million in 2024, primarily due to our continued efforts to optimize our product mix where we strategically focus on products of high gross profit margin. Our cost of revenue increased to RMB253.1 million in 2025, representing a year-over-year increase of 25.0%, which was generally in line with our increase in revenue.

Research and Development Expenses

Our research and development expenses decreased by 13.9% from RMB269.6 million in 2023 to RMB232.1 million in 2024, primarily due to a decrease in employee benefit expenses as a result of our optimized staff structure leveraging our collaboration hub. Our research and development expenses remained relatively stable at RMB231.0 million in 2025 as compared to 2024.

Selling and Distribution Expenses

Our selling and marketing expenses remained relatively stable at RMB166.5 million and RMB159.4 million in 2023 and 2024, respectively. Our selling and marketing expenses increased significantly to RMB204.2 million in 2025 primarily due to increased expenses in logistics and promotion.

Administrative Expenses

Our administrative expenses decreased from RMB93.0 million in 2023 to RMB72.4 million and further to RMB51.2 million in 2025, primarily due to a decrease in office expenses as a result of the optimization of our working arrangement.

We recorded accumulated losses as of January 1, 2023 of RMB1,208.3 million, primarily due to a product mix weighted towards relatively lower-margin offerings and significant research and development expenses.

Our net loss decreased from RMB471.1 million in 2023 to RMB333.5 million in 2024 and further decreased to RMB281.1 million in 2025, primarily due to the optimization of our product matrix that improves overall gross margin.

Non-IFRS Measures

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we use adjusted net profit or loss (Non-IFRS measure) as non-IFRS measures, which are not required by, or presented in accordance with, IFRS.

We define adjusted net profit or loss (Non-IFRS measure) as loss for the years adjusted by adding back (i) share-based compensations expenses, which are non-cash and non-operating in nature; (ii) fair value change of financial assets at fair value through profit or loss, which are non-cash and non-operating in nature; (iii) fair value changes of preferred shares non-recurring and non-cash in nature; and (iv) fair value changes of warrants, which are non-cash in nature. We believe that Non-IFRS

SUMMARY

measures facilitate the comparisons of operating performance and provide useful information to [REDACTED] and others in understanding and evaluating our operating performance in the same manner as it helps our management. However, our presentation of Non-IFRS measures for the years may not be comparable to similarly titled measures presented by other companies. The use of Non-IFRS measures has limitations as an analytical tool, and [REDACTED] should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

The following table reconciles Non-IFRS measures for the years presented with the nearest measures prepared in accordance with IFRS Accounting Standards.

	Year ended December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Loss for the year	(471,061)	(333,508)	(281,090)
Share-based compensations expenses	10,420	13,798	8,988
Fair value change of financial assets at fair value through profit or loss	1,682	14,142	20,772
Fair value changes of preferred shares	185,529	239,145	241,461
Fair value changes of warrants	4,782	9,235	2,627
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted profit/(loss) for the year (Non-IFRS measure)	(268,648)	(57,188)	10,098

Summary of the Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our consolidated financial statements included in Appendix I to this Document.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Total non-current assets	152,484	111,831	75,421
Total current assets	596,495	564,253	780,127
Total assets	748,979	676,084	855,548
Total non-current liabilities	1,519,176	117,490	6,054
Total current liabilities	374,594	2,024,094	2,583,109
Total liabilities	1,893,770	2,141,584	2,589,163
Net current assets (liabilities)	221,901	(1,459,841)	(1,802,982)
Net liabilities	(1,144,791)	(1,465,500)	(1,733,615)
Total deficit	(1,144,791)	(1,465,500)	(1,733,615)

During the Track Record Period, we recorded net liabilities of RMB1,144.8 million, RMB1,465.5 million and RMB1,733.6 million as of December 31, 2023, 2024 and 2025, respectively. The overall increase was primarily attributable to the expansion of our business operations, which led to an increase in both current and non-current liabilities, including bills payables under supplier chain financing, borrowings and contract liabilities.

SUMMARY

Our net current liabilities remained relatively stable at RMB1,810.6 million and RMB1,803.0 million as of April 30, 2026 and December 31, 2025, respectively.

We had net current liabilities of RMB1,803.0 million as of December 31, 2025, which represented an increase of RMB343.1 million from our net current liabilities of RMB1,459.8 million as of December 31, 2024. This increase was primarily due to (i) an increase in preferred shares of RMB393.9 million as a result of the increase in the valuation of our Group in light of our future prospects; and (ii) an increase in obligation arising from put option of RMB112.2 million. This was partially offset by an increase in cash and cash equivalents of RMB119.3 million.

We recorded net current liabilities of RMB1,459.8 million as of December 31, 2024 and net current assets of RMB221.9 million as of December 31, 2023, primarily due to (i) reclassification of preferred shares from non-current liabilities to current liabilities; and (ii) an increase in borrowings of RMB56.4 million. This was partially offset by an increase in restricted bank deposits of RMB103.5 million.

We had net current assets of RMB221.9 million as of December 31, 2023, which represented a decrease of RMB24.1 million from our net current assets of RMB246.0 million as of December 31, 2022. This increase was primarily due to a decrease in prepayments, deposits and other receivables of RMB20.3 million. This was partially offset by an increase in borrowing of RMB19.9 million.

For details, see “Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position.”

Summary of the Consolidated Statements of Cash Flows

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

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Net cash used in/from operating activities . . .	(170,063)	(27,568)	92,641
Net cash used in/from investing activities . . .	(34,085)	(98,441)	19,642
Net cash from financing activities	185,386	43,339	2,351
Net decrease/increase in cash and cash equivalents	(18,762)	(82,670)	114,634
Cash and cash equivalents at beginning of the year	227,076	208,662	124,995
Cash and cash equivalents at end of the year	208,662	124,995	244,306

In 2025, we had net cash from operating activities of RMB92.6 million, primarily attributable to (i) loss from changes in fair value of preferred share of RMB241.5 million; and (ii) increase in trade payables of RMB175.4 million. The foregoing was partially offset by (i) increase in inventories of RMB82.2 million; and (ii) increase in prepayments, deposits and other receivables of RMB21.5 million.

In 2024, we had net cash used in operating activities of RMB27.6 million, primarily attributable to (i) increase in amounts due from related parties of RMB25.2 million; and (ii) decrease in other payables and accruals of RMB23.2 million. The foregoing was partially offset by (i) loss from changes in fair value of preferred shares of RMB239.1 million; (ii) depreciation of right-of-use assets of RMB17.7 million; and (iii) increase in trade payables of RMB49.4 million.

SUMMARY

In 2023, we had net cash used in operating activities of RMB170.1 million, primarily attributable to decrease in trade payables of RMB53.6 million. The foregoing was partially offset by (i) impairment loss under expected credit loss model, net of RMB43.1 million; and (ii) loss from changes in fair value of preference shares of RMB185.5 million.

For details, see “Financial Information — Liquidity and Capital Resources — Cash Flow.”

PATH TO PROFITABILITY

Despite our steady revenue growth, we were loss-making during the Track Record Period. Our net loss was RMB471.1 million, RMB333.5 million and RMB281.1 million for 2023, 2024 and 2025, respectively. Nonetheless, we recorded adjusted loss (non-IFRS measure) of RMB268.6 million, RMB57.2 million in 2023 and 2024, respectively, and we recorded adjusted profit (non-IFRS measure) of RMB10.1 million in 2025. Our revenue increased from RMB529.6 million in 2023 to RMB569.8 million in 2024, and further increased to RMB739.9 million in 2025. Our adjusted loss (non-IFRS measure) as a percentage of revenue narrowed during the Track Record Period.

During the Track Record Period, we recorded historical losses primarily due to the following factors: (i) significant investments in R&D, as we consistently prioritized research and development; (ii) significant investment in selling and distribution, as we continuously expanded our geographic footprint, strengthened brand presence and awareness, and built scalable distributor networks; and (iii) non-cash fair value changes of preferred shares, primarily due to the changes in market expectations, which further contributed to the reported losses.

Going forward, we will continue to improve profitability by implementing the following strategies: (i) expand our revenue scale; (ii) enhancing our gross profit margin; and (iii) pursue greater operational efficiency.

For details, see “Business — Path to Profitability”.

KEY FINANCIAL RATIOS

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

	Year ended/As of December 31,		
	2023	2024	2025
Gross profit margin	53.6%	64.5%	65.8%
Net profit/(loss) margin	(88.9%)	(58.5%)	(38.0%)
Adjusted net profit/(loss) margin (Non-IFRS measure) ⁽¹⁾	(50.7%)	(10.0%)	1.4%
Gearing ratio ⁽²⁾	73.5%	70.3%	67.5%
Turnover growth ⁽³⁾	5.1%	7.6%	29.8%

Notes:

- (1) Adjusted net profit /(loss) margin (Non-IFRS measure) is calculated by dividing adjusted net profit/loss (non-IFRS measure) by revenue for the year multiplied by 100%. See “— Non-IFRS Measures”
- (2) Gearing ratio is calculated as total liabilities less preferred shares, warrants, and NCI put option and divided by total equity plus preferred shares, warrants, NCI put option, fair value changes of preferred shares, and fair value changes of warrants, multiplied by 100%.
- (3) Turnover growth is calculated as the change in turnover from the prior year divided by the prior year turnover multiplied by 100%.

SUMMARY

For a detailed discussion on the historical changes of these key financial ratios, see “Financial Information — Key Financial Ratios.”

DIVIDENDS

No dividends had been paid or declared by us during the Track Record Period. For details, see “Financial Information — Dividend and dividend policy.”

FUTURE PLANS AND USE OF [REDACTED]

We estimate that the aggregate net [REDACTED] to our Company from the [REDACTED] after deducting [REDACTED] and other estimated expenses in connection with the [REDACTED] to be paid and payable by us taking into account any additional [REDACTED] and assuming that the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share) will be approximately HK\$[REDACTED]. Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to broaden product matrix to pursue market potential. Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to continue to enhance R&D capabilities strengthening our core technologies and product offerings. Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to global penetration and market reach. Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) will be used for working capital and other general corporate purposes.

For details, see “Future Plans and Use of [REDACTED].”

OUR SINGLE LARGEST SHAREHOLDERS

As of the Latest Practicable Date, our Single Largest Shareholders, comprising Dr. Wu and Simple Mindset (which is wholly owned by Dr. Wu), were entitled to exercise approximately 23.59% of the voting rights of our Company, including the voting rights attached to the Shares held by Simple Mindset and by virtue of the Voting Proxy Agreements. Immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan), our Single Largest Shareholders will be entitled to exercise approximately [REDACTED]% of the voting rights of our Company and will remain as a group of the single largest Shareholders. For details, see “Relationship with Our Single Largest Shareholders” in this Document.

PRE-[REDACTED] INVESTMENTS

We obtained several rounds of investments from the Pre-[REDACTED] Investors which include venture capital funds and institutional investors, and raised approximately RMB1,176 million in total. For details, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments” in this Document.

[REDACTED]

Our [REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED] and the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED], we estimate that our [REDACTED] will be approximately RMB[REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED], including (i) [REDACTED] of approximately RMB[REDACTED], and (ii) [REDACTED] of approximately RMB[REDACTED], comprising (a) sponsor fee of approximately RMB[REDACTED], (b) fees and expenses of legal

SUMMARY

advisors and Reporting Accountant of approximately RMB[REDACTED], and (c) other fees and expenses of approximately RMB[REDACTED]. During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED], of which approximately RMB[REDACTED] was charged to the consolidated statements of profit or loss. We expect to further incur [REDACTED] of approximately RMB[REDACTED] upon completion of the [REDACTED], out of which approximately RMB[REDACTED] is expected to be charged to our consolidated statements of profit or loss and approximately RMB[REDACTED] is expected to be deducted from equity. The [REDACTED] above are the best estimate as of the Latest Practicable Date and for reference only, and the actual amount may differ from this estimate.

[REDACTED]

SUMMARY

LEGAL PROCEEDINGS AND COMPLIANCE

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

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of the Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of the years reported on in the Accountants’ Report set out in Appendix I to this Document, and there had been no event since December 31, 2025, that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this Document.

DEFINITIONS

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)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council (會計及財務匯報局)
“Articles” or “Articles of Association”	the articles of association of our Company conditionally adopted on [•], with effect upon the [REDACTED] (as amended from time to time), a summary of which is set out in Appendix III to this Document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”, “Board of Directors” or “our Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	British Virgin Islands

[REDACTED]

“China” or “PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this Document only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“Circular 37”	the Notice of the SAFE on Issues Concerning Foreign Exchange Administration of the Overseas Investment and Financing and the Round-Tripping Investment Made by Domestic Residents through Special-Purpose Companies (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》)
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Act” or “Cayman Companies Act”	the Companies Act (As Revised) of the Cayman Islands, as amended or supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	FJD Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands on June 7, 2021
“Compliance Adviser”	Rainbow Capital (HK) Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“Dr. Wu”	Dr. Wu Di (吳迪), our founder, the chairperson of the Board, our chief executive officer, executive Director, and one of the Single Largest Shareholders
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“ESG”	environmental, social and governance

[REDACTED]

“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period

DEFINITIONS

[REDACTED]

“FJD BVI”	FJ Dynamics Holdings Limited, a limited liability company incorporated in the BVI on June 21, 2021, and a wholly-owned subsidiary of our Company
“FJD HK”	FJ International Holdings Limited (豐疆國際控股有限公司), a limited liability company incorporated in Hong Kong on July 8, 2021, and an indirectly wholly-owned subsidiary of our Company
“FJD Hubei”	FJ Dynamics Technology Co., Ltd (豐疆智能科技股份有限公司) (formerly known as FJ Smart Agriculture Co., Ltd. (豐疆智慧農業股份有限公司)), a joint stock company established in the PRC with limited liability on December 12, 2017, and an indirectly non-wholly owned subsidiary of our Company
“FJD WFOE”	Shenzhen FJ Management Co., Ltd. (深圳市豐疆管理有限公司), a limited liability company incorporated in the PRC on August 20, 2021, and an indirectly wholly-owned subsidiary of our Company
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company
“Frost & Sullivan Report”	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purposes of this Document
“Future Sharing”	Future Sharing International Limited, a limited liability company incorporated in the BVI on June 15, 2021, and the employee shareholding incentive platform of our Company

[REDACTED]

“Group”, “our Group”, “our”, “we” or “us”	our Company and its subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company having become 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”	the Guide for New Listing Applicants published by the Stock Exchange
“HK\$” or “Hong Kong dollars” or “HK dollars” and “HK cents”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

“Hong Kong Takeovers Code” or
“Takeovers Code”

the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

[REDACTED]

DEFINITIONS

[REDACTED]

“IFRSs”	the IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by International Accounting Standards Board
“IIT Law”	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)
“Independent Third Party(ies)”	any person(s) or entity(ies) who/which is not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

DEFINITIONS

“Joint Sponsors” or “[REDACTED]” Morgan Stanley Asia Limited and China International Capital Corporation Hong Kong Securities Limited

“Latest Practicable Date” May 31, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[REDACTED]

“Listing Committee” the listing committee of the Hong Kong Stock Exchange

[REDACTED]

“Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“M&A Rules” the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》)

“Main Board” the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange

“Memorandum” or “Memorandum of Association” the memorandum of association of our Company, conditionally adopted on [•], with effect from the [REDACTED], as amended from time to time, a summary of which is set out in Appendix III to this Document

“Million Kirin” MILLION KIRIN LIMITED, a limited liability company incorporated in the BVI on February 8, 2019, and wholly owned by Ms. Zhang Qi (張琦) (an executive Director)

“MOFCOM” or “Ministry of Commerce” the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))

“NDRC” the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

“Nomination Committee” the nomination committee of the Board

“NPC” the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

DEFINITIONS

[REDACTED]

“Overseas Listing Trial Measures”	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 with effect from March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“Post-[REDACTED] Equity Incentive Plan”	the equity incentive plan conditionally adopted by the Company on [•], with effect upon the [REDACTED], the principal terms of which are set out in the paragraph headed “Statutory and General Information — D. Share Incentive Schemes — Post-[REDACTED] Equity Incentive Plan” in Appendix IV to this Document
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC Data Compliance Legal Adviser”	Haiwen & Partners, our legal adviser as to PRC data compliance laws in connection with the [REDACTED]
“PRC Legal Adviser”	Haiwen & Partners, our legal adviser as to PRC laws in connection with the [REDACTED]

DEFINITIONS

“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the Pre-[REDACTED] Investor(s) prior to the [REDACTED], details of which are set out in the section headed “History, Reorganization and Corporate Structure” in this Document
“Pre-[REDACTED] Investor(s)”	holder(s) of Shares pursuant to the Pre-[REDACTED] Investment(s), details of which are set out in the section headed “History, Reorganization and Corporate Structure” in this Document
“Pre-[REDACTED] Share Award Scheme”	the equity incentive plan adopted by the Company on December 30, 2021, as amended from time to time, the principal terms of which are set out in the paragraph headed “Statutory and General Information — D. Share Incentive Schemes — Pre-[REDACTED] Share Award Scheme” in Appendix IV to this Document
“Preferred Share(s)”	series A-1 preferred share(s), series A-2 preferred share(s), series B preferred share(s) and series B-1 preferred share(s)

[REDACTED]

“Document”	this document being issued in connection with the [REDACTED]
“Proxy Grantors”	the Shareholders who have granted Simple Mindset the voting rights in respect of all the Shares held by them through the Voting Proxy Agreements, namely, Million Kirin and Future Sharing

[REDACTED]

“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reorganization”	the reorganization undertaken by our Group in preparation for the [REDACTED], details of which are set out in the paragraph headed “History, Reorganization and Corporate Structure — Corporate Development and Major Shareholding Changes of our Group — 4. Reorganization” in this Document
“Rule 144A”	Rule 144A under the U.S. Securities Act

DEFINITIONS

“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
“Series A-1 Preferred Share(s)”	the series A-1 preferred shares of \$0.000001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this document
“Series A-2 Preferred Share(s)”	the series A-2 preferred shares of \$0.000001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this document
“Series B Preferred Share(s)”	the series B preferred shares of \$0.000001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this document
“Series B-1 Preferred Share(s)”	the series B-1 preferred shares of \$0.000001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this document
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary and/or preferred shares of US\$0.000001 each in the share capital of our Company
“Shareholder(s)”	holder(s) of our Share(s)
“Simple Mindset”	Simple Mindset International Limited, a limited liability company incorporated in the BVI on May 25, 2021, and wholly owned by Dr. Wu, and one of the Single Largest Shareholders
“Single Largest Shareholders”	Dr. Wu and Simple Mindset [REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Track Record Period”	the period comprising three financial years ended December 31, 2023, 2024 and 2025
“treasury shares”	has the meaning ascribed thereto under the Listing Rules
“U.S. persons”	U.S. persons as defined in Regulation S

DEFINITIONS

“U.S. Securities Act” United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

[REDACTED]

“United States”, “USA” or “U.S.” the United States of America, its territories and possessions, any State of the United States, and the District of Columbia

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

“VAT” value-added tax

“Voting Proxy Agreements” the voting proxy agreements dated September 14, 2021 and August 12, 2025, entered into by the Proxy Grantors, details of which are set out in the paragraph headed “History, Reorganization and Corporate Structure — Voting Proxy Agreements” in this Document

[REDACTED]

“%” per cent

GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, explanations and definitions of certain terms used in this Document in connection with our Group and our business shall have the meanings set out below. Some of these terms and their meanings may not correspond to standard industry definitions or usages, and may not be comparable to similar terms adopted by other companies.

“AI”	artificial intelligence
“APP”	application
“automatic control”	the use of control systems to manage and regulate industrial processes, enhancing efficiency, safety, and precision in operations
“BIM”	building information modeling
“DMS”	document management system, a software that creates, stores, manages, and tracks electronic documents and images of paper-based documents
“FMS”	farm management system, a software solutions designed to streamline agricultural operations, enhance productivity, and improve decision-making across various farming activities
“GNSS”	Global Navigation Satellite System, a network of satellites that provides positioning, navigation, and timing services globally
“HMI”	human machine interface
“IQC”	incoming quality control
“ISOBUS”	International Organization for Standardization for Communication Bus, an internationally standardized communication protocol for agricultural and forestry equipment
“LiDAR”	light detection and ranging is a remote sensing technology that uses light pulses to map an environment
“MRP”	material requirements planning system
“OTA”	over-the-air
“PPP”	precise point positioning, a GNSS positioning method that calculates very precise positions, with errors as small as a few centimeters under good conditions
“PQE”	product quality engineering
“ROI”	return on investment
“ROW”	rest of the world
“RTCM”	Radio Technical Commission for Maritime Services

GLOSSARY OF TECHNICAL TERMS

“RTK”	real-time kinematic, a satellite navigation technique used to enhance the accuracy of positioning data derived from GNSS signals
“SaaS”	software as a service, a cloud computing service model in which a provider delivers application software to clients while managing or outsourcing the required physical and software resources
“sensor fusion”	the process of combining data from multiple sensors to create a more accurate and reliable understanding of the environment or system being monitored
“SLAM”	simultaneous localization and mapping enables robots and autonomous systems to create detailed maps of unknown environments while simultaneously determining their position within those maps

FORWARD-LOOKING STATEMENTS

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

We have included in this Document forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements. When used in this Document, the words “aim”, “anticipate”, “believe”, “could”, “expect”, “going forward”, “intend”, “ought to”, “project”, “seek”, “should”, “will”, “would”, “vision”, “aspire”, “target”, “schedule”, and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. 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 risk factors as described in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationship with, and the actions and developments affecting, our suppliers and customers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain the market leading positions;
- the actions and developments of our competitors;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, including those pertaining to the PRC and the industry and markets in which we operate; and
- capital market developments.

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By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any or undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other 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 in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed “Risk Factors” in this Document.

In this Document, statements of or references to our intentions or those of our Directors were made as of the date of this Document. Any such information may change in light of future developments.

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An [REDACTED] in our Shares involves various 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 Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] of our Shares could decline and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisers regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our future growth is dependent on the demand for, and customers’ willingness to adopt, our robotics solutions.

Our future growth relies on the demand for, and upon the end users’ willingness to adopt, our robotics solutions. Both the acceptance of our robotics solutions and their integration into the relevant industries, including agriculture and livestock farming, construction and facility management, may encounter delays or progress at a slow pace, due to various factors such as: perceptions about the cost, quality, design, safety, performance and lifespan of our robotics solutions, compared to their traditional counterparts, including manual labor; the market penetration of robotics solutions; the accessibility of repair and maintenance services, electricity and alternative power sources for robotics solutions; the occurrence of negative incidents, or the perception of such incidents, involving our or our competitors’ products or solutions, leading to adverse publicity and affecting customer perceptions of the industries; and macroeconomic factors.

As a result of the foregoing, the adoption of our robotics solutions might not progress as rapidly as we originally anticipated, which may negatively impact our business, results of operations, financial condition, and prospects.

Any economic slowdown or decrease in industrial or economic activities may adversely affect the industries in which our end users operate, which may reduce the market demand for our robotics solutions.

Our sales and profitability depend significantly upon the economic conditions, industrial activities and market demand in our end industries, including agriculture and livestock farming, construction and facility management. Any economic downturn or uncertainty can reduce customer demand for our robotics solutions. Our operating results are directly affected by the economic and market conditions in each of the geographic areas in which we operate and/or sell our products, and the uncertainty in global economic conditions varies by geographic regions. This makes forecasting challenging, especially given our global customer base, and could impact our operations if we fail to adapt timely to market changes. Adverse macroeconomic changes, such as economic recession and credit disruptions, may cause the end users of our robotics solutions to cut or delay spending, resulting in order cancellations or reductions from our distributors, thereby materially and adversely affecting our business, results of operations and financial condition.

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Our agriculture and livestock farming robotics solutions business depends upon the agricultural industry and are subject to seasonality. Factors that adversely affect the agricultural industry could affect our performance.

The success of our agriculture and livestock farming robotics solutions depends heavily on the vitality of the agricultural industry. Historically, the agricultural industry has been cyclical and subject to a variety of economic and other factors. Sales of agricultural and animal husbandry robotics solutions, in turn, also are cyclical and generally reflect the economic health of the agricultural industry. The economic health of the agricultural industry is affected by numerous factors, including farm income, farmland values and debt levels and financing costs, all of which are influenced by levels of commodity and protein prices, acreage planted, crop yields, agricultural product demand, farm input costs, government policies, tariffs and government subsidies. The economic health of the agricultural industry also is influenced by general economic conditions, interest rate and exchange rate levels, and the availability of financing for retail customers, including government financing subsidies to farmers. Trends in the agricultural industry, such as farm consolidations, may affect the agriculture and livestock farming solutions market. In addition, adverse weather conditions, such as floods, heat waves or droughts, and livestock diseases, pervasive livestock or crop diseases affect farmers' buying decisions. Downturns in the agricultural industry due to these or other factors, which could vary by market, can result in decreases in demand for our agriculture and livestock farming solutions, which would adversely affect our performance. The unpredictable nature of many of these factors and the resulting volatility in demand make it difficult for us to accurately predict sales and optimize production, thereby materially and adversely affecting our business, results of operations and financial condition.

Our agricultural and livestock farming business is aligned with the agriculture industry. Therefore, seasonal fluctuations in agricultural activities, such as livestock farming cycles, can significantly impact the demand for our agriculture and livestock farming. However, the intensity of these seasonal fluctuations may vary from year to year due to shifting industry conditions and other factors, which makes it difficult for us to predict precisely the level of demand. Our interim financial results may not align with full-year trends due to these seasonal variations. Therefore, comparisons of our operational results between different quarters within a single fiscal year or across different fiscal years are not necessarily meaningful and should not be relied on as indicators of performance.

We compete with both domestic and foreign companies in the robotics solutions industry. If we fail to compete successfully, our business, financial condition and results of operations would be adversely affected.

We operate in the robotics solutions industry. The industry in which we operate is relatively new, rapidly evolving and constantly changing, something that is characterized by dynamic market conditions and technological advancements. Thus, our success will depend, in part, on our ability to respond to these changes and advancements in a cost-effective and timely manner. We compete with both domestic and foreign companies across our operations in the design and development, manufacturing and sales of agricultural machinery and the supply of smart agriculture solutions, including, among others, the comprehensiveness and adaptability of our products and solutions, brand recognition and ability to continuously iterate or innovate our products and solutions to meet evolving market demands.

Some of our competitors have developed mature, diversified robotics solutions portfolios and more advanced technologies, and may possess greater financial, technical and operational resources than we do. These competitors may (i) allocate significantly more resources than we can to the development, production and sales of their products and solutions; (ii) engage in or withstand intense price competition, a strategy we will not pursue due to our long-term commitment to sustainable growth, potentially diminishing our price competitiveness and market appeal in such situations; and (iii) leverage established operational history to cultivate stronger relationships with distribution partners and customers, enabling them to secure market share or negotiate more favorable contract terms. In some

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markets, we compete with smaller regional competitors with significant market share in a single country or group of countries. Additionally, the agriculture and livestock farming industry that we operate in is attracting technology-focused companies and start-up ventures as technology increasingly impacts all aspects of the crop and livestock farming cycle, which may further intensify competition in the industry.

Furthermore, our ability to maintain our competitive advantages and the future growth of our business depend on many factors, including our ability to maintain our market position, to maintain and expand our distribution network and to expand our global footprint. We cannot guarantee that our product offerings can continue to satisfy our customers’ evolving needs in the future. If our competitors managed to develop more advanced robotics solutions or technologies, or if alternative solutions emerge, such solutions may be more competitive and in turn cause the demand for our robotics solutions to decrease. As a result, we cannot predict with certainty the demand for our products or the future growth rate and size of the global robotics solutions market. If there is a reduction in demand for our services caused by weakening economic conditions, technical challenges, data security or privacy concerns, relevant regulations and policies, competing solutions or services or otherwise, our revenue and profit margins would be adversely affected, which would in turn materially affect our business, results of operations, financial condition, and prospects.

In addition, favorable government policies may lead to an increase in new market entrants and more intensive efforts to expand market share from existing market players. Geopolitical factors may also lead to governments increasing support for domestic players in the precision agriculture solution industry and accelerating domestic substitution over imported products, which may make it more challenging for us to enter into or expand our market share in global markets. If we fail to anticipate shifts in market demand and technological trends, and our competitors’ products eventually become more favored than ours, whether due to lower costs or superior technology, our competitive position could be weakened, which could lead to reduced sales volumes, pricing pressures and margin erosion. Furthermore, while we strive to differentiate our offerings from other competitors, there is no assurance that we can compete effectively or maintain our market position without incurring significant costs. Any failure to preserve our competitive position may materially and adversely affect our business, financial condition and results of operations.

We maintain an independent dealer and distribution network in the markets where we sell products. The financial and operational capabilities of our dealers and distributors are critical to our ability to compete in these markets. In addition, we compete with other providers of precision agriculture solutions for dealers. If we are unable to compete successfully against other precision agriculture solution providers, we could lose dealers and their retail customers, therefore negatively affecting our business, results of operations and financial conditions.

We may fail to introduce new products that adapt to the latest market trends and keep up with the latest technological advancements in the industry, which may adversely affect our market position and render our products in production or under research and development uncompetitive or obsolete.

Our long-term competitiveness and market leadership depend substantially on our ability to continuously deliver a comprehensive and competitive product portfolio that meets the evolving needs of the robotics solutions market. This includes not only the timely launch of new products but also regular upgrading or iteration of existing offerings to incorporate the latest technological advancements and responding to shifting customer preferences. The robotics solutions industry in which we operate is characterized by rapid innovation and constant technological evolutions. Emerging technologies such as artificial intelligence are transforming the way robotics solutions are designed, manufactured and used. If we fail to keep pace with the technological trends, we risk falling behind our competitors and losing our relevance in the market.

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Moreover, as customer expectations evolve, the pressure to diversify and enhance our product offerings intensifies. There is a growing demand for robotics solutions that is more user-friendly and highly intelligent. Customer preferences are also increasingly influenced by the introduction of new and innovative products in the market. If we fail to align our product portfolio with market demand and technological trends, whether due to limitations in our research and development capabilities, resource constraints or strategic misalignment, we may lose our competitive edge in the market. This could lead to reduced customer satisfaction, loss of market share and erosion of brand value.

In addition, the cost of developing and maintaining a full product portfolio can be substantial. If we are unable to manage these costs effectively, our financial performance can be exposed to considerable constraints. Furthermore, failure to anticipate or respond to market shifts in a timely manner could result in obsolete inventory, missed sales opportunities and reputational harm. There is no assurance that our upgraded or newly launched products will generate positive cash flows or become profitable within a short period of time or at all. If we are unable to bring upgraded or new products to the market in a timely and cost-effective manner, our profitability, results of operations and business prospects may be adversely affected.

We derive the vast majority of our revenue from our distributors, and distributorship is expected to remain a major part of our sales network. If our distributors are not able to operate successfully, our business, financial conditions and results of operations could be materially and adversely affected.

Our distributors are vital to our business. In 2023, 2024 and 2025, revenue generated from our distributors accounted for approximately 95.9%, 94.6% and 96.1% of our total revenue, respectively. We expect that distributorship will remain an important component of our sales network. 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 maintain their business relationships with existing customers and they may not be able to attract new customers, which may adversely affect their operations and competitiveness. If the sales volumes of our robotics solutions are not maintained at a satisfactory level, our distributors may not place new orders for our products, or they may reduce orders or request discounts on the purchase price. The loss of our distributors or reduced orders from them could adversely affect our access to end users and lead to decreases in our sales volume and revenue.

In addition, failure to manage inventory level may strain our distributors’ financial resources and impair their liquidity, which may lead to their reluctance or inability to purchase new products from us. If they experience decreased profitability or suffer losses as a result, they may quit our distribution network. Also, distributors may, with or without any merit, blame their slow turnover on us, harming our relationship with such distributors and potentially damaging our reputation among distributors. If any of such incidents happens to our distributors, the stability of our distribution network may be severely impaired, and our business, financial condition and results of operations may be materially and adversely affected. Furthermore, we may not be able to accurately track our distributors’ sales and inventory level. This could in turn lead to our inability to correctly predict sales trends and accurately forecast customer demand, resulting in excess inventory levels or a shortage of products. If our distributors fail to operate successfully in any way, our ability to effectively sell our products could be negatively impacted, which could in turn adversely affect our financial condition and results of operations.

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Our distributors may fail to comply with certain terms in their distributorship agreements with us.

We rely on a vast network of distributors. As of December 31, 2023, 2024 and 2025, we engaged 2,087, 2,224 and 2,564 distributors, respectively. Non-compliance with the distributorship agreements by any of our distributors could disrupt our sales and may even affect our results of operations. For instance, cannibalization among distributors may be resulted if our distributors conduct sales beyond the designated sales area(s) or channel(s) as specified in the relevant distributorship agreement we enter into with them. Further, unfair competition may also be resulted if our distributors disregard our pricing system and sell our products at a price significantly lower than the suggested selling price. We also could be liable for damages or fines due to defects or spoilage on the products marketed and sold by our distributors, which may have an adverse effect on our financial condition.

As a considerable portion of our revenue is derived from our sales to distributors, any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition and results of operations: reduction, delay or cancellation of orders from one or more of our distributors; failure to renew distributorship agreements and maintain relationships with our major existing distributors; failure to establish relationships with new distributors on favorable or standard terms; and inability to timely identify and engage additional or replacement distributors upon the loss of one or more of our distributors.

We may not be able to successfully manage our distributors, and the cost of any consolidation or further expansion of our distributor network may exceed the revenue generated from these efforts. Further, although we require our distributors to comply with their distributorship agreements with us, non-compliance with the distributorship agreements by any of our distributors could disrupt our sales, undermine our pricing discipline, weaken brand perception, and impair our ability to execute our business strategy, among other things. The occurrence of any of these events — whether individually or in combination — could materially and adversely affect our sales volume, revenue stability, and overall financial condition and results of operations. There can be no assurance that we will be successful in detecting any non-compliance by our distributors with the provisions of their distributorship agreements. In addition, non-compliance with distributorship agreements by any of our distributors could also undermine the effectiveness of our measures to mitigate the risk of cannibalization and channel stuffing among our distributors. The cost of any consolidation or further expansion of our distributorship network may exceed the revenue generated from these efforts. If the sales volumes of our products to consumers are not maintained at a satisfactory level, our distributors may not place orders for new products with us, reduce orders, or ask for discounts on the purchase price. Additionally, if our distributors fail to distribute our products to their customers in a timely manner, overstock or carry out actions which are inconsistent with our business strategy, it may affect our future sales. We could also be liable for damages or fines due to defects or quality issues in the products marketed and sold by our distributors, which may have an adverse effect on our financial condition and results of operations. The occurrence of any of the aforesaid events could adversely affect our financial condition and results of operations.

Our business and future growth are in part dependent on the ability of our distributors to maintain and expand their distributor coverage. If we fail to successfully maintain our relationships with a significant number 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, possibly resulting in loss of customers and a decline in sales. We cannot assure you that the expansion of our distributorship network will continue to be successful or will generate income as expected. The occurrence of any of these factors could result in a significant decrease in the sales volume of our products and therefore adversely affect our financial condition and results of operations.

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Our solutions may face risks associated with GNSS and RTK signals.

Our solutions rely on Global Navigation Satellite System (“GNSS”) and Real-Time Kinematic (“RTK”) positioning technologies to deliver precision guidance and automated steering functions. The availability, stability and accuracy of such technologies may be affected by weather conditions, terrain, signal interference, network disruptions or geopolitical events. As such, our solutions depend on continuous transmission of correction data and on components sourced from a limited number of suppliers. Any interruption in signal reception, data transmission or component supply, or any changes in satellite system policies or export controls, may result in reduced positioning accuracy, operational disruption or increased costs, which could adversely affect our product performance, reputation and business operations.

We may not be able to renew or maintain important alliances and distribution relationships with our distributors.

Generally, we do not enter into long-term contracts with a term more than one year with our distributors. Instead, we typically sell our products to (i) distributors through short-term distributorship agreements with a term of one year; and (ii) other customers through a mix of short-term framework contracts with a term of one year or less, and individual purchase orders on an order-by-order basis. We cannot assure you that we will be able to renew the contracts with our customers including distributors, or our customers will continue to place orders with us in the future in the same or comparable volume as compared with the previous periods. If our customers (including distributors) choose not to renew their contracts with us, or significantly reduce their purchase quantity from us, there is no assurance that we will be able to find replacement customers or orders at comparable or better commercial terms or at all. In such event, our business, results of operations and financial condition would be materially and adversely affected.

We face risks associated with our international operations and the sales of our products in global markets, including compliance with local laws and regulations, international trade policies, tariff regulations and geopolitical tensions.

We have international business operations and heavily relied on local distributors to sell our products in global markets. Our geographic coverage have reached over 110 countries as of December 31, 2025. In 2025, 53.7%, 30.2% and 11.8% of our total revenue was generated from Europe, Asia and Americas, respectively. We intend to continue expanding our operations and exploring business opportunities in selected global markets. Business operations in and sales to foreign countries and territories expose us to various risks, including but not limited to: political risks, including risks of loss due to civil unrest, acts of terrorism, acts of war, regional and global political or military tensions, and strained or altered foreign relations with China or other relevant countries; economic, financial and market instability, and credit risks, including, for example, those relating to the potential deterioration of credit markets and other economic conditions in our global markets and other countries; changes in foreign government regulations or policies; dependence on foreign governments or entities controlled by foreign governments for electricity, water, transportation and other utility or infrastructure needs; unfamiliarity with local operating and market conditions; lack of understanding of local corporate, foreign investment, environmental protection, taxation, customs, foreign exchange and other laws, regulations, standards and requirements, which might result in non-compliance with such laws and subject us to potential fines and penalties, and damage to our reputation; risks associated with obtaining and maintaining the necessary approvals, licenses, permits and filings to operate our business in foreign countries and regions; risks and uncertainty associated with using foreign agents or distributors in connection with our international operations and sales; preferential treatment or corrupt business practice; foreign currency controls and fluctuations; tax increases or adverse tax policies; trade barriers, such as tariffs or embargoes; discrimination against ethnic Chinese or protectionism against Chinese companies; competition from other international and local companies; adverse labor conditions or

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employee strikes; stringent environmental protection laws; potential disputes with foreign partners, customers, subcontractors, suppliers or local residents or communities; expropriation and nationalization of our assets in foreign countries; and lack of all-developed or independent legal system in certain countries in which we have operations, which may create difficulties in the enforcement of contractual rights.

Among those factors, it is noteworthy that our operations may be negatively affected by trade policies, sanctions, tariffs and export controls regulations administered by the government authorities in the countries in and with which we operate, including, but not limited to, regulation of economic and labor conditions, increased duties, taxes and other costs. In addition to trade policy measures, the United States and certain other governments have imposed sanctions and export controls measures that directly or indirectly affect China-based companies. These types of laws and regulations may be subject to frequent changes, and their implementation, interpretation and enforcement involve substantial uncertainties, which may be heightened by potential national security concerns or other factors that are out of our control. Similar or more expansive restrictions may be imposed by different jurisdictions in the future. We will need to maintain heightened internal control and risk management policies to ensure sound compliance with such restrictions, which requires significant resources and efforts.

Furthermore, potential national security and foreign policy concerns may prompt governments to impose trade or other restrictions, which could make it more difficult to sell our products in, or restrict our access to, certain markets. Various trade laws and regulations, export controls, and economic sanctions may affect our businesses. For instance, in recent years, the United States has expanded sanctions and export controls restrictions on China through the Export Administration Regulations (the “**EAR**”), administered by the Bureau of Industry and Security of the United States Department of Commerce (the “**BIS**”). In addition, BIS maintains lists of persons that are subject to enhanced export control restrictions. One such list, the Entity List, includes a list of foreign persons on which certain trade restrictions are imposed, including business, research institutions, government and private organizations, individuals and other types of legal persons. The United States in recent years has placed an increasing number of entities, including a number of entities in China, on the Entity List and other restricted or prohibited parties lists. Given the sudden and unpredictable nature of these determinations, it is difficult to predict developments in this area and we have no ability to influence such determinations. In addition, certain foreign jurisdictions, including the European Union and the United Kingdom, impose economic sanctions against countries and specific entities and individuals as part of their national security policies, which may prohibit or restrict our ability to conduct activities or dealings in or with certain targeted countries and territories or involving certain targeted persons or otherwise affect our business.

In addition, countries have announced plans for and/or have already implemented new or modified tariffs. In particular, the United States announced broad tariffs on imports from all countries, comprising a 10% baseline tariff and varying reciprocal tariffs on certain trade partners, including a 125% tariff for most goods from China. In response, China and other countries have announced retaliatory actions or plans for retaliatory actions. On April 9, 2025, the United States implemented a 90-day pause on the varying reciprocal tariffs except for those on Chinese goods, leaving the 10% baseline tariff in place. On May 12, 2025, China and the United States jointly announced a 90-day suspension of certain of their trade restrictions, so that the United States will impose tariffs of 30% on most Chinese imports during this period, while China will impose tariffs of 10% on U.S. imports. On July 29, 2025, China and the United States jointly announced a 90-day extension of the tariff suspension. The two sides agreed to continue negotiations during this period. During the Track Record Period, we have made sales into the United States. Given ongoing discussions between the United States and its trade partners, including China, there remains significant uncertainty about whether the United States may further change the scope, level and interpretation of tariffs it imposes. The tariffs imposed by the United States have led and may in the future lead to retaliatory measures taken by other

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countries. We continually monitor the global trade environment for new and changing tariffs, retaliatory actions, trade agreements, export restrictions, sanctions or other restrictions that may impact us or our supply chain or customers.

As our distributors and end users are located worldwide and may deploy our solutions in different countries and regions, any additional tariffs and trade barriers imposed by the United States or other countries that affect our products may reduce demand for our products, therefore materially and adversely affecting our business, financial condition and results of operations.

If new sanctions and export controls measures were to include a complete or more restrictive ban on products sales to certain entities, it could impact not only our ability to continue supplying our products to affected customers, but could also negatively affect our customers’ demand for our products, and could even lead to changes in supply chains of our products, to the extent they involve the use of items subject to the EAR or other applicable regulations. Even if our products are not directly targeted by these types of sanctions and export controls, we may nonetheless face higher costs and expenses in our supply chain due to new sanctions and export controls measures as our customers and business partners may be negatively affected by sanctions and export controls measures directed at China.

If any of the risks described above materialize, or if we are unable to manage these risks effectively, our ability to manage or grow our international business would be undermined, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

We may be unable to continuously expand globally with our customers, which may adversely affect our business, results of operations and financial condition.

We aim to expand our global presence with our customers. However, our success will depend on a number of factors, including but not limited to our ability to continue offering innovative products that are well received by end customers, our ability to maintain and expand our business relationships with our distributors, and the entry barriers, market competition, and regulatory restrictions in different geographical markets. Many markets have established competitors with strong local networks, brand recognition, and customer loyalty, which may make it difficult for us to gain a foothold or expand our market share. Regulatory restrictions, such as import/export controls, tariffs, and compliance with local laws and standards, may also impose additional costs and operational challenges, further hindering our global expansion efforts. If we are unable to continue growing our international business, enter into new geographical markets, or expand our market share in the global markets where we have already established presence, our business, results of operations, financial conditions, and future prospects may be adversely affected.

Our research and development is subject to risks and uncertainties and may not generate the results we expect, which may negatively affect our business, financial condition and competitiveness.

Technological advancements are critical to our long-term growth and market competitiveness. We have consistently allocated resources to our research and development efforts and expect to continue making a certain amount of capital investment in this area to advance our technologies and product portfolio. We incurred research and development expenses of RMB269.6 million, RMB232.1 million and RMB231.0 million in 2023, 2024 and 2025, respectively, accounting for 50.9%, 40.7% and 31.2% of our total revenue in the same years, respectively. However, research and development activities are capital-intensive, time-consuming and subject to unpredictable outcomes which may be unfavorable. We may encounter significant unexpected technical challenges, or delays in completing the development of new and enhanced technologies that can be incorporated effectively into our robotics solutions in a

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cost-effective manner, which would require us to invest significant resources in research and development to: proactively identify shifts in customer preferences and industry dynamics to guide early-stage research and development planning, development of modular and reusable technologies that can be efficiently deployed across multiple product lines, improving development efficiencies that differentiate us from our competitors; attract and retain talents in critical fields such as software and hardware development as well as algorithm designs, and to equip our R&D team with advanced research and development tools to optimize their productivity and output quality; and monitor and adapt effectively to technological advancements and new products and solutions announcements by our competitors.

However, we cannot guarantee that our research and development investments and efforts will yield commercially viable technologies and achieve market recognition as expected. Development activities are inherently uncertain, and resource limitations including funding, talent retention or access to collaborations could disrupt development timelines or compromise output quality. Even if we succeed in such research and development as expected, our operating cash flow and profitability may be adversely affected due to our substantial investment in it in the short to medium term, while revenue from newly launched products might fail to offset development expenses. Additionally, new technologies could also render our developed technologies, technological infrastructure, products or solutions that we are developing or scheduled to develop in the future obsolete or unattractive, thereby limiting our ability to recover related development costs, which could result in a decline in our revenues, profitability and market share.

We may not be successful in implementing our future business plans and strategies.

We strive to achieve sustainable growth and further strengthen our competitiveness in the markets in which we operate by implementing our business strategies. For details, see “Business — Our Strategies.” Nonetheless, our business plans and strategies are based on assumptions of future events which may entail certain risks and are inherently subject to uncertainties. These assumptions may not be correct, which could affect the commercial viability of our business plans and strategies. As such, there can be no assurance that our business plans and strategies will be implemented successfully as scheduled or at all. The success of our future expansion plans depends on a number of factors that are beyond our control, such as the availability of low-cost skilled agricultural workers, changes in local laws, regulations and government policies, the development of new technologies and changes in market demands. In addition, our development of new solutions and technologies and any attempt to expand into new businesses may be subject to unforeseeable delays, which may, among other effects, increase our operation costs, strain our production capacity, cause delays in delivery of customer orders and decrease our operational efficiency. Accordingly, we may not be able to achieve the expected expansion of our operations or manage our growth in a timely or cost-effective manner.

If we fail to implement our business plans and strategies effectively and efficiently, we may be unable to expand our operations, manage our growth, take advantage of market opportunities or remain competitive in the industry. Furthermore, even if we implement our business plans and strategies effectively and efficiently, there may be other unexpected events or factors that may prevent us from achieving desirable and profitable results. Our business, financial condition, results of operations and growth prospects may be materially and adversely affected if our future business plans and strategies fail to achieve positive results.

Our strategic acquisitions, joint ventures or other investments may not be successful, and we may not realize anticipated strategic benefits and financial returns from such transactions.

As part of our business strategy, we from time to time evaluate potential acquisitions, investments and alliances, including joint ventures, minority equity investments and strategic investments. These transactions involve numerous risks, including but not limited to: the failure to achieve the expected

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benefits of the acquisition, investment or alliance; difficulties in, and the cost of, integrating operations, technologies, services and personnel; write-offs of investments or acquired assets; non-performance by, or conflicts of interest with, the parties with whom we enter into investments or alliances; limited ability to monitor or control the actions of other parties with whom we enter into investments or alliances; misuse of proprietary information shared in connection with an acquisition, investment or alliance; and depending on the nature of the acquisition, investment or alliance, exposure to new regulatory risks.

The realization of any of these risks could materially and adversely affect our business. In addition, if we finance acquisitions by issuing equity or convertible debt securities, our existing shareholders may be diluted. Furthermore, we may fail to identify or secure suitable acquisition, investment and other strategic opportunities, or our competitors may capitalize on such opportunities before we do, which could impair our ability to compete with our competitors and adversely affect our growth prospects and results of operations.

Any quality issues associated with our products may lead to product liability and warranty claims, product returns or product recalls, harm our reputation and cause our sales and market share to decline.

The success of our business depends on our ability to consistently deliver products with high quality and reliability. However, we cannot guarantee that our products do not have any defects or are always of high quality and reliability. For example, our products may contain defects that are not detected until after they are shipped or inspected by our distributors or end users. As our distributors sell our robotics solutions to end users, we are also exposed to potential product liability claims, including class action lawsuits, from downstream end users of our products in the relevant jurisdiction in the event that the use of our products has resulted in any health or safety issue or damage. In addition, certain product defects may result from raw materials and components purchased from third-party suppliers. Such third-party suppliers may not indemnify us for defects as to such raw materials and components or would only provide us with limited indemnification that is insufficient to cover our damages resulting from the product liability claim. Moreover, as some of our manufacturing processes employ or create various hazardous substances, any defects or improper performance of our products may directly or indirectly result in environmental harm and may be detrimental to human health and safety. Furthermore, we are unable to control how end users choose to use our products. Misuse of our robotics solutions by end users may significantly and adversely affect their health and safety, which may in turn subject us to consumer complaints and product liability claims. If the quality or performance of any of our products deteriorates for any reason, we may be faced with, among others, returns or cancellations of orders, customer complaints or product recalls. We may incur substantial costs associated with returns, replacements or recalls of our products. Our credibility and market reputation could be harmed, and our sales and market share may be adversely affected. In addition, as a result of defective products, we may encounter additional compliance issues that could subject us to administrative proceedings and unfavorable results such as production rectification. Such proceedings and unfavorable results could have a material adverse effect on our business, financial condition and results of operations. Moreover, we may be subject to product liability claims from time to time. Product liability claims, with or without merit, may be costly and time-consuming to resolve, bring about negative publicity that could damage our reputation and result in higher scrutiny by the government or stricter regulation, all of which could materially and adversely affect our business, financial condition and results of operations.

As the majority of our robotics solutions are used in rural, outdoor and harsh areas, the success of our business depends heavily on our ability to provide high-quality products and provide reasonable warranty schedules constantly. To address potential quality concerns, we generally offer a one- to two-year product warranty. Under the warranty, we are obliged to carry out all necessary repairs and/or replacements at no cost to the customer during the applicable warranty period. As such, any flaws or

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defects in our design and production process could expose us to significant liabilities under our warranty commitments. We calculate the provisions based on the level of historic claims incurred and our management’s best estimates of repair and replacement costs under product warranties and their projections of the nature, frequency and costs of potential future claims under performance warranties. However, these estimates are inherently uncertain, and any changes to our estimates, especially with respect to new products and solutions, may require us to make material adjustments to our warranty reserve policies in the future. If our warranty reserves prove insufficient to cover actual warranty claims, or if our suppliers and subcontractors fail to honor the underlying warranties that we pass through to our own customers, our business, financial condition, results of operations and prospects could be materially and adversely affected.

If we or our distributors fail to provide high-quality after-sales services to meet the expectations of our customers, our business and reputation may be adversely affected.

Providing high-quality after-sales services, including hardware repair and maintenance and user training, is crucial in maintaining end user satisfaction, fostering brand loyalty and differentiating ourselves in a competitive market. As the initial after-sales services are provided mostly by our local distributors, we implement various measures to ensure that our distributors provide high-quality after-sales services, including providing our distributors with comprehensive training and technical support. See “Business — Sales, Distribution and After-Sales Service.” As such, we may incur additional costs, and we cannot guarantee that we or our distributors will consistently meet end user expectations across all regions and at all times. Challenges such as limited service capacity and difficulties in expanding after-sales teams may hinder our distributors’ ability to provide timely and effective support. If we or our distributors fail to provide high-quality after-sales services to our end users, we could face dissatisfaction, negative reviews and a decline in brand loyalty. Dissatisfied end users may choose to switch to our competitors, leading to a potential loss of market share and revenue. Moreover, unresolved service issues can escalate into product complaints, warranty claims or even legal disputes, further straining resources and damaging our reputation. Any failure to provide high-quality after-sales service and maintain and expand a responsive, well-trained and accessible service network could potentially affect our brand image, lead to reduced orders from our distributors, which in turn could impose material and adverse effect on our business, financial condition and results of operations.

Developments in alternative technologies and products may adversely affect the demand for our products.

Our robotic solutions are a form of robotic automation built to work safely alongside human workers in many application scenarios, such as agriculture and livestock farming, construction, and facility management. Development of alternative technologies and products which provide similar functions may materially and adversely affect the growth prospects of the industries in which we operate. It is possible that new technologies or non-robotic solutions may emerge as preferred alternatives. Such new technologies and products may be more efficient, user-friendly and affordable than our robotic solutions and may also render the use of our robotic solutions obsolete and unnecessary in certain use cases. Any failure by us or the industry in which we operate as a whole to develop new or enhanced technologies or products to react to such alternative products could result in the loss of competitiveness of the industry, decrease 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.

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We may be subject to liability in connection with accidents that occur during the production process at our production bases due to, among others, failures to comply with various safety laws.

We are required to comply with the applicable production safety laws and regulations in relation to our production, such as Production Safety Law of the PRC (《中華人民共和國安全生產法》). We have established internal safety protocols and require all employees to strictly adhere to the safety measures and procedures outlined in our internal policies. Nevertheless, there is no assurance that our safety measures or relevant legal requirements will be consistently followed by our employees. As a result, there remains a risk of industrial accidents at our production sites. In the event of a safety incident, we could be held liable for personal injury or death, as well as for any resulting monetary losses suffered by our employees.

In addition, we may also face administrative penalties including fines, orders to rectify non-compliance within a specified timeframe, or even a mandatory suspension or an instruction to cease operations in certain production sites. These legal consequences could be accompanied by reputational damage and increased scrutiny from regulatory authorities. Additionally, we may be subject to civil claims or legal proceedings initiated by our employees or their families, particularly in cases involving injury or casualty. Such claims could also result in compensation obligations, additional legal expenses and further reputational harm. As such, any failure to comply with applicable safety regulations or prevent workplace incidents could materially and adversely affect our business, financial condition and results of operations.

Any failure to successfully execute production capacity expansion plans or effectively utilize our production bases may materially and adversely affect our business, financial condition and results of operations.

We aim to expand our production capacity in line with the growth of our business to meet the growing market demand for our robotics solutions, supporting our long-term strategic development. The feasibility of our production expansion plan is limited by various factors, such as (i) timely and cost-effective compliance with local regulatory requirements; (ii) the availability of sufficient management and financial resources; (iii) the ability to hire, train and retain skilled personnel, and (iv) the capacity to upgrade existing equipment and enhance production techniques and acquire new production facilities. We may invest significant resources in facility planning, site selection, contract negotiations and construction. However, our expansion efforts are subject to a variety of operational or financial risks, including: risks of demand misalignment, for example, ineffective implementation of our production expansion plan could constrain our production capacity, causing us to fail to meet market demand, while overexpansion of our production capacity may negatively impact our capacity utilization rates and increase our production costs, in turn affecting our profitability; disruption by incidents including natural or manmade disasters, such as fires, floods, storms or IT system breaks, power and water suspensions, most of which are out of our control; and delays or cancellations of our expansion plans that could subject us to disputes with various counterparties such as general contractors and subcontractors, equipment suppliers, financiers and relevant government authorities, which could result in financial penalties or legal liabilities.

Any of the aforementioned factors could render our efforts to expand our production capacity unable to achieve the expected benefits, or result in demand misalignments, leading to insufficient resource allocation and long-term underperformance of our production facilities. We cannot give assurances that such investments will generate positive cash flows promptly, or at all. Such situations could have a material and adverse impact on our business, financial condition and results of operations.

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Operational disruption and machinery breakdown in our production facilities may interrupt our production schedule, which could adversely impact on the fulfillment of contracts.

Our production relies on the stable operation of our manufacturing facilities and bases, particularly machinery and equipment for key processes. During the Track Record Period, we operated three production bases. See “Business — Our Production — Production Capacity.” The stability of our production cycle is vulnerable to numerous risks, some of which are beyond our control. Strikes, work slowdowns and other forms of industrial action, as well as deteriorating employee relations or shortages of skilled labor, particularly during peak production periods, could disrupt workflow and output timelines. In addition, our access to sites and equipment could be subject to unforeseen interruptions including fires, earthquakes, floods and other natural disasters. If any of these events occur and we fail to promptly identify and remediate them, our production activities could be halted or delayed. If prolonged, such interruptions could cause us to fail to meet our contractual obligations to customers in relation to delivery of products and cause our production capacity to be under-utilized, something that may further subject us to liabilities or legal proceedings and affect our reputation and relationships with our customers.

We are subject to various risks relating to the Third-Party Payment Arrangements.

During the Track Record Period, some of our customers settled payments with us through bank accounts that were not held by the contractual parties specified in the corresponding sales agreements (the “**Third-Party Payment Arrangements**”). In 2023, 2024 and 2025, the number of distributors and end customers who settled payments through Third-Party Payment Arrangements was 171, 219 and 331, respectively, and the aggregated amount they settled under the Third-Party Payment Arrangements was RMB14.5 million, RMB28.7 million and RMB44.3 million, respectively, representing approximately 2.7%, 5.1% and 6.0% of the total payments we received from all customers, respectively, in the same years. We have been managing and rectifying the Third-Party Payment Arrangements. See “Business — Third-Party Payment Arrangements.”

We were exposed to several risks related to these Third-Party Payment Arrangements during the Track Record Period, including: (i) third-party payers who are not contractually obligated debtors may seek reimbursement of funds from us; (ii) potential claims from liquidators of third-party payers; and (iii) potential risks arising from our limited visibility into the source and intended use of funds by third-party payers. If any claims are made by third-party payers or their liquidators, or if any legal proceedings are initiated or brought against us regarding any third-party payments, we may need to allocate additional financial and management resources to address these claims.

Any shortage or price fluctuations in raw materials or disruptions to our supply chain may have a material and adverse effect on our business, financial condition and results of operations.

The raw materials and components used in our production primarily include electronic components, electrical components, and structural components. We procure most of raw materials and components from suppliers in China. We also procure certain components from overseas suppliers. See “Business — Our Supply Chain — Procurement.” We may face supply chain risks associated with factors out of control such as natural disasters and shortage of labor force. Any shortage, price fluctuations or disruption of supply of raw materials and components we procure may cause a disruption in production and result in our inability to provide adequate products to meet market demand for our products that leads to loss of sales. We may also be exposed to the possibility of increased costs, which we may not be able to pass on to customers.

In addition, we cannot guarantee that our examination over raw materials and components used in our production that we procure suffices to identify all apparent or hidden defectives. Any quality issue of raw materials and components used in our production may result in defects in our products and

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subject us to potential liabilities and claims. Such potential liabilities and claims may impair our brand reputation and materially and adversely affect our business, financial condition and results of operations.

Any improper warehousing or handling of our products, delivery delay or material changes in warehousing and logistics-related costs could materially and adversely affect our business and results of operations.

During the Track Record Period, we utilized a combination of self-owned warehouses and leased warehouses to store our products and inventory, adhering to internal storage standards and procedures designed to minimize the risk of damage. However, we cannot guarantee that our warehouses and rental warehouses will consistently maintain optimal conditions to store our products and inventory, or there is no improper handling by our employees during the process. Additionally, leased warehouse costs are subject to volatility due to market demand fluctuations or rental rate increases, and this may negatively affect our profit margins. We may have to turn to alternative storage service providers if a leased warehouse provider unexpectedly terminates services or we are unable to secure or renew warehousing arrangements under commercially viable terms, potentially incurring unplanned costs, the disruption of inventory management and delays in production schedules, which could adversely affect our business, financial condition and operational results. During the Track Record Period, we engaged independent third-party logistics service providers to transport our products from manufacturing bases to warehouses, and from warehouses to our distributors. While we maintain collaborative relationships with third-party logistics service providers, their operations remain outside our direct control, exposing us to risks such as product damage from mishandling, delivery delays due to labor shortages or extreme weather and potential breaches of contractual obligations. Additionally, costs of third-party logistics services may fluctuate due to various reasons, such as fuel price hikes or transportation market pressures, which may lead to an increase in our cost of sales. Furthermore, we may not be able to identify substitute logistics service providers capable of supplying logistics services on commercially reasonable terms, or at all, thereby potentially impacting order fulfillment timelines, which could pose a negative impact on our business, financial condition and results of operations.

Our business operations and expansion depend upon the retention of our senior management and key R&D personnel, as well as our ability to attract and retain qualified and experienced employees.

Our business development and competitive advantages rely heavily on our senior management and R&D capabilities. Our sustainable growth relies on our ability to maintain a highly skilled senior management and technical team. If we are unable to attract, train, and retain qualified talent, particularly research and development personnel, our ability to sustain growth and remain competitive may be adversely affected. To compete for talent, we may need to offer higher compensation, better training, more attractive career development, and other benefits to our employees, which may cause us to incur additional costs. However, we cannot guarantee we will be able to attract or retain the skilled employees needed to achieve our strategic objectives or meet the demand of our growing business in a timely manner, or at all. In addition, due to intense competition for talent, we may face risks of losing core management and technical personnel.

Our business is dependent to a large extent on the awareness of our brands. If we can not maintain or enhance our awareness, our businesses, financial condition and results of operation may be adversely and materially affected.

We have successfully established brand awareness. We believe that it is vital to maintain and enhance our brand for sustaining our competitive advantages. However, our ability of maintaining our brand awareness depends on various factors, some of which are beyond our control. Whether we can continue to maintain and enhance our brands and images successfully highly depends on our ability to

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maintain and further develop our unique portfolio and our ability to adapt to any changes of competitive circumstances in the industry. Failing that, our brand value and image will be undermined, our businesses and results of operation may be adversely and materially affected. While we are expanding our scale and enlarging the geographical coverage, it will become more difficult for us to maintain quality and consistency of products and services, and we cannot assure you that customers’ trust in our brand will not decline.

Any events that will harm our reputation, such as liability claims, litigation, customers’ complaints, or other negative publicity of our name; or any violation acts by our competitors as a result of using our brands illegally, may have a negative effect on the our brand.

During the Track Record Period and as of the Latest Practicable Date, we are not aware of any material customer complaints or other claims which may cause a material and adverse effect on business and results of operation. We cannot assure that we will not receive any complaints or claims, which may cause a material adverse effect on our future operation. Any damage to or violation of our reputation or brands may result in adverse impact on our operation and financial condition.

We collect and access certain personal information of end users of our robotics solutions through our systems. Any actual or perceived failure to comply with cybersecurity, data security and personal information protection laws, or concerns regarding our practices or policies in collecting, using, storing, transmitting, disclosing or otherwise processing such data could expose us to potential liabilities.

We collect and access personal information of end users registered on our online platforms and mobile apps. We process such personal information of our robotics solutions through our systems and online platforms. Any actual or perceived failure to comply with data privacy, cybersecurity or data protection laws, including, where applicable, the Hong Kong Personal Data (Privacy) Ordinance, the PRC Cybersecurity Law, the PRC Data Security Law, the PRC Personal Information Protection Law, the European Union General Data Protection Regulation (GDPR) and various U.S. federal and state data privacy and cybersecurity regulations, or concerns regarding our practices or policies in collecting, using, storing, retaining, transmitting, disclosing or otherwise processing such data, could expose us to potential liabilities. Our data processing activities are subject to applicable laws and regulations domestically and abroad concerning cybersecurity, data security and personal information protection. We have adopted various measures to ensure legal compliance. See “Business – Information Security and Privacy” for more information. However, the laws and regulations regarding cybersecurity, data security and personal information protection continue to develop and may vary from jurisdiction to jurisdiction. As such, we cannot assure you that our cybersecurity, data security and personal information protection measures are, and will be, always considered sufficient under applicable laws and regulations. Complying with emerging and changing overseas requirements, such as GDPR and U.S. state privacy regimes, as well as any new cybersecurity legislation expected in Hong Kong, may cause us to incur substantial costs or require us to change our business practices. We cannot guarantee full compliance with such laws and regulations at all times due to potential employee misconduct, misinterpretation of legal requirements, changes or further interpretations of applicable laws and regulations or actions by third parties. Any failure to comply with such laws and regulations in the collection, use or disclosure of personal information, whether collected by us or accessed through our systems or cybersecurity infrastructure may result in legal action or enforcement measures by government authorities or other parties. Such actions may lead to substantial penalties, negative publicity, required changes to our business practices, increased costs and significant disruption to our operations, as well as damage to customer trust, loss of business contracts and potential restrictions on our ability to provide services to customers in Europe or the United States. We rely on certain third-party service providers, including cloud hosting, cross-border data-transfer partners and data-storage vendors, to process, transmit and store data, and their failure to maintain adequate security may also expose us to risk. We cannot assure you that unauthorized third parties will not successfully

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gain access to personal information related to any end users of our solutions. Such information may also be exposed due to hacking, human error, malfeasance, system error, faulty security management or other non-compliance incidents. Any unauthorized access to personal information or compromise of our system security could adversely affect our business, financial condition and results of operations. Although we maintain insurance coverage for certain cybersecurity risks, such coverage may not be adequate, may be subject to limitations and exclusions, or may not fully cover liabilities arising under GDPR, U.S. laws or other foreign regulatory regimes.

On December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the Measures for Cybersecurity Review (網絡安全審查辦法, the “**Cybersecurity Review Measures**”), effective on February 15, 2022, which provides that entities meeting certain standards shall be subject to a cybersecurity review. See “Regulatory Overview — Laws and Regulations Related to the Protection of Cybersecurity and Data Protection” for more information. On July 30, 2025, we and our PRC Data Compliance Legal Adviser conducted a consultation through telephone on a namely basis with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心) (the “**CCRC**”), which is delegated by the CAC to accept applications for cybersecurity review and therefore the competent organization for such consultation. During the consultation, the staff of CCRC confirmed that a [REDACTED] in Hong Kong does not fall within the scope of the term of “[REDACTED]” under the Measures for Cybersecurity Review. Given that (i) CCRC has confirmed that [REDACTED] in Hong Kong does not constitute a [REDACTED]; (ii) as of the Latest Practicable Date, we have not received any official notification from relevant regulatory authorities designating our network facilities and information systems as Critical Information Infrastructure (“**CII**”), and therefore we are not deemed as a CII operator; and (iii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security, therefore, our PRC Data Compliance Legal Adviser is of the view that as of the Latest Practicable Date, we were not required to file cybersecurity review under the Measures for Cybersecurity Review for our proposed [REDACTED].

Although we are not obliged to apply for a cybersecurity review pursuant to the CAC Measures with respect to our proposed [REDACTED], since the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, therefore, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations.

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

We expect that there will continue to be new proposed laws and regulations concerning cybersecurity, data security and personal information protection, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. If we cannot meet relevant requirements under the evolving applicable laws or regulations relating to cybersecurity, data security and personal information protection, or any compromise of security that results in unauthorized

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access, use or leakage of our customers’ personal information, we could face damage in our reputation or other negative consequences, such as investigations, fines, or suspension of our business, any of which could materially and adversely affect our business, financial condition and results of operations. In addition, complying with various laws and regulations on cybersecurity, data security and personal information protection could cause us to incur additional costs or require us to change our business practices, including our data practices, which may significantly distract our management’s attention and adversely affect our business.

We are subject to the risk associated with the failure or malfunction of our IT systems.

Our business relies on the proper functioning of our IT systems, which we use to manage all aspects of our operations. We cannot provide any assurance that our IT systems will always operate without interruption. Any malfunction and mismanagement, including but not limited to cyber-attacks, unauthorized access or control, of a particular component of our IT systems may adversely affect our business and results of operations. In addition, we need to constantly upgrade and improve our IT systems to keep up with the continuous growth of our operations and business. We may not always be successful in installing, running or implementing new software or advanced IT systems as required by our business development. All of these may have a material and adverse impact on our business, financial condition and results of operations.

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

We face various risks in connection with our business and maintain insurance policies to safeguard against these risks and unexpected events related to our operations. Our robotics solutions may carry the risk of injuries. Should our solutions be involved in an accident leading to injuries or property damage (even due to the misuse by the end customers), we may face legal claims or reputational harm. The insurance coverage we have may not be adequate, or it might not cover all potential incidents. Our current insurance coverage, which primarily includes property-related insurance, cargo transportation insurance, employer liability insurance, and export trade credit insurance, complies with mandatory requirements under applicable laws and regulations and aligns with industry practice. For details, see “Business — Insurance.” However, there can be no assurance that our insurance coverage will be adequate to fully protect against all our risk exposures and prevent us from incurring losses. In addition, there is no guarantee that we will be able to successfully claim on our current insurance policies in a timely manner or at all, due to possible exclusions and limitations on coverage. If our insurance coverage is unavailable or insufficient to address any such exposures, we may face substantial costs and resources diversion, which, in turn, could materially and adversely affect our business, results of operations, and financial condition.

Any unexpected disruptions to our business operations, future force majeure events, natural disasters, acts of war or terrorism, the outbreak of any pandemics, or the occurrence of other incidents that are beyond our control may adversely affect our business, results of operations, and financial condition.

Our business may be adversely affected by the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events especially in the areas where we operate. In addition, any outbreak of a contagious disease could disrupt our operations with respect to our global supply chain, production, delivery and sales, as well as the operations of our distributors. Such events could decrease the demand for our products, impact the productivity of our workforce, make it difficult or impossible for us to manufacture and deliver products in a timely manner, or to receive materials and equipment from our suppliers. Should major public health emergencies, including pandemics, arise, we could be adversely affected by more stringent employee travel restrictions, additional requirements in freight, relevant policies affecting the movement of products between

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regions, delays in the ramp-up of the production capacity and disruptions in the operations of our suppliers. In the event of a natural disaster, we could incur significant losses, which could require substantial recovery time and result in significant expenditures in order to resume operations.

RISKS RELATING TO OUR FINANCIAL PERFORMANCE

We have incurred in the past, and may incur in the future, losses.

We have incurred losses in the past. We recorded net loss of RMB471.1 million, RMB333.5 million and RMB281.1 million in 2023, 2024 and 2025. We recorded adjusted net loss (Non-IFRS measure) of RMB268.6 million and RMB57.2 million in 2023 and 2024, respectively, and recorded adjusted net profit (Non-IFRS measure) of RMB10.1 million in 2025. We will need to maintain increased revenue levels and reduce proportionate costs and expenses in future periods to achieve profitability, and even if we do, we may not be able to maintain or increase profitability.

We may not be able to realize revenue increase continuously, and our historic results of operations may not be indicative of our future performance.

Our revenue was RMB529.6 million, RMB569.8 million and RMB739.9 million in 2023, 2024 and 2025, respectively. We recorded net loss of RMB471.1 million, RMB333.5 million and RMB281.1 million in 2023, 2024 and 2025, respectively.

There can be no assurance that we will be able to maintain our product sales and our historic growth rate, or achieve a higher growth rate in the future. Our ability to maintain and improve business operations depends on successfully executing certain strategies in order to achieve our future plans, including: achieving technological breakthroughs in R&D and effectively commercializing such innovations to market-ready products and solutions; expanding and optimizing our distribution network through broader distribution channel integration; scaling our production facilities to meet growing demand; managing costs and operating expenses in anticipation of business expansion; attracting and retaining qualified professionals and employees; and addressing and responding to new market opportunities and challenges.

Our ability to carry out the foregoing strategies may significantly affect our future performance. Any failure to address them could hinder our future success and adversely impact revenue and profitability. Furthermore, while our historical operational results provide valuable insights into our past performance, they may not necessarily be indicative of our future growth and returns. Various factors, including changes in market conditions, shifts in customer preferences, technological advancements and competitive dynamics, can significantly impact business outcomes. Additionally, unforeseen events such as economic downturns, regulatory changes and disruptions in supply chains may alter our operational landscape. As a result, relying solely on historic data may not provide a comprehensive understanding of our future prospects.

We recorded net operating cash outflows historically and there can be no assurance that we will not have net operating cash outflow in the future.

We recorded net operating cash outflows of RMB170.1 million and RMB27.6 million, respectively, in 2023 and 2024 primarily attributable to our loss before taxation. We recorded net operating cash inflows of RMB92.6 million in 2025, primarily attributable to increase in trade and bills payables. For a more comprehensive discussion of our liquidity and capital resources, see “Financial Information — Liquidity and Capital Resources — Net Cash Flow from Operating Activities” for further details. We cannot guarantee that prospective business activities of our Group and/or other matter beyond our control (such as market competition and changes to the macroeconomic environment) will not adversely affect our operating cash flows and lead to net operating cash outflows

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in the future. If we encounter long-term and continuous net operating cash outflow in the future, we may not have sufficient working capital to cover our operating costs, and our business, financial position and results of operations may be materially and adversely affected.

We had net current liabilities and net liabilities position in the past and may not be able to achieve or maintain net assets and net current assets position in the future.

We had net current liabilities of RMB1,459.8 million and RMB1,803.0 million as of December 31, 2024 and 2025, respectively. The major components of our current liabilities during the Track Record Period were preferred shares. As of December 31, 2023, 2024 and 2025, we recorded net liabilities of RMB1,144.8 million, RMB1,465.5 million and RMB1,733.6 million, respectively. The fluctuations in our net liabilities throughout the Track Record Period were primarily due to the fluctuations in the fair value of preferred shares. Although the preferred shares will cease to be classified as liability, and will be reclassified as equity upon the completion of the [REDACTED], which will result in the change from a net liability position to a net asset position, there is no assurance that we will not record net liabilities in the future. Having significant net liabilities could constrain our operational flexibility and adversely affect our ability to expand our business. If we do not generate sufficient cash flow from our operations to meet our present and future liquidity needs, we may need to rely on additional external borrowings for funding. If adequate funds are not available, whether on satisfactory terms or at all, we may be forced to delay or abandon our growth plans, and our business, financial condition and results of operations may be materially and adversely affected.

We may need additional capital, and we may not be able to obtain it on favorable terms or at all.

We primarily relied on cash flow generated from operating activities and financing activities to fund our business operations during the Track Record Period. We may, however, require additional cash resources due to changed business conditions or other future developments, including any launch of new products and solutions, exploration of new businesses, expansion into new countries and regions, various R&D activities and marketing initiatives or investments we may decide to pursue. If we fail to obtain sufficient cash flow from operating activities, we may need to obtain additional equity or debt financing. If such financing is not available to us on satisfactory terms or in a timely manner, our ability to operate and expand our business or to respond to competition could be adversely affected. In addition, our indebtedness may subject us to relevant covenants that restrict our operations and our ability to effectuate certain corporate decisions for our business, and will require interest and principal payments that could create additional cash demands and financial risk for us. Failure to satisfy any of these covenants, or otherwise could not address or waive the breach of such covenants in a timely manner or if at all, could adversely impact our business, financial condition and operational results.

Failure to accurately forecast market demand for our solutions and maintain an optimal inventory level may materially and adversely affect our business, financial condition and results of operations.

Effective inventory management is critical in guaranteeing stable production and timely delivery to our customers. Our inventory primarily consists of raw materials, semi-finished goods and finished goods. As of December 31, 2023, 2024 and 2025, our inventories were RMB133.8 million, RMB114.6 million and RMB186.0 million, respectively. Our average inventories turnover days were 203 days, 224 days and 217 days in 2023, 2024 and 2025, respectively. See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Inventories.” Accurately forecasting market demand can be challenging. Overestimating demand may result in inventory exceeding our actual need, potentially leading to higher inventory holding costs, inventory write-downs or write-offs, and discounted sales, and could negatively impact our financial performance. Conversely, underestimating demand could result in shortages in raw materials or delayed deliveries, damaging our

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relationships with distributors and customer relationships and causing us to lose sales opportunities. Our business, financial condition and operational results may be materially and adversely impacted if we fail to accurately forecast market demand and maintain optimal inventory levels.

We may fail to recover our trade receivables in a timely manner, which may negatively affect our liquidity and financial condition.

As of December 31, 2023, 2024 and 2025, our trade and bills receivables, amounted to RMB109.9 million, RMB115.4 million and RMB130.8 million, respectively. We recorded credit loss allowance of trade receivables of RMB50.7 million, RMB36.7 million and RMB38.9 million, as of December 31, 2023, 2024 and 2025 respectively. See “Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position— Trade and Bills Receivables.” There can be no assurance that we will be able to maintain our trade receivables turnover days at a reasonable level. Should the credit worthiness, business operation or financial condition of our distributors and customers deteriorate, or should a significant number of our customers fail to settle their trade receivables in full for any reason, we may continue to incur impairment losses in the future and our results of operations and financial position could be materially and adversely affected. In addition, there may be a risk of delay in payment by our customers within their respective credit period, which in turn may also result in an impairment loss provision. There is no assurance that we will be able to fully recover our trade receivables from the customers or that they will settle our trade receivables in a timely manner. In the event that settlements from customers are not made on a timely manner, or at all, our financial condition and results of operations may be materially and adversely affected.

Fluctuations in exchange rates may result in foreign exchange losses and materially and adversely affect our financial performance.

We are exposed to foreign exchange risk through our international operations and the sales of our products in global markets along with purchases and borrowings, which give rise to cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings balances, with the majority denominated in U.S. dollars, Euros, British pounds, Japanese yen, Renminbi and Hong Kong dollar. In 2025, 53.7%, 30.2% and 11.8% of our total revenue was generated from Europe, Asia and Americas, respectively. With the global expansion of our business, we expect our exports to gradually increase, which will lead to an increased level of foreign exchange risk. Any increased costs or reduced revenues as a result of foreign currency exchange fluctuations could adversely affect our margins.

We may be exposed to liquidity risk due to a long cash conversion cycle.

We had recorded relatively long inventory turnover days and accounts receivable turnover days, which may lead to delays in converting our revenue into cash. Our cash conversion cycle — a metric to measure how efficiently we manage its working capital by tracking the number of days it takes to convert our investments in inventory and other resources into cash flows from sales — was 95 days, 107 days and 79 days for the years ended December 31, 2023, 2024 and 2025, respectively. The cash conversion cycle is calculated by adding inventory turnover days and trade and bills receivables turnover days, then subtracting accounts payable turnover days.

There can be no assurance that similar performance can be sustained in future periods, particularly in light of potential fluctuations in customer payment patterns, supply chain volatility, and broader macroeconomic conditions. A long cash conversion cycle may increase our reliance on working capital or external financing to support our operations and growth. If we are unable to manage our inventory and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position, financial condition, and results of operations could be materially and adversely affected.

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We have granted and expect to continue to grant share-based awards in the future pursuant to our Share Incentive Schemes, which may result in increased share-based compensation expenses.

We adopted our Pre-[REDACTED] Share Award Scheme in 2021 and [adopted] the Post-[REDACTED] Equity Incentive Plan upon the completion of the [REDACTED] to provide additional incentives to Directors, Officers and employees. We account for compensation costs for all share-based awards using a fair-value based method and recognize expenses in our consolidated statements of profit or loss and other comprehensive income in accordance with IFRS. For details, see “Appendix IV — Statutory and General Information — D. Share Incentive Schemes”. In 2023, 2024 and 2025, we incurred share-based expenses of RMB10.4 million, RMB13.8 million and RMB9.0 million, respectively. We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based awards under the Pre-[REDACTED] Share Award Scheme before the [REDACTED]. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Any changes in or discontinuation of preferential tax treatment and government subsidies currently available to us could adversely affect our business, results of operation, and financial condition.

During the Track Record Period, we received certain government grants and preferential tax treatment according to relevant policies. Our government grants mainly included subsidies in relation to our contributions to the local economy. In 2023, 2024 and 2025, our government grants amounted to RMB5.8 million, RMB21.2 million and RMB3.3 million, respectively. See “Financial Information — Principal Components of Our Consolidated Statements of Profit or Loss — Other Income.” These government grants were mainly non-recurring in nature, and the amounts of these grants were subject to the discretion of local governments. Certain of our PRC subsidiaries were eligible for certain preferential corporate income tax rates and tax concessions during the Track Record Period, including the 15% preferential tax treatment for high- and new-tech enterprises. We cannot guarantee that we will continue to receive such government grants and preferential tax treatment in the future, and our financial condition and results of operations may be adversely affected if we fail to maintain or obtain such government grants and preferential tax treatment in the future.

RISKS RELATING TO OUR LEGAL AND REGULATORY REQUIREMENTS

Changes in the political and economic policies of the geographic markets in which we operate may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.

We operate our business in a number of geographic markets across China, rest of Asia and Europe. Accordingly, our business, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in these markets. The economies in emerging markets generally differ from developed markets in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange, government policy on public order and allocation of resources. In some of these markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Some local governments also exercise significant control over the economic growth and public order in their respective jurisdictions through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policies, and providing preferential treatment to particular industries or companies. Governmental actions to control inflation and other policies and regulations have often involved, among other measures, price controls, currency devaluations, capital controls and limits on imports.

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Growth of the economy in each of our geographic markets has been uneven, both geographically and among various sectors of the economy. An economic downturn, whether actual or perceived, a further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could have a material adverse effect on our business, financial condition and results of operations. Some of these markets have experienced, and may in the future experience, political instability, including strikes, demonstrations, protests, marches, guerrilla activity or other types of civil disorder. These instabilities and any adverse changes in the political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations or affect our ability to expand our business.

There may be changes from time to time with respect to the legal systems of the markets where we operate, and any of our failure to comply with these laws and regulations could adversely affect us.

The legal systems in many of our markets vary significantly from jurisdiction to jurisdiction. Some jurisdictions, including China, 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.

Many of our markets have not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations, as well as the related government policies and guidance, are constantly evolving and subject to change, and the application of some of these laws and regulations to our businesses is not settled. We cannot assure you that local administrative and court authorities may interpret the statutory provisions and contractual terms the same way we do, and 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 localities in which we operate. Foreign judgements and arbitration awards may not be enforced by local courts. These circumstances may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory changes 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.

It is possible that a number of laws and regulations may be adopted or construed to apply to us in our geographic markets and elsewhere that could restrict our industries. Scrutiny and regulation of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing this regulation. Changes in current laws or regulations or the imposition of new laws and regulations regarding our industries in our geographic markets may slow the growth of our industries and adversely affect our financial condition and results of operations.

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

Our business is subject to various litigation and legal compliance risks. The results of legal and regulatory proceedings can be difficult to assess or quantify. Regardless of merit, legal and regulatory proceedings may be both time-consuming and disruptive to our operations and could divert the attention of our management and key personnel from our business operations. Such proceedings could also generate significant adverse publicity and have a negative impact on our reputation and brand image, regardless of the existence or amount of liability. Claimants in such proceedings may seek recovery of large or indeterminate amounts, and the magnitude of potential losses relating to such disputes may remain unknown for a substantial period of time. The cost of defending ourselves in future disputes or

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proceedings may be significant and could negatively affect our results of operations. As a result, any significant disputes or proceedings could adversely affect our business, results of operations, financial condition, and reputation.

Our business depends on our ability to protect our intellectual property rights. We may also face intellectual property infringement claims, which could be expensive to defend and may disrupt our business operations.

We own certain intellectual property, including our trademarks, copyrights, patents, and proprietary technologies, all of which we regard as critical to our success. See “Business — Intellectual Property.” We rely on a combination of intellectual property laws and contractual arrangements, including confidentiality and non-compete agreements with our employees, to protect our intellectual property rights. However, patent applications and other filings of intellectual property rights may be time-consuming and costly. There is no guarantee that we will be able to file our application at a reasonable cost, or our application will be approved in a timely manner. Although our contracts with our employees prohibit the unauthorized use of our intellectual property rights, we cannot assure you that they will always comply with these terms. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, third parties may independently discover trade secrets and proprietary information, such as our source codes and design blueprints, limiting our ability to assert any trade secret rights against such parties, or misappropriate our intellectual property despite our protective measures. Furthermore, our intellectual property rights may be challenged by a third party or be declared invalid or unenforceable. If we are not able to adequately protect our intellectual properties, our competitors may offer products with similar features or utilize similar technologies in their products, leading to a loss in our market competitiveness. This could adversely and materially affect our business, results of operations and financial conditions.

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

We may be affected by the U.S. Outbound Investment Rule in the future, which could adversely impact our ability to raise capital from U.S. persons.

On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Final Rule, to implement the executive order of August 9, 2023. The Final Rule became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for certain investments in entities associated with China (including Hong Kong and Macau) that are engaged in certain activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as “Covered Foreign Persons.” U.S. persons subject to the Final Rule are in some instances prohibited altogether from making, and in other instances required to report, certain investments in Covered Foreign Persons, which are defined as “Covered Transactions.” Our products have a form of rules-based automation, but they do not autonomously perceive their operating

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environment or use any type of model inference. Instead, our products rely upon predefined rules and parameters input by human operators and GPS data. Additionally, our systems also do not operate in whole or part with any system that autonomously perceives the operating environment or uses model inference. Therefore, our legal counsel for outbound investment compliance believes that, our systems do not meet the U.S. regulatory definition of an “AI System” that is set forth in the Final Rule, and because we are not engaged in any of the Covered Activities specified in the Final Rule and are not in a relationship described in the Final Rule with any other company engaged in a Covered Activity, we are not a Covered Foreign Person and investments in us by U.S. persons are not Covered Transactions under the Final Rule. Based on our understanding of the Final Rule and our current business operations, we do not believe we are within the scope of the Final Rule. However, we cannot guarantee that the U.S. Department of Treasury might not change its regulations or interpretations in the future. If we became within the scope of the Final Rule, and if U.S. persons engaged in a “Covered Transaction” that involves the acquisition of our equity interests, such U.S. persons may need to make a notification pursuant to the Final Rule. Notably, President Trump issued the America Investment Policy Memorandum on February 21, 2025, which proposes to further expand the set of technologies of concern. If we were in the future deemed to be within the scope of the Final Rule due to changes in our business operations or amendments to relevant laws and regulations or the interpretation thereof, our ability to raise capital from U.S. persons could be significantly and negatively affected, in which case the [REDACTED] of our Shares may be materially and adversely affected.

We may be subject to evolving PRC outbound investment regulatory requirements, including the newly promulgated Regulations on Outbound Investment, which may increase our compliance costs, delay or restrict our overseas expansion, investments or other cross-border transactions, and subject us to penalties if we fail to comply.

On June 1, 2026, the State Council promulgated the *Regulations on Outbound Investment* (the “**PRC Outbound Investment Regulations**”), which will come into effect on July 1, 2026. The PRC Outbound Investment Regulations apply to outbound investments by investing parties within the PRC, including PRC enterprises, organizations and individual residents, and may require the completion of relevant review, approval, filing, reporting or registration procedures in connection with such outbound investments. These procedures may relate to, among others, information reporting, cross-border fund registration, foreign exchange, export control, cybersecurity, data security and personal information protection. The PRC Outbound Investment Regulations broadly define outbound investments to include activities whereby an investing party directly or indirectly obtains ownership, control, operation and management rights or other relevant rights and interests in enterprises or assets in other countries or regions by contributing assets or equity interests, or by providing financing or guarantees.

If we decide to conduct overseas expansion, acquisitions, investments, establishment of overseas subsidiaries, overseas research and development, deployment of technology, services or data, or other cross-border arrangements through our PRC onshore entities, we may be required to complete or update the relevant review, approval, filing, reporting or registration procedures. There can be no assurance that we will be able to complete such procedures in a timely manner, or at all, or that the PRC governmental authorities will not impose additional conditions, restrictions or requirements on such activities.

The PRC Outbound Investment Regulations also provide that investing parties shall not export or use goods, technologies, services or related data that are prohibited from export by the PRC, or export or use restricted goods, technologies, services or related data without the requisite approval or license. The PRC Outbound Investment Regulations further prohibit the transfer of such prohibited or restricted goods, technologies, services or related data to other countries or regions through means including cross-border dispatch of technical personnel, overseas deployment of personnel, cross-border provision of technical guidance or cross-border training arrangements, unless the required approval or license has been obtained. If any of our technologies, services, data, products or know-how, or any personnel

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deployment, training, technical support or overseas collaboration arrangements are deemed to fall within the scope of PRC export control, technology export, data export or other similar regulatory regimes, our ability to conduct overseas operations, provide support to overseas subsidiaries or business partners, pursue overseas research and development, or implement our international expansion strategy may be restricted, delayed or otherwise adversely affected.

In addition, the PRC Outbound Investment Regulations expressly provide that the specific administrative measures for outbound investments by PRC resident individuals and similar persons shall be formulated separately by the investment authority and commerce regulator of the State Council. Such specific implementing measures have not yet been promulgated, and there remains uncertainty as to the timing of their promulgation, their scope of application, and the approval, filing, reporting, foreign exchange registration, information disclosure or other procedural requirements that may be imposed on PRC resident individuals. To the extent that any of our PRC resident beneficial owners, shareholders or other relevant individuals are required to comply with such future measures in connection with their holding, acquisition, disposal or financing of overseas interests, establishment or use of offshore vehicles, reinvestment activities, or other outbound investment-related arrangements, they may be required to complete additional regulatory procedures or make additional filings, registrations or reports.

The PRC Outbound Investment Regulations also provide for an outbound investment security review regime, under which the PRC governmental authorities may conduct security review of outbound investments, as well as transfers or disposals of relevant overseas assets, equity interests or other rights and interests, that affect or may affect national security.

As the PRC Outbound Investment Regulations are newly promulgated, specific implementing measures (including with respect to outbound investments by PRC resident individuals) have not yet been promulgated, and the detailed implementation measures, review procedures, review standards and enforcement practice remain subject to further clarification and development. Accordingly, there is uncertainty as to the timing, scope and specific requirements of any such implementing measures, and as to how the relevant PRC governmental authorities will interpret and implement such requirements in practice. If any of our existing or future overseas investments, reinvestments, disposals of overseas assets or equity interests, financing or guarantee arrangements, or other cross-border transactions are deemed to affect or potentially affect national security, we may be required to undergo security review, provide additional materials, modify transaction terms, suspend or terminate the relevant transaction, or comply with other conditions imposed by the competent authorities. Any such review or regulatory action may result in delays, additional costs, uncertainty in transaction execution, or restrictions on our overseas investment and business expansion plans.

Failure to comply with the PRC Outbound Investment Regulations or related PRC outbound investment requirements may result in regulatory consequences, including orders to rectify non-compliance, confiscation of illegal gains, fines, revocation of approval or filing documents, orders to cease the relevant investment activities, orders to dispose of shares or assets within a prescribed period, restrictions on submitting outbound investment approval or filing applications, or prohibition from engaging in outbound investment activities for a period of one to three years. Responsible officers and other directly responsible personnel may also be subject to fines or other personal liabilities. If we, our PRC subsidiaries or other relevant PRC onshore persons fail to comply with the PRC Outbound Investment Regulations or any future implementing rules, or if the PRC governmental authorities take enforcement actions against us, our business operations, overseas expansion plans, use of proceeds, financial condition, results of operations and prospects could be materially and adversely affected.

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We may experience delays or failures in obtaining and renewing necessary governmental approvals, licenses, or permits required for our business.

We are required to obtain various approvals, permits, licenses and certificates in order to operate our business. Complying with government regulations may require substantial expense, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expense and divert substantial management time to resolving any deficiencies. We may experience difficulties or failures in obtaining the necessary approvals, licenses and permits. In addition, there can be no assurance that we will be able to obtain, renew and/or convert all of the approvals, licenses and permits required for our existing business operations upon expiration in a timely manner or at all. If we cannot obtain and/or maintain all licenses required by us to operate our business, planned new business operations and/or expansion may be delayed and our ongoing business could be interrupted. We may also be subject to fines and penalties.

We are subject to certain regulatory requirements over foreign currency conversion and remittance.

We receive substantial payments from our operations in mainland China in RMB and may need to convert Renminbi into other currencies to fund our business activities outside mainland China. The convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of mainland China are subject to certain regulatory requirements under PRC laws over foreign currency conversion and remittance. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to satisfy our foreign currency denominated obligations.

If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Any existing and future requirements on currency exchange may limit our ability to purchase raw materials and components outside of mainland China or otherwise fund any future business activities that are conducted in foreign currencies.

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We face certain risks relating to our leased properties.

As of the Latest Practicable Date, for some of our leased properties and leased land parcels, we have not been provided by the lessors with valid title certificates or other documents proving ownership rights of the relevant leased properties. Under the applicable PRC laws and regulations, the parties to a lease are required to register and file such lease with the relevant government authorities. As of the Latest Practicable Date, some of our leased properties had not been registered with the local authorities. While the lack of registration will not affect the validity of the leases under PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant leases within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease.

In addition, as of the Latest Practicable Date, certain of our leased properties and land parcels are subject to other defects, including: (i) failure to obtain consent from not less than two-thirds of the members of villager assembly or the representatives of the villagers for certain leased properties and leased land parcels located on collectively-owned land; (ii) failure to obtain authorization from relevant authorities for certain of our leased properties located on allocated land; and (iii) failure of the relevant sublessors to obtain consent from the property owner or the holder of the right to use for certain leased properties and leased land parcel, which we subleased from the sublessors. Such defects may result in the termination of our relevant leases, and we may need to seek alternative premises and incur additional costs for relocation.

As advised by our PRC Legal Advisor, (i) the risk of material administrative penalty for any of the title defects in our leased properties and land parcels is remote; (ii) the lack of registration and filing of the leases will not affect the validity of the leases under PRC laws, but we may have a maximum penalty of RMB10,000 imposed on us for each non-registered lease if we fail to complete the lease registration and filing after we are requested to do so by the competent PRC government authorities; (iii) we may be ordered to carry out relevant remedial actions for the lack of Fire Safety Filing of the leased property and have a maximum penalty of RMB5,000 imposed on us for such lease. During the Track Record Period, we were not subject to any material administrative penalties in relation to these properties. Nevertheless, there can be no assurance that we will not be subject to challenges, lawsuits, fines and penalties imposed by government authorities or other actions taken against us with respect to the aforementioned properties leased by us. For further details, see “Business — Properties.”

In addition, a company that uses an office in a location outside its corporate residence address to conduct business operation shall, in principle, register such office as a branch company or a subsidiary with the competent local authority. As of the Latest Practicable Date, we did not register certain of the locations outside of the corporate residence addresses as branch companies or subsidiaries. Although we have not been subject to any query or investigation by any PRC governmental authorities regarding the absence of such registration, we may be subject to penalties if the PRC regulatory authorities determine that we are in violation of the relevant laws and regulations.

Failure to comply with the Labor Contract Law or other labor-related laws and regulations in the PRC, as well as in other jurisdictions, may have an adverse impact on our financial conditions and results of operations.

Pursuant to the Labor Contract law of the PRC (《中華人民共和國勞動合同法》) and its implementation rules, employers are subject to strict requirements in terms of signing labor contracts, minimum wages, paying remuneration, overtime working hours limitations, determining the term of employees’ probation and unilaterally terminating labor contracts. The Labor Contract Law of the PRC and its implementation rules may limit our ability to terminate employments or to make other labor adjustments at will.

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Companies operating in China are required to complete related registration with the competent authorities and contribute to the government-sponsored employee benefits plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government from time to time at locations where our employees are based. We provide social security insurance as required by relevant rules and regulation in China, including general care and work-related injury insurance, and housing provident fund for our employees. During the Track Record Period, we did not pay social insurance and housing provident fund in full based on the actual salary level for certain of our employees as prescribed by relevant laws and regulations, primarily due to (i) certain employees ceased employment with us before completing the statutory period required for enrollment in and/or contributions to social insurance and housing provident fund schemes; (ii) certain employees were reluctant to make personal contributions based on their full salaries, as this would result in lower actual wages received after deductions; and (iii) for some newly recruited employees, the transfer procedures for their existing social insurance and housing provident fund accounts were still in progress. As a result, we may be required by competent authorities to pay the outstanding amount and may be subject to additional late payment fees. In respect of the legal consequences and the potential penalties for the failure to make full contributions to social insurance and housing provident fund, under PRC laws and regulations, the relevant competent authorities may (i) order us to pay the outstanding social insurance contributions within a certain period of time and impose an overdue fee amounting to 0.05% of the outstanding amount per day, failing to comply with which the relevant competent authorities may further impose a fine amounting to no less than one time but less than three times the outstanding amount; and (ii) order us to pay the outstanding housing provident fund contributions within a certain period of time, and an application may be made to the courts for compulsory enforcement if the payment is not made within such time limit. We cannot guarantee you that the competent government authorities will not require us to settle the outstanding amount within a specified time limit or impose late payment penalties on us. During the Track Record Period, the shortfall of social security and housing provident funds amounted to RMB1.2 million. If the relevant authorities order us to fully contribute the social insurance and/or housing provident funds, we would make full contributions and rectification measures as soon as possible within the specified period. See also “Business — Employees”.

In addition, we engaged third-party human resource agencies to pay social insurance and housing provident funds for a small number of our employees during the Track Record Period. We might be subject to additional contribution, late payment fee and/or penalties imposed by the relevant authorities if the third-party human resource agencies failed to pay the social insurance or housing provident funds for the relevant employees in full amount and/or in a timely manner, or if the validity of such arrangements are challenged by relevant authorities.

Our PRC Legal Adviser has considered the following in assessing our risks relating to social insurance and housing provident fund contributions: (i) Pursuant to the Notice on Implementation of the Comprehensive Plan for Reducing Social Insurance Contribution Rates (《關於貫徹落實〈降低社會保險費率綜合方案〉的通知》) promulgated on April 28, 2019 by the Ministry of Human Resources and Social Security, Ministry of Finance and State Administration of Taxation and other relevant rules, administrative authorities are prohibited from collectively recovering enterprises’ historical social insurance arrears; (ii) we have obtained relevant credit report from the credit institutions authorized by local governmental authorities with confirmation of no violation records or administrative penalties in relation to our social insurance or housing provident fund matters during the Track Record Period; (iii) we have consulted relevant local authorities to obtain confirmations; and (iv) if we receive a notice from relevant authorities requiring us to rectify within a specified period, we will promptly comply with the requirements of such notice.

As of the Latest Practicable Date, subject to no material changes to the foregoing existing regulatory policies, enforcement and supervisory requirements of the local governments or competent authorities, and in the absence of employees’ further complaints, reports, or litigation or arbitration, the

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risk that the forgoing competent authorities for social insurance or housing provident funds will proactively require our PRC subsidiaries to centrally make retroactive payments for historical arrears for social insurance and housing provident funds and as a result, impose material administrative penalties on us, is relatively remote.

Furthermore, pursuant 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**”), promulgated on July 31, 2025 and effective since September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people’s court. See “Regulatory Overview – Laws and Regulations Related to Labor Protection, Social Insurance and Housing Provident Funds – Social Insurance and Housing Provident Fund” for details.

As advised by the PRC Legal Adviser, the New Judicial Interpretation does not expand our Company’s penalty exposure or repeal the PRC social insurance laws and regulations currently in force. 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 fees, and our business, financial condition and results of operations could be materially and adversely affected. Furthermore, we cannot assure you that any claims or disputes initiated by employees regarding social insurance or housing provident fund will not arise in the future, and such claims or disputes may have an adverse impact on our business performance and financial condition.

During the Track Record Period, we engaged third-party employment agencies to dispatch contract workers. According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Security on January 24, 2014, which became effective on March 1, 2014 (the “**Interim Provisions**”), the number of dispatched contract workers hired by an employer shall not exceed 10% of the total number of its employees (including both directly hired employees and dispatched contract workers). Pursuant to relevant PRC laws and regulations, if an employer violates regulations related to labor dispatch, the labor administration department will order it to make corrections within a specified period. Failure to make corrections within the given period may lead to a fine ranging from RMB5,000 to RMB10,000 per person. During the Track Record Period, the total number of dispatch contract workers hired by one of our subsidiaries exceeded 10% of the total number of its employees. As of the Latest Practicable Date, all of our subsidiaries within our Group had less than 10% of dispatched contract workers. Even though we had not received any notice of warning or been subject to any administrative penalties or other disciplinary actions from relevant PRC authorities during the Track Record Period and up to the Latest Practicable Date, we cannot assure you that the relevant PRC authorities will not take actions retrospectively against us for our past practice, which may adversely affect our business, results of operations and reputation.

In addition, we may be subject to labor-related laws and regulations in jurisdictions outside the PRC, including those governing minimum wages, working hours, employee benefits, and occupational safety. If we are deemed to have violated relevant labor-related laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

Our offshore subsidiaries may be treated as a resident enterprise for PRC tax purposes.

Under the EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of mainland China with “de facto management bodies” located in mainland China may be considered PRC resident enterprises for tax purposes and may be subject to the PRC EIT at the

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rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅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》) (Guo Shui Fa [2009] No. 82) (the “**Circular 82**”), specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated by enterprises or enterprise groups within mainland China as major controlling shareholders under the laws of foreign countries or regions 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 mainland China; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in mainland China; (iii) primary properties, accounting books, company seal, and minutes of board meetings and shareholders’ meetings are located or kept within mainland China; and (iv) at least half of the directors with voting rights or senior management reside within mainland China. The SAT has subsequently provided further guidance on the implementation of Circular 82.

As our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, the competent regulatory authorities may request EIT at 25% on such our offshore subsidiaries’ global income, except that the dividends they receive from our mainland China 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.” Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a “PRC resident enterprise” for such purposes. The EIT on our subsidiaries’ global income could significantly increase our tax burden and affect our cash flows and profitability.

We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws and regulations, and non-compliance with such laws and regulations may subject us to administrative, civil, and criminal penalties, collateral consequences, remedial measures, and legal expenses.

We are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws and regulations in various jurisdictions in which we conduct activities. We may be exposed to fraud, bribery, corruption, or other misconduct committed by our employees, customers, suppliers or other third parties. We have adopted policies and procedures designed to ensure compliance all applicable laws and regulations. We have established relevant mechanisms to ensure the implementation of such policies and procedures, such as periodic review and reporting the issues identified including those related to our employees and other parties, collecting evidence and reporting to relevant authorities if there involves violation of applicable laws and regulations of our employees and other parties. However, our policies and procedures may not be sufficient, and our directors, officers, employees, suppliers, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering, or similar laws and regulations could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures, and legal expenses, any of which could materially and adversely affect our business, reputation, financial condition and results of operations.

You may experience difficulties in effecting service of process upon or enforcing foreign judgments against us or our Directors or senior management.

Most of our assets are situated in the PRC. In addition, most of our Directors and senior management are PRC citizens. As cross-border service of process is typically cumbersome and time-consuming, it may be difficult for investors outside of mainland China to effect service of process

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upon us or our management residing in mainland China. We cannot guarantee that all judgments made by foreign courts will be recognized and enforced in the mainland China, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our Shares, and an [REDACTED] for our Shares may not develop or be sustained.

Prior to the [REDACTED], there was no [REDACTED] for our Shares. We cannot assure you that a [REDACTED] for our Shares with adequate [REDACTED] and [REDACTED] will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our Shares is the result of negotiations between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and us, and may not be an indication of the [REDACTED] at which our Shares will be [REDACTED] following the completion of the [REDACTED]. If an active [REDACTED] for our Shares does not develop following the completion of the [REDACTED], the [REDACTED] and [REDACTED] of our Shares may be materially and adversely affected.

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

The [REDACTED] of our Shares may be subject to significant volatility in response to various factors beyond our control, including the general conditions of the securities markets in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. It is possible that our Shares may be subject to changes in price not directly related to our business performance. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the [REDACTED] of our Shares. In addition to market and industry factors, the [REDACTED] of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, results of operations, cash flows, investments, expenditures, relationships with our business partners, movements or activities of key personnel, actions taken by competitors or regulatory developments. In addition, the volatility in the [REDACTED] of our Shares may negatively impact our ability to raise capital in the future through the issuance of additional equity securities.

Our issuance of additional Shares or other equity securities could result in additional dilution to our Shareholders.

As the [REDACTED] of our Shares is higher than the consolidated net tangible assets per Share immediately prior to the [REDACTED], [REDACTED] of our Shares in the [REDACTED] may experience an immediate dilution. Our existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible asset value per Share of their Shares. To raise additional capital, we may consider issuing additional Shares or other equity securities in the future, which may further result in further dilution for our Shareholders. In addition, holders of our Shares may experience further dilution of their interest if the [REDACTED] exercise the [REDACTED] or if we issue additional Shares in the future to raise additional capital.

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You will incur immediate and substantial dilution if the [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share.

The [REDACTED] of our [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, [REDACTED] of our [REDACTED] in the [REDACTED] will experience an immediate dilution. Existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible assets value per share of their shares. See Unaudited [REDACTED] Financial Information in Appendix II to this document.

Future sales or market perception of sales of a substantial number of our Shares on the [REDACTED] could adversely affect the [REDACTED] of our Shares.

After the completion of the [REDACTED], future sales of a substantial number of our Shares or other securities relating to our Shares on the [REDACTED], or the market perception that such sales may occur, could adversely affect the [REDACTED] of our Shares and our ability to raise future capital at a favorable time and price. We cannot predict the effect of any future sales or market perception of sales of a substantial number of our Shares on the [REDACTED] on the [REDACTED] of our Shares.

We cannot assure you whether and when we will declare and pay dividends in the future.

We cannot assure you that dividends of any amount will be declared or distributed by us in any year in the future. Our Board has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts at they fall due in the ordinary course of business. In addition, our Shareholders may, by ordinary resolution, resolve to pay a dividend, but no dividend may exceed the amount recommended by our Board. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flows, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your [REDACTED] in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you [REDACTED] the Shares. You may not realize a return on your [REDACTED] in our Shares and may incur losses on your [REDACTED] in our Shares.

Non-PRC resident holders of our Shares may be subject to PRC income tax obligations.

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

Under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC resident individuals are generally subject to a withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties

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and laws in the PRC. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of Shares are generally subject to PRC individual income tax at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with mainland China are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals’ income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

If mainland China income tax is imposed on gains realized from the transfer of our Shares or on dividends paid to our non-mainland China resident investors, the value of your [REDACTED] in our Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with mainland China may not qualify for benefits under such tax treaties or arrangements.

We have no experience operating as a public company.

Since we are becoming a public company, our management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, listing standards and securities and investor relationships issues. As a public company, our management will have to evaluate our internal controls system with new thresholds of materiality, and to implement necessary changes to our internal controls system. We cannot guarantee that we will be able to do so in a timely and effective manner.

We are a Cayman Islands exempted company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your shareholder rights.

Our corporate affairs are governed by our Memorandum and Articles of Association and by the Cayman Companies Act and common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the

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Cayman Islands relating to the protection of the interests of minority shareholders may differ in some respects from those established under statutes and judicial precedent in existence in the jurisdictions where minority shareholders may be located.

As a result of all of the above, minority shareholders may have difficulties in protecting their interests under the laws of the Cayman Islands through actions against our management, Directors or our majority shareholder, which may provide different remedies to minority shareholders when compared to the laws of the jurisdiction in which such shareholders are located.

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

We have derived certain facts and other statistics in this document, particularly those relating to the general economy and the industry in which we operate, from information provided by various public sources, industry associations, independent research institutes and other third-party sources, including a report prepared by Frost & Sullivan that we commissioned. Certain facts, forecasts, and other statistics in this document are derived from various official government resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Joint Sponsors, the [REDACTED], [REDACTED], or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

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

This Document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain pro-forma information and other matters. The words “aim”, “anticipate”, “believe”, “could”, “predict”, “potential”, “continue”, “expect”, “intend”, “may”, “might”, “plan”, “seek”, “will”, “would”, “should” and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a result, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance, and [REDACTED] should not place undue reliance.

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

We strongly caution our [REDACTED] not to rely on any information contained in press articles or other media coverage relating to us, our Shares and the [REDACTED]. Prior to the publication of this Document, there may be press and media coverage regarding the [REDACTED] and us. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, we disclaim responsibility for it and our [REDACTED] should not rely on such information.

WAIVERS

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

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a member of The Hong Kong Chartered Governance Institute;
- (ii) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (iii) 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 provides that in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

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

Our Company has appointed Ms. Wang Yuanxia (王遠霞) (“**Ms. Wang**”), as one of our joint company secretaries. Ms. Wang has sufficient experience in regulatory compliance matters of our Company but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Cheng Yan Yan (鄭欣欣) (“**Ms. Cheng**”), who is associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary. Ms. Cheng will provide assistance to Ms. Wang for an initial period of three years from the [REDACTED] to enable Ms. Wang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Since Ms. Wang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Wang may be appointed as a joint company secretary of our Company.

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Pursuant to paragraphs 11 and 13 of Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. Therefore, the waiver is valid for an initial period of three years from the [REDACTED], and [is granted] on the condition that Ms. Cheng will work closely with Ms. Wang to jointly discharge the duties and responsibilities as a company secretary and assist Ms. Wang in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Cheng will also assist Ms. Wang in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Cheng is expected to work closely with Ms. Wang and will maintain regular contact with Ms. Wang, the Directors and the senior management of our Company. The waiver will be revoked immediately if Ms. Cheng ceases to provide assistance to Ms. Wang as a joint company secretary for the three-year period after the [REDACTED] or where there are material breaches of the Listing Rules by our Company.

In addition, Ms. Wang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the [REDACTED]. Further, Ms. Wang will be assisted by (a) our Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

Before the expiration of the initial three-year period, the qualifications of Ms. Wang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Ms. Wang, having benefited from the assistance of Ms. Cheng for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER IN RELATION TO THE PRE-[REDACTED] SHARE AWARD SCHEME

Rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, *inter alia*, disclose in the prospectus full details of all outstanding awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding awards.

Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants, the Hong Kong Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the applicant could demonstrate that such disclosures would be irrelevant or unduly burdensome, subject to certain conditions specified therein.

As of the Latest Practicable Date, our Company had granted outstanding share awards (“**Share Awards**”) under the Pre-[REDACTED] Share Award Scheme to 558 grantees (each a “**Grantee**”) for an aggregate of 118,706,534 Shares, representing approximately [REDACTED]% of the total issued Shares immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan).

Among the outstanding Share Awards, three Directors (each of whom is also a senior management member of our Company), three other connected persons of our Company, and 552 other Grantees, who are employees of our Group (other than Directors, senior management members or connected persons of

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our Company), were granted Share Awards for 67,908,076 Shares, 10,380,000 Shares and 40,418,458 Shares, respectively. No Share Awards under the Pre-[REDACTED] Share Award Scheme will be further granted after [REDACTED], and all Share Awards have been granted to specific individuals under the Pre-[REDACTED] Share Award Scheme.

We have applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules on the grounds that the waiver will not prejudice the interests of the [REDACTED] and full compliance with the above requirements would be unduly burdensome for our Company for the following reasons:

- (a) given that 558 Grantees are involved for the grant of the outstanding Share Awards under the Pre-[REDACTED] Share Award Scheme, our Directors consider that it would be unduly burdensome to disclose in this Document full details of all the Share Awards granted by us to each of the Grantees, which would significantly increase the cost and time for information compilation and document preparation required for strict compliance with such disclosure requirements, as our Company would need to collect and verify the personal information of a large number of the Grantees to meet the disclosure requirements;
- (b) the disclosure of the personal details of each Grantee, including their names and the number of Share Awards granted to them, may require obtaining consents from all the Grantees in order to comply with personal data privacy laws and principles, and it would be unduly burdensome for our Company to obtain such consents given the number of the Grantees;
- (c) the grant and vesting in full of the Share Awards under the Pre-[REDACTED] Share Award Scheme will not cause any material adverse impact on the financial position of our Company;
- (d) our Directors consider that a lack of full compliance with the above disclosure requirements would not prevent our Company from providing its potential [REDACTED] with information for them to make an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company;
- (e) full disclosure of details of the Grantees (which include their names and positions), as well as the Share Awards granted to each of them, would provide our competitors with compensation details of our employees and facilitate their soliciting activities, which may impact our ability to recruit and retain valuable personnel; and
- (f) material information relating to the Share Awards under the Pre-[REDACTED] Share Award Scheme has been disclosed in the paragraph headed “Statutory and General Information — D. Share Incentive Schemes — Pre-[REDACTED] Share Award Scheme” in Appendix IV to this Document, to provide prospective [REDACTED] with sufficient information to make an informed assessment of the potential dilutive effect and impact of the Share Awards earnings/loss per Share in making their [REDACTED] decision, and such information includes but is not limited to:
 - (i) a summary of the terms of the Pre-[REDACTED] Share Award Scheme;
 - (ii) the aggregate number of Shares subject to the outstanding Share Awards and the percentage in our total issued Shares of which such number represents upon completion of the [REDACTED]; and
 - (iii) the details of the outstanding Share Awards granted under the Pre-[REDACTED] Share Award Scheme, including the dates of grants, purchase price and percentage of our total issued Shares upon completion of the [REDACTED].

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In light of the above, our Directors believe that the grant of the waiver sought and the non-disclosure of the required information will not hinder potential [REDACTED] from making an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group and will not prejudice the interests of the [REDACTED].

The Stock Exchange [has granted] us a waiver from strict compliance with the relevant requirements under the Listing Rules on the conditions that:

- (a) on an individual basis, full details of the Share Awards granted under the Pre-[REDACTED] Share Award Scheme to each of our Directors, senior management members and connected persons of our Company, are disclosed in this Document, including all the particulars as required under Rule 17.02(1)(b) of the Listing Rules;
- (b) in respect of the Share Awards under the Pre-[REDACTED] Share Award Scheme granted by our Company to the remaining Grantees other than those referred to in paragraph (a) above, details of such Share Awards are disclosed in this Document on an aggregate basis, including (i) the number of Shares underlying Share Awards, (ii) the dates of grants and purchase price of the Share Awards granted, and (iii) the percentage of total issued Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan);
- (c) the aggregate number of Shares underlying the outstanding Share Awards and the percentage of our total issued Shares upon completion of the [REDACTED] will be disclosed in this Document;
- (d) a summary of the principal terms of the Pre-[REDACTED] Share Award Scheme will be disclosed in the paragraph headed “D. Share Incentive Schemes — Pre-[REDACTED] Share Award Scheme” in Appendix IV to this Document; and
- (e) a full list of all the Grantees with outstanding Share Awards under the Pre-[REDACTED] Share Award Scheme, containing all the particulars as required under Rule 17.02(1)(b) of the Listing Rules, will be made available for public inspection in accordance with Appendix V to this Document.

Further details of the Pre-[REDACTED] Share Award Scheme are set out in the paragraph headed “Statutory and General Information — D. Share Incentive Schemes — Pre-[REDACTED] Share Award Scheme” in Appendix IV to this Document.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
<i>Executive Directors</i>		
Dr. Wu Di (吳迪)	Room 2806, 28/F Weave Studios Kowloon West 84–86 Tai Kok Tsui Road Tai Kok Tsui Kowloon Hong Kong	Chinese
Ms. Zhang Qi (張琦)	Flat F, 45/F, Tower 6 The Waterfront Tsim Sha Tsui Kowloon Hong Kong	Chinese
Mr. Qin Shuo (秦碩)	1/F, 301A Sha Lan Shuen Wan Tai Po New Territories Hong Kong	Chinese
<i>Independent non-executive Directors</i>		
Mr. Ho Shun Wah Montgomery (何舜華)	Flat A, 29/F, BLK 2 Sky Horizon 35 Cloud View Road North Point Hong Kong	Chinese
Mr. Debierre Félix	147 rue de Rennes 75006 Paris France	French
Ms. Ma Yuanyuan (馬源源)	Room 1702, Block 2, Lane 66 Dongxiu Road Pudong New District Shanghai PRC	Chinese

For further information of our Directors, see “Directors and Senior Management” in this Document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors, [REDACTED]

Morgan Stanley Asia Limited
46th Floor, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

**China International Capital Corporation
Hong Kong Securities Limited**
29/F, One International Finance Centre
1 Harbor View Street
Central
Hong Kong

Legal advisers to our Company

As to Hong Kong and United States laws:

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC laws:

Haiwen & Partners
20/F, Fortune Financial Center
5 Dong San Huan Central Road
Chaoyang District
Beijing
PRC

As to Cayman Islands laws:

Harney Westwood & Riegels
3501 The Center
99 Queen’s Road Central
Hong Kong

As to PRC data compliance laws:

Haiwen & Partners
20/F, Fortune Financial Center
5 Dong San Huan Central Road
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Dr. Wu Di (吳迪)

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INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. However, the information from official government sources has not been independently verified by us, the Joint Sponsors, [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. For more details of the risks relating to our industry, see “Risk Factors” in this Document.

GLOBAL ROBOTICS SOLUTIONS MARKET OVERVIEW

Definition and Classification of Robotics Solutions

Robotics solutions refer to application-oriented robotics offerings that combine robots, control and navigation software, perception and safety module to deliver task outcomes for specific industries. It focuses on industrial and commercial applications, covering farms and livestock facilities, construction sites, and facility management across campuses and public venues. These systems are designed for professional environments where operations demand reliability, precision, and regulatory compliance, and where automation enhances consistency and labour efficiency. The global robotics solutions market is organised by application domains within which the following segments:

- Agriculture and livestock robotics solutions, covering field operations, orchard and greenhouse tasks, livestock monitoring and feeding, and farm-facility services.
- Construction robotics solutions, covering scanning, layout, inspection, material handling, site cleaning and finishing, and on-site 3D printing or prefabrication tasks.
- Facility management robotics solutions specially for commercial cleaning, landscaping, and related operations across public venues, including ground cleaning (floor scrubbing, vacuuming), and vertical façade cleaning.
- Other robotics solutions, covering industrial and service applications outside the three focus domains. This segment encompasses a broad range of mature and emerging robotics categories that support automation across multiple industries, including manufacturing and assembly in automotive and electronics, logistics and warehousing for e-commerce fulfilment, healthcare service robots, mining and energy inspection, and service robots used in retail, hospitality, and public environments for customer interaction, delivery, and security functions, etc.

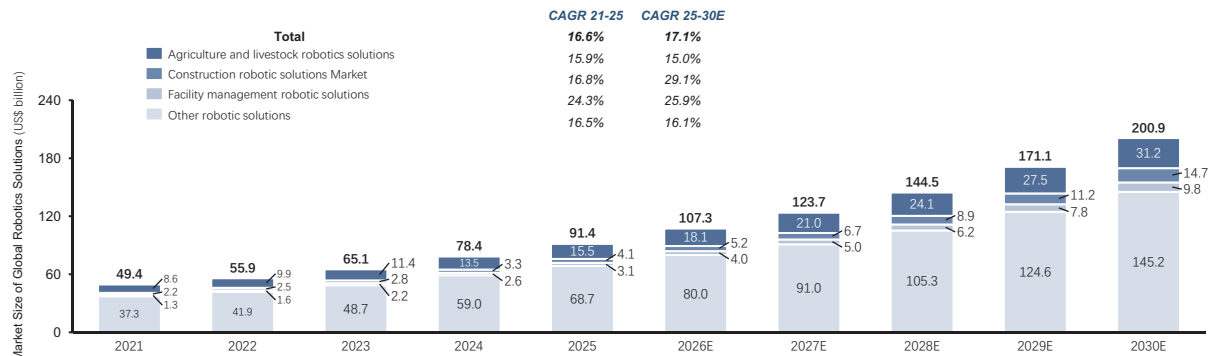
Market Size of Global Robotics Solutions Market

The market size of the global robotics solutions market increased from US\$49.4 billion in 2021 to US\$91.4 billion in 2025, reflecting a CAGR of 16.6%. It is projected to reach US\$200.9 billion by 2030, reflecting a CAGR of 17.1% from 2025. Market growth is driven by increasing adoption supported by continued advances in perception, navigation and control software, ageing demographics alongside labour scarcity and rising labour costs, the need for traceable and standardised operations. Furthermore, declining hardware and integration costs enable pilot implementations to scale into multi-site deployments.

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By industry application, the market can be categorized into agriculture and livestock, construction, facility management and other robotics solutions. In 2025, the combined market position of the agriculture and livestock, construction, and facility management segments accounted for about 24.9% of the global total and is expected to increase to around 27.7% by 2030. The remaining portion comprises other robotics solutions. Market growth among these segments is driven by practical objectives of enhancing human wellbeing and freeing up labour for higher-value work, including reducing exposure to repetitive and hazardous tasks, extending service availability and consistency, raising productivity and quality, and improving cleanliness and safety in workplaces and public spaces.

Market Size of Global Robotics Solutions, 2021-2030E



Source: Frost & Sullivan

Penetration Rate of Global Robotics Solutions Market

The penetration of global robotics solutions in the agriculture and livestock farming, construction, and facility management segments stood at less than 11.0%, less than 1.0%, and less than 15.0%, respectively, in 2025. This penetration is expected to grow to approximately 15.0%, approximately 1.0%, and less than 23.0%, respectively, in 2030.

GLOBAL REAL WORLD MODELING MARKET OVERVIEW

Definition of Real World Modeling

Real world modeling refers to the creation of high-fidelity digital representations of physical environments by integrating multimodal sensing technologies (e.g., GNSS positioning, LiDAR SLAM, computer vision, deterministic algorithm, electrification and automatic control). It serves as a foundation to enable robots and intelligent systems to achieve advanced spatial modeling, environmental perception, and decision-making capabilities. Real world modeling has been applied across a wide range of industries, including agriculture and livestock farming, construction, facility management, and others. Unlike conventional automation modules, real world modeling can both support standalone commercialisation in niche scenarios and act as an embedded enabler within integrated robotics solutions.

Market Size of Global Real World Modeling

From 2021 to 2025, the global real world modeling market expanded from US\$6.7 billion to US\$19.1 billion, representing a CAGR of 29.9%. Growth has been driven by early commercialization in scenarios such as campus scanning and tree posture recognition, together with wider adoption in smart cities, manufacturing, energy, utilities, and transportation. This has been further supported by progress in IoT connectivity, reality-capture technologies, BIM integration, and data-driven operations.

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Looking ahead, the global real world modeling market is projected to reach approximately US\$140.0 billion by 2030, at a CAGR of 48.9%. The market is projected to expand rapidly over the next five years, supported by the transition from pilot projects to scaled deployments across multiple industries. Adoption is further underpinned by advances in physics-based and AI-driven simulation, which improve planning and optimization, as well as by connected assets that enable remote operations and predictive maintenance. In addition, tightening ESG and energy-efficiency requirements are driving broader application of real world modeling in measurement, benchmarking, and reporting.

GLOBAL AGRICULTURAL AND LIVESTOCK FARMING ROBOTICS SOLUTIONS MARKET OVERVIEW

Definition and Classification of Agricultural and Livestock Farming Robotics Solutions

Agricultural and livestock farming robotics solutions refer to intelligent, automated systems designed to improve productivity, precision, and consistency in modern agricultural and livestock farming. Operating with minimal human intervention, these solutions are increasingly deployed to perform core functions such as autonomous navigation, precision spraying, water and input management, water management, seeding, feeding, manure cleaning, milking, and health monitoring. They integrate advanced technologies including GNSS positioning, LiDAR SLAM, computer vision, deterministic algorithm, electrification and automatic control, and proprietary algorithms to enable highly efficient, data-driven operations across crop cultivation and livestock management.

The global agricultural and livestock farming robotics solutions market includes both precision agriculture solutions and livestock farming robotics solutions. According to application and function, these solutions can be broadly classified into:

(i) **Precision agriculture** solutions, which include:

Guidance and steering systems, water management systems, precision seeding equipment control systems, precision spraying auto-steering systems, precision harvesting systems, and other systems that optimize field coverage and reduce input waste.

(ii) **Livestock farming** robotics solutions: encompass intelligent systems designed to automate and optimize livestock farming operations. Key solution types include:

Precision feeding and manure cleaning systems, milking robotics systems, livestock identification, monitoring and tracking systems, integrated analytics platforms.

This category excludes conventional mechanized equipment without autonomous features and systems reliant solely on manual or remote control without embedded intelligent automation.

Value Chain of Global Agricultural and Livestock Farming Robotics Solutions Market

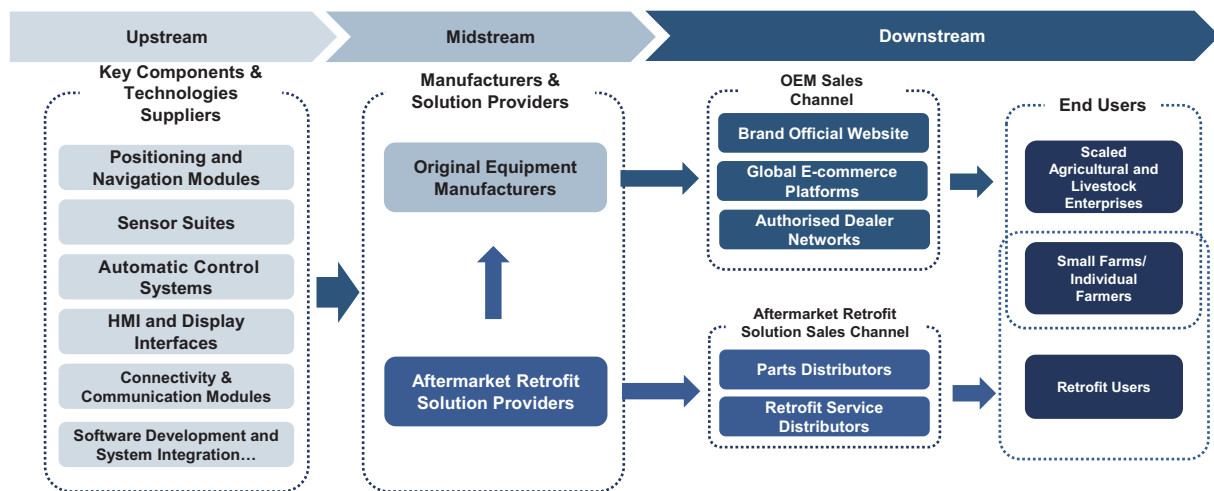
The global agricultural and livestock farming robotics solutions value chain comprises three key segments: upstream component and technology providers, midstream manufacturers and solution providers, and downstream distribution channels and end users.

Upstream participants supply the core technologies that enable autonomous operation and intelligent control. These include high-precision positioning and navigation modules, such as GNSS and RTK), sensor suites (LiDAR and vision), automation control systems, connectivity and communication modules, human-machine interface (“HMI”) components including display terminals, and software development and system integration, comprises network services.

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The midstream segment consists of two categories: (i) Original Equipment Manufacturers (“OEMs”) that integrate autonomous functionalities into next-generation agricultural and livestock machinery; and (ii) aftermarket retrofit solution providers, who offer modular kits to upgrade existing equipment. These retrofit solutions are delivered through two channels: OEM-integrated components embedded into new machinery platforms, and standalone upgrades sold directly to end users.

Downstream distribution is structured into two primary channels based on integration and delivery models: (i) OEM Sales Channel, including official brand websites, global e-commerce platforms, and authorized dealers. This channel primarily serves commercial-scale agricultural operations and medium-to-large farms, while also reaching some smallholders; and (ii) aftermarket retrofit sales channel, comprising parts distributors and retrofit service providers, caters to users upgrading conventional equipment with intelligent modules. This channel is especially active in markets with a large base of legacy machinery and primarily serves small farms and individual operators.



Source: Frost & Sullivan

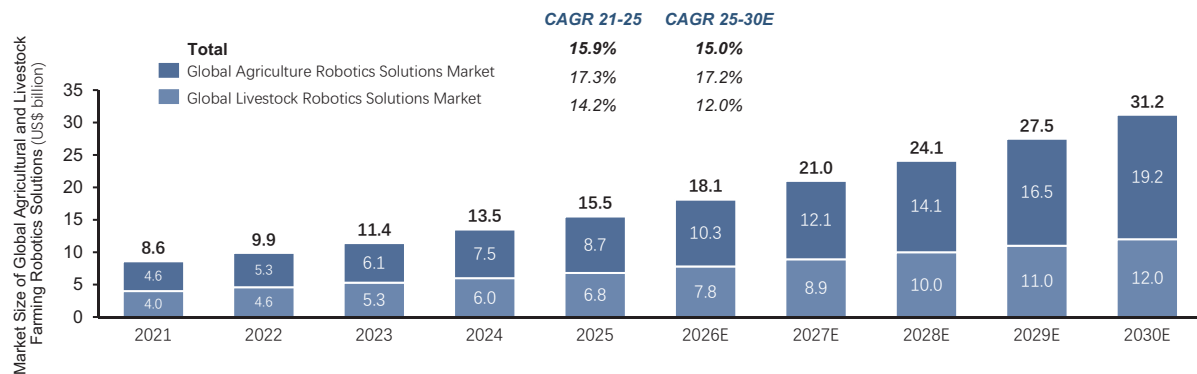
Market Size of Global Agricultural and Livestock Farming Robotics Solutions

Driven by the growing need for operational efficiency, labour substitution, and round-the-clock functionality, agricultural and livestock robotics solutions have become integral to the advancement of smart farming worldwide. The global market is broadly segmented into precision agriculture solutions and livestock robotics solutions. From 2021 to 2025, the total agriculture and livestock farming robotics solutions market in terms of revenue expanded from approximately US\$8.6 billion to US\$15.5 billion, representing a CAGR of 15.9%. Revenue from agriculture robotics solutions rose from US\$4.6 billion to US\$8.7 billion, supported by the increasing adoption of auto-steering systems, water management systems, precision seeding and planting, precision pesticide application, precision harvesting and GNSS-enabled platforms. Livestock robotics solutions grew from US\$4.0 billion to US\$6.8 billion, driven by rising demand for automated feeding, animal monitoring, and milking systems, particularly within intensive farming operations.

Historical growth was underpinned by rising global food demand, increasing productivity pressures, persistent rural labour shortages, accelerating technological maturity, and enhanced policy support for sustainable, resource-efficient agriculture in key markets. Looking ahead, the global market is projected to reach approximately US\$31.2 billion by 2030 from 2025. Agriculture robotics solutions are expected to grow at a CAGR of 17.2%, reaching US\$19.2 billion and increasing their share of total market from 56.1% in 2025 to 60.5% in 2030. Livestock robotics solutions are forecast to reach US\$12.0 billion, reflecting a CAGR of 12.0% over the same period.

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Market Size of Global Agricultural and Livestock Farming Robotics Solutions, 2021-2030E



Source: Frost & Sullivan

Market Size of Global Agricultural Auto-Steering System Kits Market

The global agricultural auto-steering system kits market increased from approximately US\$1.2 billion in 2021 to US\$2.1 billion in 2025, representing a CAGR of 16.5%. Within this market, the retrofit agricultural auto-steering system kits segment reached around US\$1.1 billion, accounting for 50.7% of the total in 2025. Its growth has been driven by strong replacement and upgrade demand from existing agricultural machinery fleets, as downstream consumers increasingly adopt automation retrofits to enhance precision and efficiency without purchasing new equipment.

By contrast, the OEM-integrated segment, which mainly serves new tractor or harvester sales and targets customers seeking factory-installed precision systems with higher upfront costs, reached approximately US\$1.0 billion in 2025, representing 49.3% of the total market.

Looking ahead, the total market is projected to expand to around US\$3.7 billion by 2030, reflecting a CAGR of 11.6%. Over the same period, the retrofit segment is expected to grow from US\$1.1 billion in 2025 to US\$2.0 billion in 2030, representing a CAGR of 13.7%, with its market share increasing to around 55.5%. The OEM-integrated segment is forecast to reach US\$1.6 billion by 2030, reflecting a CAGR of 9.4%. Overall market expansion will continue to be supported by the wider adoption of GNSS-based retrofit solutions, which enhance operational accuracy, productivity, and labour efficiency.

Market Drivers of Global Agricultural and Livestock Farming Robotics Solutions

Rising food demand and need for scalable productivity. The continuous growth of the global population and heightened concerns over food security are placing increasing pressure on agricultural systems to deliver higher yields. Intelligent agricultural and livestock robotics solutions offer a viable pathway to improve productivity, reduce input waste, and ensure consistent operations. Especially in densely populated areas, these technologies support scalable and sustainable farming practices. As a result, the penetration of intelligent robotics within the broader agricultural and livestock machinery markets is steadily increasing, transforming traditional operations with digital efficiency.

Labour shortages driving automation adoption. Structural labour shortages caused by demographic shifts and rural-to-urban migration are accelerating the need for robotic automation in both crop and livestock farming. According to the *FAO Statistical Yearbook 2024*, global employment in agriculture, forestry, and fishing declined by 13% between 2000 and 2022, including a dramatic 47% reduction in Europe. According to the United States Department of Agriculture’s (“USDA”) 2022 Census of Agriculture, the average age of agricultural workers in the United States ranges between 46

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and 58 years. In Japan, data from the Ministry of Agriculture, Forestry and Fisheries (“MAFF”) indicate that the average age of core farming personnel rose to 68.7 years in 2023, reflecting acute ageing pressures and a shortage of younger replacements in the sector. These trends are making intelligent robotic systems an essential solution for maintaining productivity and continuity in agricultural operations, further increasing their share in the overall agricultural machinery landscape.

Technology advancements enabling precision and autonomy. Rapid progress in enabling technologies, such as GNSS positioning, LiDAR SLAM, computer vision, deterministic algorithm, electrification and automatic control is creating a strong digital infrastructure for autonomous agricultural and livestock robotics. These technologies enable precise sensing, autonomous navigation, real-time analytics, and AI-driven decision-making. The integration of such features is driving adoption among OEMs and aftermarket providers, and contributing to the growing penetration of smart robotics in the total agricultural equipment ecosystem.

Environmental pressures and demand for sustainable practices. With increasing global focus on sustainability and climate resilience, intelligent robotics solutions offer tangible benefits in optimizing input usage and reducing environmental impact. Precision application of fertilizers and pesticides, enabled by smart systems, reduces overuse and runoff, while automated guidance lowers fuel consumption and soil compaction. These improvements help farmers align with regulatory climate targets and meet the sustainability criteria demanded by governments and agricultural supply chain partners, thus reinforcing the market share of robotic systems in modern farm machinery.

Policy support accelerating market penetration. Public-sector initiatives across major regions are playing a vital role in advancing the adoption of smart farming technologies. Government-backed programs ranging from equipment subsidies and tax incentives to research funding are actively supporting the development and deployment of autonomous agricultural robotics. In the EU, for example, the *Common Agricultural Policy (2023–2027)* allocates over €387 billion to sustainable farming, with specific emphasis on digital and precision technologies. In April 2024, the U.S. Department of Agriculture (USDA) and the National Science Foundation (NSF) jointly issued the “**Dear Colleague Letter**” encouraging research proposals in the field of agricultural robotics and automation, including areas such as autonomous harvesting, precision field operations, and humanrobot collaboration. Meanwhile, in May 2024, the Ministry of Agriculture, Forestry and Fisheries (MAFF) of Japan published the the Promotion of Smart Agriculture” policy, emphasising the transformation of production methods through smart agricultural technologies, including robotics, in response to a declining farmer population and labour shortages. These coordinated policy directions are significantly contributing to the rising penetration of robotics in agricultural and livestock robotic markets globally.

Future Trends of Global Agricultural and Livestock Farming Robotics Solutions

Transition from point-based automation to integrated system solutions. The development of agricultural and livestock robotics is moving beyond single-function automation, such as seeding, fertilization, or feed distribution towards fully integrated, system-level solutions. These advanced systems often combine multiple platforms and centralized control hubs, to enable coordinated, data-driven operations across the entire farming cycle. This evolution enhances precision, real-time visibility, and comprehensive farm-level optimization, contributing to the growing penetration of intelligent robotics in overall agricultural machinery systems.

Intelligent robotics as the core enabler of precision agriculture. Intelligent robotics solutions are expected to become a central force in the advancement of agricultural automation. These systems enable smarter sensing, real-time decision-making, and fully autonomous task execution. Applications include optimized resource allocation, early livestock health diagnostics, and improved yield

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forecasting. By leveraging advanced algorithms and perception systems to process multisource data from crops and animals, farms will benefit from more adaptive, resource-efficient, and low-waste operations.

Diverging adoption trajectories across global markets. Future adoption of agricultural and livestock robotics will show significant regional divergence. Mature markets like North America and Europe are transitioning toward complete ecosystems with scalable OEM infrastructure and integrated solutions. In contrast, emerging regions such as Asia, Africa, and Latin America are entering a high-growth stage, driven by labour shortages, digitalization policies, and rising food security needs. As a result, future deployment strategies will increasingly focus on regional customization, localized service models, and phased rollouts tailored to varying development stages.

Cross-sector scalability of emerging players. The rapid emergence of new players is playing an increasingly influential role in shaping the global landscape of agricultural robotics. Backed by investment in RTK positioning, intelligent control platforms, and system integration technologies, these companies are building scalable and competitive industrial ecosystems. Many are designing core systems with modular scalability, enabling their adaptation across multiple sectors from agriculture to construction robotics and smart facility management. This cross-scenario flexibility not only accelerates innovation but also broadens global market potential.

COMPETITIVE LANDSCAPE OF GLOBAL AGRICULTURAL ROBOTICS SOLUTIONS MARKET

Ranking and Market share of Global Agricultural Robotics Solutions Providers

The global agricultural robotic solutions market was relatively concentrated in 2025. In terms of agricultural robotic solutions revenue, the Group ranked between 21st and 30th globally in 2025, with a market share of 0.8%. In terms of revenue of agricultural auto-steering system kits in 2025, the top six companies accounted for approximately 74.5% of the global market share, with the Group ranking sixth and holding a 3.4% market share. In terms of shipment of agricultural auto-steering system kit in 2025, the top five companies accounted for approximately 73.4% of the global market share, and the group ranked third among key participants, capturing a market share of 9.7%.

Ranking and Market Share of Global Agricultural Robotics Solutions Market by Revenue of Agricultural Auto-steering System Kit, 2025

Ranking	Agricultural Auto-steering System Kit Providers	Revenue of Agricultural Auto-steering System Kit (US\$ Million)	Market Share (%)	Year Founded
1	Company A	634.7	30.8%	1837
2	Company B	404.3	19.6%	1990
3	Company C	196.7	9.5%	2013
4	Company D	116.4	5.7%	1932
5	Company E	113.6	5.5%	1975
6	The Group	69.2	3.4%	2017
Top six		1,534.9	74.5%	
Total		2,060.0	100.0%	

Notes:

- Company A, founded in 1837 and listed on the New York Stock Exchange, is primarily engaged in the manufacture and sale of agricultural, construction, forestry, and turf equipment, as well as precision agriculture technologies and related services.

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2. Company B, founded in 1990 and listed on the New York Stock Exchange, is primarily engaged in the manufacture and provision of agricultural machinery and precision technology, including auto-steering systems, precision agriculture solutions, and related services.
3. Company C, founded in 2013 and listed on the New York Stock Exchange, is primarily engaged in the manufacture and sale of agricultural and construction equipment, as well as powertrain solutions.
4. Company D, founded in 1932 and listed on the Tokyo Stock Exchange, is primarily engaged in the development and provision of precision measurement and positioning technologies, including surveying instruments, construction solutions, smart agriculture systems, and optical and ophthalmic equipment.
5. Company E, founded in 1975 and listed on the Nasdaq Stockholm, is primarily engaged in digital reality solutions, combining sensor, software, and autonomous technologies to enable precision measurement, positioning, and automation across industries including agriculture, construction, and manufacturing.

Source: Frost & Sullivan

Ranking and Market Share of Global Agricultural Robotics Solutions Market by Shipment of Agricultural Auto-steering System Kit, 2025

Ranking	Agricultural Auto-steering System Kit Providers	Shipment of Agricultural Auto-steering System Kit (Thousand Sets)	Market Share (%)	Year Founded
1	Company A	116.2	27.0%	1837
2	Company B	93.3	21.7%	1990
3	The Group	41.9	9.7%	2017
4	Company F	32.7	7.6%	2003
5	Company C	31.8	7.4%	2013
Top five		315.9	73.4%	
Total		430.0	100.0%	

Source: Frost & Sullivan

Agricultural auto-steering system kits can be categorized into front-fit (OEM) auto-steering system kits and retrofit auto-steering system kits. Front-fit agricultural auto-steering system kits are integrated into new agricultural machinery at the manufacturing stage, offering higher system compatibility, better user experience, and a perception of being a complete, factory-grade solution. In contrast, retrofit agricultural auto-steering system kits are designed for existing machines or mixed-brand fleets, enabling faster market penetration and higher per-unit margins for suppliers, albeit with potential variability in installation quality, user experience, and technical support.

The global agricultural robotics solutions market remained concentrated in 2025, with the top five providers accounting for approximately 61.2% of revenue of retrofit agricultural auto-steering system kits. The Group ranked fourth among key participants, capturing a market share of approximately 6.6% in terms of revenue of retrofit agricultural auto-steering system kits globally in 2025. In terms of shipment of retrofit agricultural auto-steering system kit in 2025, the top five companies accounted for approximately 73.6% of the global market share, and the group ranked second among key participants, capturing a market share of 17.5%.

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Ranking and Market Share of Global Agricultural Robotics Solutions Market by Revenue of Retrofit Agricultural Auto-steering System Kit, 2025

Ranking	Agricultural Auto-steering System Kit Providers	Revenue of Retrofit Agricultural Auto-steering System Kit (US\$ Million)	Market Share (%)	Year Founded
1	Company B	254.2	24.2%	1990
2	Company A	178.8	17.0%	1837
3	Company D	74.3	7.1%	1932
4	The Group	69.2	6.6%	2017
5	Company C	65.9	6.3%	2013
Top five		642.4	61.2%	
Total		1,050.0	100.0%	

Source: Frost & Sullivan

Ranking and Market Share of Global Agricultural Robotics Solutions Market by Shipment of Retrofit Agricultural Auto-steering System Kit, 2025

Ranking	Agricultural Auto-steering System Kit Providers	Shipment of Retrofit Agricultural Auto-steering System Kit (Thousand Sets)	Market Share (%)	Year Founded
1	Company B	55.1	23.0%	1990
2	The Group	41.9	17.5%	2017
3	Company F	32.7	13.6%	2003
4	Company A	29.1	12.1%	1837
5	Company D	17.7	7.4%	1932
Top five		176.5	73.6%	
Total		240.0	100.0%	

Source: Frost & Sullivan

GLOBAL CONSTRUCTION ROBOTICS SOLUTIONS MARKET OVERVIEW

Definition and Classification of Construction Robotics Solutions

Construction Robotics Solutions refer to intelligent systems and automated equipment designed to digitalize and optimize key processes throughout the construction lifecycle. These technologies enhance operational efficiency, precision, and real-time visibility, while mitigating labour dependency. Increasingly adopted in civil infrastructure, urban development, and public engineering projects, such solutions enable construction firms to address labour shortages, improve build quality, and implement data-driven site management.

Based on application, construction robotics solutions can be classified into two primary categories:

- (i) **Construction Machine Control Solutions**, which include *3D Machine Guidance Systems*, and *Control Systems for Construction Machinery*.

In addition, retrofit MC solutions are broadly applicable across multiple categories of construction machinery, enabling guidance, automated blade and boom control, and consistent grading and leveling performance across equipment types.

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- (ii) **Digital Twin in Construction Solutions**, cover laser scanning, mapping, modeling and simulation technologies that enable a virtual representation of physical construction environments. Key solution types include *LiDAR Scanners*, *3D Modeling Systems*, *Real-time Point Cloud Processing Software*, and *GNSS RTK Receivers*.

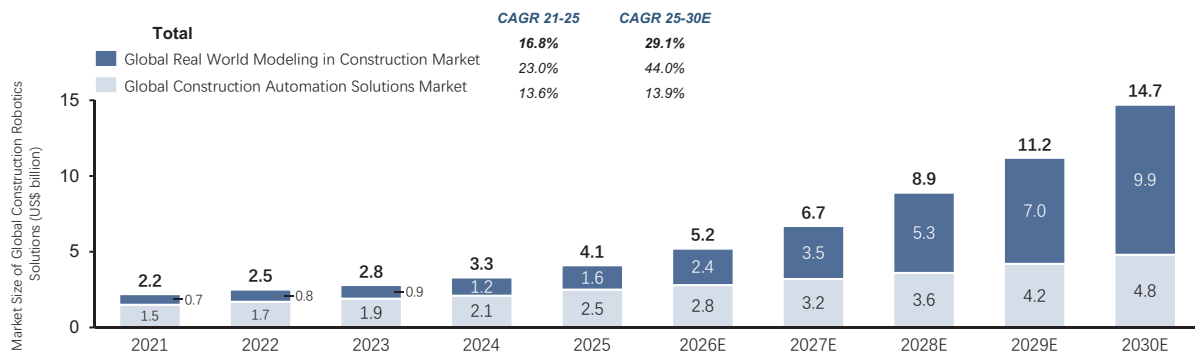
Market Size of Global Construction Robotics Solutions

Driven by the increasing demand for construction efficiency, digital site management, and reduced reliance on manual labour, construction robotics solutions are emerging as a critical enabler of smart infrastructure development worldwide. Applications span automated excavation, digital terrain modeling, and autonomous equipment control, with adoption accelerating across both public and commercial sectors.

From 2021 to 2025, the global construction robotics solutions market grew from approximately US\$2.2 billion to US\$4.1 billion, reflecting a CAGR of 16.8%. This growth was supported by large-scale infrastructure investment, increasing adoption of smart construction concepts, advancements in high-precision mapping and modelling technologies, and active policy support across key regions.

Looking ahead, the market is projected to reach approximately US\$14.7 billion by 2030, growing at a CAGR of 29.1% from 2025 to 2030. Growth will be further driven by increasing demand for lifecycle-integrated digital systems, rising retrofit and upgrade requirements, and the proliferation of adaptable robotic platforms suited to fragmented and dynamic construction environments.

Market Size of Global Construction Robotics Solutions, 2021-2030E



Source: Frost & Sullivan

Market Drivers of Global Construction Robotics Solutions Market

Expansion in global infrastructure investment. Rising infrastructure spending by governments and large-scale developers is driving demand for intelligent construction technologies. To boost economic growth and urban resilience, construction robotics solutions, such as GNSS-guided excavator systems, automated blade control modules, and aerial mapping tools are increasingly deployed in civil infrastructure, industrial, and public sector projects to enhance efficiency, precision, and site digitalization.

Acceleration of smart construction adoption. The construction industry is undergoing a digital transformation, with smart construction practices reshaping planning, execution, and post-construction workflows. Machine control systems and digital twin technologies enable real-time monitoring, reduce

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manual errors, and standardize build quality. With construction accounting for an estimated 20% to 25% of global workplace fatalities, safety-driven automation and remote operation are becoming essential drivers of adoption.

Advances in high-precision mapping and modelling. Rapid progress in LiDAR scanning, GNSS RTK positioning, and real-time 3D modeling is improving the accuracy and efficiency of site data acquisition. These technologies support broader implementation of digital twin systems, streamline BIM workflows, and improve accessibility of site-level 3D modeling. As integration and usability continue to improve, adoption across the project lifecycle is accelerating.

Policy support across key regions. Government policies are playing a catalytic role in promoting construction automation and digitalization. In China, MOHURD’s smart construction pilot zones mandate the use of digital twin platforms and intelligent equipment. *The U.S. Infrastructure Investment and Jobs Act (2021)* earmarked over US\$1.2 trillion for modernizing infrastructure, including support for robotic excavation and site digitization. In Europe, programs like *Horizon Europe (2021–2027)* and *Digital Europe Programme* are funding robotics innovation and standardization. These initiatives are prompting OEMs, retrofit providers, and contractors to align with national digital strategies and invest in next-generation construction technologies.

Future Trends of Global Construction Robotics Solutions Market

Lifecycle-integrated digital systems. Construction robotics solutions are evolving from task-specific automation toward integrated digital systems that span the entire project lifecycle. This shift is driven by growing demand for real-time visibility, enhanced build precision, and seamless team coordination. Technologies such as GNSS RTK modules, LiDAR scanning, and real-time 3D modeling software are increasingly embedded into infrastructure and public works projects. As firms seek to mitigate labor shortages and reduce delays, end-to-end digital robotics platforms are becoming essential for ensuring execution certainty and quality.

Regional adoption diverging with market maturity. Adoption trends vary significantly by region. In mature markets like North America and Europe, construction robotics solutions are moving toward standardization in mainstream applications, particularly in automation and digital twin integration. In emerging markets such as Southeast Asia and Latin America, early-stage adoption is being fueled by infrastructure development, rising quality standards, and increasing awareness of construction safety. Scalable retrofit platforms and localized system integration capabilities will be key to unlocking growth in these markets.

Expansion of Chinese construction robotics solutions suppliers. Chinese solution providers are rapidly expanding their global footprint, leveraging core strengths in GNSS/RTK positioning, equipment control modules, and integrated system design. By developing modular, software-definable platforms adaptable to various construction and landscaping scenarios, they are addressing global demand for cost-effective automation and intelligent retrofitting. Supported by competitive manufacturing, cross-sector deployment experience, and strong integration capabilities, Chinese suppliers are expected to play a pivotal role in shaping the next phase of global construction robotics market evolution.

GLOBAL FACILITY MANAGEMENT ROBOTICS SOLUTIONS MARKET OVERVIEW

Definition and Classification of Facility Management Robotics Solutions Market

Facility management robotics solutions refer to commercial-grade, automated systems designed to enhance the efficiency, consistency, and cost-effectiveness of facility maintenance in professional indoor and outdoor environments. These solutions typically operate with minimal human intervention

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and are increasingly adopted in commercial premises, public spaces, commercial premises, sports facilities, and other public areas. By integrating technologies such as autonomous navigation, RTK/GNSS positioning, obstacle detection, and proprietary algorithms, these systems perform repetitive or precision-dependent tasks with high reliability.

According to application and function, facility management robotics solutions can be classified into the following categories:

- (i) **Landscaping robots** are commercial-grade robotic systems for outdoor turf and grounds management, explicitly excluding consumer/home-use devices. These solutions cover robotic mowers, line-marking robots, turf-care units, and multi-function platforms (e.g., mowing, line marking, fertilization, and ground flattening). Typically powered by electric drives with embedded control units, sensor arrays, and advanced navigation, they automate core landscaping tasks while improving precision and labor efficiency. Deployments are concentrated in sports fields, golf courses, campuses, airports, public parks, municipal grounds, etc..
- (ii) **Cleaning robots** are commercial-grade autonomous systems for professional cleaning applications, covering floor-scrubbing robots, large-scale vacuum robots, and façade-cleaning robots. Equipped with embedded control units, sensors, and navigation systems, these solutions automate repetitive cleaning tasks with high efficiency. They are deployed in warehouses, shopping malls, airports, and other large public spaces, where they reduce manual labor requirements and enhance service consistency. Residential devices, swimming-pool cleaners, and industrial process-cleaning equipment are excluded.

Market Size of Global Facility Management Robotics Solutions Market

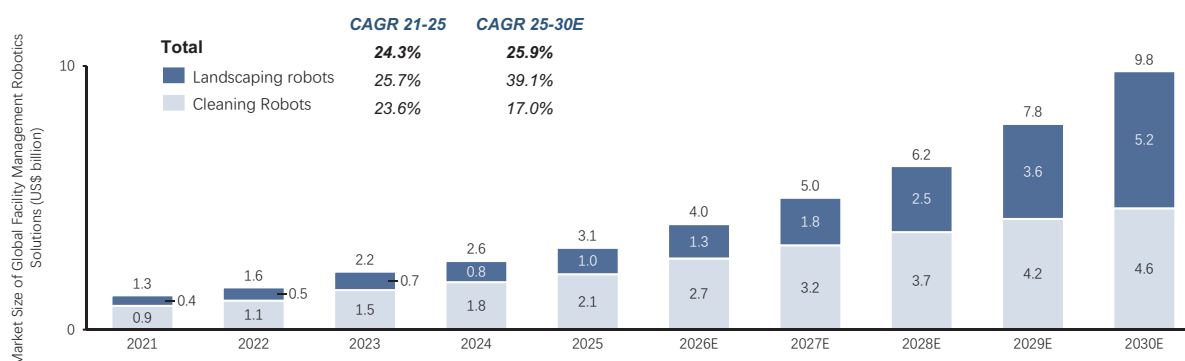
Between 2021 and 2025, the global facility management robotics solutions market’s sales value increased from US\$1.3 billion to US\$3.1 billion, reflecting a CAGR of 24.3%. This growth has been primarily driven by advancements in smart navigation technologies, rising consumer demand for smart living and convenience, and tightening environmental regulations. These factors have supported the steady adoption of robotic mowers in commercial-grade applications and on large residential properties, as well as the uptake of line-marking robots in professional settings. Looking forward, the market is projected to grow to US\$9.8 billion by 2030, reflecting a CAGR of 25.9% from 2025. Continued expansion will be underpinned by ongoing technological upgrades, the rising penetration of smart models, and increasing demand for fully automated yard solutions.

The market size of landscaping robots increased from US\$0.4 billion in 2021 to US\$1.0 billion in 2025, reflecting a CAGR of 25.7%, with growth increasingly shaped by commercial adoption as municipalities, campuses, sports venues, and landscaping contractors scale deployments alongside ongoing technological upgrades and tightening environmental regulations. It is projected to reach US\$5.2 billion by 2030, reflecting a CAGR of 39.1% from 2025. Demand in these scenarios is driven by clear unit economics and the replacement of high-cost manual labour with automated systems, supported by the scalability of robotic fleets across campuses, sports facilities, airports, warehouses, and retail complexes. Labour substitution remains the primary driver of adoption.

The market size of cleaning robots, increased from US\$0.9 billion in 2021 to US\$2.1 billion in 2025, reflecting a CAGR of 23.6%, driven by enterprise rollouts in commercial scenarios such as retail, transportation hubs, healthcare and large public venues, with rising labor costs, higher hygiene requirements and ongoing technological upgrades accelerating deployment across multiple sites. It is forecast to reach US\$4.6 billion by 2030, reflecting a CAGR of 17.0% from 2025.

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Market Size of Global Facility Management Robotics Solutions, 2021-2030E



Source: Frost & Sullivan

Market Drivers of Global Facility Management Robotics Solutions Market

Expansion in green infrastructure and sustainable urban development. Governments, municipalities, campuses and commercial parks are increasing investment in green infrastructure and low-carbon urban renewal. To meet sustainability targets while maintaining service quality, operators are deploying facility-management robotics, such as professional robotic mowers, line-marking robots and others to lift resource efficiency, reduce noise and emissions, and deliver consistent large-area maintenance.

Rapid maturation of IoT, data and AI stacks. Advances in RTK/GNSS positioning, multi-sensor fusion and edge AI enable reliable navigation, obstacle handling and adaptive path planning in semi-structured indoor and outdoor environments. With cloud/IoT connectivity, devices stream performance and telemetry into asset platforms for remote diagnostics, workflow orchestration and data-driven optimisation.

Diverse and scenario-specific requirements driving differentiated solutions. Use cases across public parks, campuses, logistics hubs, and retail estates vary in acreage, terrain, compliance and service windows, driving product stratification by endurance, terrain capability, safety redundancy and integration interfaces, and promoting bundled equipment, consumables and services offerings. In higher-end professional scenarios such as stadiums, tournament venues and golf courses, stringent surface-quality standards and premium service levels further favour specialised, commercial-grade solutions.

Future Trends of Global Facility Management Robotics Solutions Market

Digital platform integration. Robots, chargers and consumables are expected to connect directly with CAFM/CMMS and work-order systems. A single dashboard will show location, utilisation, battery/paint levels, asset health and SLA status. Tasks will be pushed to devices and proof-of-work recorded automatically. Standardised application programming interfaces (APIs) will support multi-site, centralised operations and ESG reporting. This integration is set to define how facility teams plan, execute and verify services.

Functional modularity and scalable architectures. A common chassis with swappable toolheads and sensor packs enables task expansion from mowing to line marking, inspection and light cleaning to extending asset life and improving returns. Batteries, deck width and safety/perception modules can be configured by scene, while OTA software adds functions without full replacement.

Convergence of robots with digital platforms. Facility management robots, charging units and consumables are expected to connect with facility systems via standard interfaces, providing a single view of fleet status, task progress and service quality. Work orders will be issued automatically, and

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completion evidence with performance data will be recorded to support SLA management and compliance. Common data standards will enable mixed-brand fleets and multi-site control, while live operating data will trigger maintenance and replenishment; regular software updates will keep fleets aligned. This platform-native operating model is expected to lower oversight costs, improve uptime and make service quality measurable, and is set to become a future trend in the facility management robotics solutions market.

Opportunities and Challenges of Global Robotics Solutions Market

Opportunities:

High-growth potential across multiple application sectors. The adoption of robotics solutions is expanding across sectors such as agricultural and livestock farming, construction and facility management, driven by rising labour costs, increasing operational complexity, and ongoing digital transformation. Governments and enterprises are increasingly promoting automation technologies to enhance productivity, operational efficiency, and service consistency, creating strong growth opportunities for robotics solutions across diverse end-user environments.

Integration with smart and digital management platforms. The growing adoption of IoT, BIM, BMS, and other digital management systems is creating opportunities for robotics solutions to provide real-time data, traceability, and multi-site coordination. As industries shift towards data-driven operations, robotics systems become integral to enabling predictive maintenance, sustainability, and energy-efficiency objectives.

Equipment modernisation and efficiency upgrades. Across sectors such as agricultural and livestock farming and construction, ageing equipment fleets are generating demand for retrofit kits and digital upgrades. Modular, easy-to-deploy robotic systems provide an attractive solution for operators seeking efficiency improvements without full equipment replacement.

Challenges:

Distribution network. The fragmented and geographically dispersed end-user base across agricultural and livestock farming, construction and facility management presents a significant distribution challenge. Effective market penetration often requires localized strategies, on-site demonstrations, and strong after-sales support. Limited presence of established channel partners in certain regions may further constrain market reach and adoption.

Infrastructure and integration constraints. Deployment of robotics systems may be challenged by fragmented OEM ecosystems, limited connectivity infrastructure, and inconsistent power supply across operating environments. In applications such as smart facilities and construction, systems may also need to integrate with elevators, building management systems, BIM platforms, and other third-party systems, increasing implementation complexity.

Operational and maintenance requirements. Robotics solutions typically operate in complex environments such as agricultural fields, construction sites, large campuses, and public venues where dust, humidity, and uneven surfaces may accelerate wear on system components. Regular maintenance of sensors, navigation modules, batteries, and other key components is required to maintain performance, reliability, and safety.

SOURCES OF THE INDUSTRY INFORMATION

We commissioned Frost & Sullivan to analyse and prepare a report regarding global agricultural and livestock farming robotics solutions market, global construction robotics solutions market, and global facility management robotics solutions market during the period of 2021 to 2030. Frost & Sullivan is an independent global consulting firm, which was founded in 1961 in New York, offering industry research and market strategies and provides growth consulting and corporate training. We

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agreed to pay a commission fee of RMB500,000 to Frost & Sullivan pursuant to a service agreement reached by arm’s length negotiation. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report.

In preparing for the report, Frost & Sullivan conducted both primary and secondary research and relied on various sources. The primary research was conducted via interviews with key industry experts and leading industry participants. The secondary research involved analysis of market data obtained from several publicly available data sources, such as World Bank, National Bureau of Statistics and other industrial associations. The market projections in the Frost & Sullivan Report are based on the following key assumptions: (i) the global social, economic, and political environment are expected to remain stable during the forecast period; (ii) global economic and industrial development are likely to maintain a steady growth in the forecast period; (iii) related industry key drivers are likely to drive the growth of global agricultural and livestock farming robotics solutions market, global construction robotics solutions market, and global facility management robotics solutions market in the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally.

Our Directors confirm that, to the best of their knowledge, after making reasonable inquiries and exercising reasonable care, there is no material adverse change in the market information since the date of the relevant data contained in the Frost & Sullivan Report which may qualify, contradict or have an impact on the information in this section.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATED TO THE AGRICULTURAL MACHINERY INDUSTRY DEVELOPMENT

Since the implementation of the Law of the People’s Republic of China on Agricultural Technology Promotion (《中華人民共和國農業技術推廣法》) in 1993, relevant departments in China have successively issued and revised a series of laws and regulations to promote the development of the agricultural machinery industry. Especially after 2004, China has further strengthened its supervision and support for the agricultural machinery industry. The Law of the People’s Republic of China on Agricultural Technology Promotion (Amended in 2024), released by the Standing Committee of the National People’s Congress on July 2, 1993, explicitly states that it is necessary to strengthen the promotion of agricultural technologies, including agricultural machinery technology, to facilitate the application of agricultural research achievements and practical technologies in agricultural production as soon as possible and realize agricultural modernization.

The Law of the People’s Republic of China on Promotion of Agricultural Mechanization (《中華人民共和國農業機械化促進法》) (amended in 2018), released by the Standing Committee of the National People’s Congress on June 25, 2004, explicitly states the encouragement and support for farmers and agricultural production and operation organizations to use advanced and applicable agricultural machinery, in order to promote agricultural mechanization and develop modern agriculture.

The Measures for the Test and Appraisal of Agricultural Machinery (《農業機械試驗鑑定辦法》) (amended in 2018), released by the former Ministry of Agriculture on July 26, 2005, explicitly states the need to standardize the identification work of agricultural mechanization. Through scientific tests, inspections, and assessments, technical evaluations were made on the applicability, safety, and reliability of agricultural machinery, providing a basis and information for the selection and promotion of agricultural machinery.

The Regulations on the Safety Supervision and Management of Agricultural Machinery (《農業機械安全監督管理條例》) (amended in 2019), released by the State Council on September 17, 2009, clearly stated that the state encourages and supports the development, production, promotion, and application of advanced, applicable, safe, reliable, energy-saving, and environmentally friendly agricultural machinery, and establishes and improves agricultural machinery safety technical standards and safety operation procedures.

The Work Specification for the Test and Appraisal of Agricultural Machinery (《農業機械試驗鑑定工作規範》), released by the Ministry of Agriculture and Rural Affairs on March 8, 2019, proposed the establishment of a national informatization platform for the management and service of agricultural machinery test and appraisal, uniformly publicizing information such as the outlines of agricultural machinery appraisal, the product category guidelines, the appraisal results, and the certificates. The Measures for the Handling of Agricultural Machinery Accidents (《農業機械事故處理辦法》) (amended in 2022) issued by the former Ministry of Agriculture on January 12, 2011, made detailed provisions on the definition, investigation, classification and handling of agricultural machinery accidents.

The Opinions of the State Council on Comprehensively Promoting Rural Revitalization and Accelerating Agricultural and Rural Modernization (《中華人民共和國鄉村振興促進法》), released by the State Council on January 4, 2021, clearly proposed to improve the independent research and development ability of agricultural machinery and equipment, support the research, development, and manufacturing of high-end intelligent and mountainous and hilly agricultural machinery and equipment, increase the subsidy for the purchase of agricultural machinery, and carry out subsidies for agricultural machinery operations.

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LAWS AND REGULATIONS RELATED TO FOREIGN INVESTMENT

Company Law of the PRC

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People’s Congress of the PRC (全國人民代表大會常務委員會) (the “**SCNPC**”) on December 29, 1993, last amended on December 29, 2023 and came into effect 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 Law of the PRC and Regulations on the Implementation of the Foreign Investment Law of the PRC

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 National Development and Reform Commission (國家發展和改革委員會) (the “**NDRC**”) and the Ministry of Commerce of the PRC (中華人民共和國商務部) (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. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a system of national treatment plus the Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally. 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, among others. Foreign investor or relevant parties in China must declare the security review prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments

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in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security; and obtaining control in the target enterprise.

LAWS AND REGULATIONS RELATED TO OVERSEAS INVESTMENT

The Administrative Measures on Overseas Investment (《境外投資管理辦法》) was promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014. According to these measures, overseas investment shall refer to the obtaining of ownership of an overseas non-financial enterprise by means of incorporation, merger, acquisition or any other method by an enterprise incorporated in the PRC. Any overseas investments involving sensitive countries and regions or sensitive industries shall be subject to the approval of the MOFCOM or its provincial counterpart; overseas investments that do not fall into the aforementioned category shall be subject to a filing to the relevant provincial counterpart of the MOFCOM. Enterprises that obtained approval or completed the filing process will receive an Overseas Investment Certificate for Enterprise (《企業境外投資證書》) issued by MOFCOM or its provincial counterpart.

The Administrative Measures for Overseas Investment by Enterprises (《企業境外投資管理辦法》) was promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018. As defined therein, overseas investment refers to investment activities to obtain proprietary right, right of control, right of business management, and other related rights and interests outside of the PRC, by an enterprise incorporated in the PRC, either directly or via an overseas enterprise under its control, by way of contributing asset and/or interest or providing financing and/or guarantee. Prior to investing overseas, the investment project shall be approved by the NDRC, if it involves sensitive countries and regions or sensitive industries; if the investment project is considered not sensitive as it does not involve sensitive countries and regions or sensitive industries, the entity intending to complement the project shall file relevant information with the NDRC or its provincial counterparts. The Catalogue of Sensitive Industries for Overseas Investment (2018 Edition) (《境外投資敏感行業目錄(2018版)》), which was promulgated by the NDRC on January 31, 2018 and came into effect on March 1, 2018, sets out a detailed list for the aforementioned sensitive industries.

LAWS AND REGULATIONS RELATED TO VALUE-ADDED TELECOMMUNICATION SERVICES

The PRC Telecommunications Regulations (《中華人民共和國電信條例》) (the “**Telecommunications Regulations**”), promulgated by the State Council on September 25, 2000 and last amended with immediate effect on February 6, 2016, provides the regulatory framework for telecommunications services in the PRC. The Telecommunications Regulations classifies telecommunications services into basic telecommunications services and value-added telecommunications services. Providers of telecommunications services are required to procure licenses prior to commencing operations. According to the Catalogue of Telecommunications Services (《電信業務分類目錄》) attached to the Telecommunications Regulations and last amended by the MIIT on June 6, 2019, information services provided via public communication network or the Internet are value-added telecommunications services.

As a subcategory of the value-added telecommunications services, Internet information services are regulated by the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (the “**Internet Measures**”), which was promulgated by the State Council on September 25, 2000 and last amended with immediate effect on December 6, 2024. Internet information services are defined as services that provide information to online users through the Internet. The Internet Measures classifies Internet information services into non-commercial Internet information services and

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commercial Internet information services. Commercial Internet information service providers shall obtain a license for value-added telecommunications services with the specification of Internet information service from appropriate telecommunications authorities, while non-commercial ones shall file with such authorities.

According to the MIIT Circular on Removing Foreign Equity Ratio Restrictions on Online Data and Transaction Processing (Commercial E-Commerce) Business (《工業和信息化部關於放開在線數據處理與交易處理業務（經營類電子商務）外資股比限制的通告》), promulgated by the MIIT on June 19, 2015, as well as the 2024 Negative List, foreign investors are allowed to hold up to 100% of all equity interest in an online data and transaction processing business (commercial e-commerce) in China. An e-commerce operator shall obtain a license for value-added telecommunications services with the specification of online data processing and transaction processing business from appropriate telecommunications authorities, pursuant to the Telecommunications Regulations and the Catalog of Telecommunications Services.

LAWS AND REGULATIONS RELATED TO PRODUCT QUALITY

The PRC Product Quality Law (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and most recently amended on December 29, 2018 is the principal governing law related to the supervision and administration of product quality. According to the PRC Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable to compensate for any physical injuries or damage to property other than the defective product itself resulting from the defects in the product, unless the manufacturer is able to prove that: (i) the product has not been put into circulation; (ii) the defects causing injuries or damage did not exist at the time when the product was put into circulation; or (iii) the science and technology at the time when the product was put into circulation were at a level incapable of detecting the existence of the defect. A seller shall be liable to compensate for any physical injuries or damage to property of others caused by the defects in the product. Where a product is defective due to a mistake made by the seller and such defect causes physical injury or damage to the property of others, the seller shall bear liability for compensation. Where a seller cannot specify the producer of a defective product nor the supplier of such defective product, the seller shall be liable for compensation. Where a defect in a product causes physical injuries to others or damages to the property of others, the victim may claim compensation from the producer of the product or from the seller of the product.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and becoming effective on January 1, 2021, in the event of damages caused to others due to the defects in a product, the infringed party may seek compensation from the manufacturer or the seller of such product and shall have the right to request the manufacturer and the seller to bear tortious liabilities, such as cessation of infringement, removal of obstruction, elimination of danger, etc.

LAWS AND REGULATIONS RELATED TO IMPORTATION AND EXPORTATION OF GOODS

The PRC Foreign Trade Law (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 which came into effect on July 1, 1994 and most recently amended on December 27, 2025 and the PRC Regulations on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, most recently amended on March 10, 2024, and came into effect on May 1, 2024, both stipulated that the import and export of goods and technologies to and from the PRC are free, unless otherwise in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations. The PRC Customs Law (《中華人民共和國海關法》) promulgated on January 22, 1987, as most recently amended on April 29, 2021, stipulates that, among other things, the consignee or consignor of import or export goods or a customs agent shall file

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for record with relevant customs authority before going through any customs declaration procedures. Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC on November 19, 2021, and effective from January 1, 2022, further gives detailed requirement on the documents needed for the filing and the requirement on reporting certain changes of the filed information to the relevant customs authority.

REGULATIONS RELATING TO WORK SAFETY

The PRC Work Safety Law (《中華人民共和國安全生產法》) was promulgated by the SCNPC on June 29, 2002, most recently amended on June 10, 2021 and became effective on September 1, 2021. The Work Safety Law applies to all entities engaging in production and business activities in the PRC. Such entities shall strengthen work safety management, establish and improve the all-staff work safety responsibility system and internal rules and regulations in relation to work safety, increase investment in funds, materials, technologies and staff for work safety, improve working conditions, strengthen the development of a standardized and information technology enabled work safety system, establish a dual prevention mechanism of graded management and control of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism so as to ensure work safety. Violations of the PRC Work Safety Law may result in administrative penalties such as fine, suspension of operation and revocation of license.

The PRC Fire Prevention Law (《中華人民共和國消防法》) was promulgated by the SCNPC on April 29, 1998, and was most recently amended and became effective on April 29, 2021. According to the PRC Fire Prevention Law, enterprises are required to perform the following duties in relation to fire prevention: (i) implement fire safety accountability system prepare fire safety system and fire safety operational procedures for their organization, and prepare fire extinguishment and emergency evacuation plans; (ii) prepare and install firefighting facilities and equipment pursuant to applicable laws and industry standards, install fire safety signs, and organize inspection and maintenance on a regular basis to ensure that the facilities and equipment are in good working conditions; (iii) conduct comprehensive inspection of firefighting facilities in the buildings they are in at least once a year to ensure that they are in good working conditions, the inspection records shall be complete and accurate and be well kept for reference and regulatory inspection; (iv) ensure that evacuation access, safety exits and fire engine access roads are unblocked, and ensure that the fire and smoke bay and firebreak distance comply with relevant technical standards; (v) organize fire prevention checks to promptly eliminate hidden fire hazards; (vi) organize and carry out targeted fire drills; and (vii) perform any other fire safety duties stipulated by applicable laws and regulations. Failure to perform those duties and other violations of the PRC Fire Prevention Law may result in a fine or an order of suspension of business.

LAWS AND REGULATIONS RELATED TO THE PROTECTION OF CYBERSECURITY AND DATA PROTECTION

Laws and Regulations Relating to Cybersecurity

The Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》) that was issued by the Ministry of Public Security (公安部) (the “MPS”), National Administration of State Secrets Protection (國家保密局), State Council Information Office (abolished) and State Cryptography Administration (國家密碼管理局) and took effect on June 22, 2007 requires the entities that operate and use information systems to fulfill the obligation of the hierarchical protection of information security. The operator or the user of the information systems at Grade II or above shall complete the record filing procedures.

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Cybersecurity Review

On December 28, 2021, thirteen PRC governmental and regulatory agencies, including the CAC, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which came into effect on February 15, 2022. The Measures for Cybersecurity Review specifies that the procurement of network products and services by operator of critical information infrastructure and the activities of data process carried out by Internet platform operator that raise or may raise “national security” concerns are subject to strict cybersecurity review by the Cybersecurity Review Office established by the CAC. Before critical information infrastructure operator purchases network products and services, it should assess the potential risk of national security that may be caused by the use of such products and services. If such use of products and services may give rise to national security concerns, it should apply for a cybersecurity review. In addition, Internet platform operators that possess the personal information of over one million users must apply for a review by the Cybersecurity Review Office, if they plan listing of companies in foreign countries. The CAC may voluntarily conduct cybersecurity review if any network products and services and activities of data process affects or may affect national security.

Pursuant to the Security Protection Regulations for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the “**CII Regulations**”) issued by the State Council, which took effect on 1 September 2021, critical information infrastructure means important network facilities and information systems in important industries and fields, that may seriously endanger national security, national economy and people’s livelihood, and public interests in the event that they are damaged or lose their functions or their data are leaked. The CII Regulations further state that the competent authorities and supervisory authorities shall also notify the operator that it is recognized as a CIIO. As of the Latest Practicable Date, we have not been notified in writing or orally by any protection authorities as a CIIO. We should keep abreast of the applicable laws and regulations in this regard and implement all necessary measures in a timely manner to ensure compliance with the relevant laws and regulations.

Laws and Regulations Relating to Data Protection

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) adopted by the NPC on May 28, 2020, and effective on January 1, 2021, personal information of natural persons is protected by law. Any organization or individual must legally obtain the relevant personal information of others and must ensure the security of the relevant information, and must not illegally collect, use, process, or transmit the personal information of others, nor illegally trade, provide, or disclose the personal information of others.

The Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》) (the “**Data Security Law**”) was passed by the Standing Committee of the 13th NPC at the 29th Session on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires the data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities by using the Internet or any other information network, the data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses or even criminal liabilities.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), effective from November 1, 2021. The Personal Information Protection Law requires, among others, that entities handling personal information shall obtain the prior consent of the individual, or have another legitimate basis and shall bear responsibilities for their personal information handling activities, and adopt necessary measures to

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safeguard the security of the personal information they handle. Otherwise, the entities handling personal information could be ordered to rectify, or suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》) which took effective on September 1, 2022. On February 22, 2023, the CAC issued the Measures on Standard Contracts for Cross-border Transfer of Personal Information (《個人信息出境標準合同辦法》) which took effective on June 1, 2023. On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Flow of Data (《促進和規範數據跨境流動規定》), or the New Cross-border Data Flow Provisions, which took effect on the same day. The New Cross-border Data Flow Provisions state that if there is any conflict with the Measures for the Security Assessment of Cross-border Data Transfer and the Measures on Standard Contracts for Cross-border Transfer of Personal Information, the New Cross-border Data Flow Provisions shall prevail. According to the New Cross-border Data Flow Provisions, data processors are subject to security assessments conducted by the CAC prior to any cross-border transfers of important data or when the type and volume of personal information to be transferred meet certain thresholds or specific criteria.

On December 8, 2022, the MIIT promulgated the Measures for the Administration of Data Security in the Field of Industry and Information Technology (Trial) (《工業和信息化領域數據安全管理辦法(試行)》), which came into effect on January 1, 2023. Data processors in the field of industry and information technology shall take the main responsibility for the security of data processing activities, implement hierarchical protection for various types of data, and where different levels of data are being processed at the same time and it is difficult to take separate protection measures, the protection shall be implemented in accordance with the requirements of the highest levels, to ensure that the data continues to be effectively protected and legally utilized.

On September 24, 2024, the Regulation on Network Data Security Management (《網絡數據安全管理條例》) was promulgated by the State Council and has come into effect on January 1, 2025. The Regulation on Network Data Security Management is to implement general requirements on data security management from the Cybersecurity Law, the Data Security Law, as well as the Personal Information Protection Law, reiterating the general regulations for data processing activities and rules of personal information protection, important data security protection, network data cross-border transfer management, and internet platform service providers’ obligations.

LAWS AND REGULATIONS RELATED TO INTELLECTUAL PROPERTY

Trademarks

The Trademark Law of the People’s Republic of China (《中華人民共和國商標法》)(the “**Trademark Law**”) became effective on March 1, 1983 and was last amended on April 23, 2019, and the Implementation Rules of the Trademark Law of the People’s Republic of China (《中華人民共和國商標法實施條例》) became effective on September 15, 2002 and was last amended on April 29, 2014. The Trademark Law and its implementation rules provide the basic legal framework for the regulation of trademarks in the PRC, covering registered trademarks, including commodity trademarks, service trademarks, collective marks and certificate marks. Registered trademarks are protected under the Trademark Law and related rules and regulations. Trademarks are registered with the Trademark Office of the National Intellectual Property Administration. Where registration is sought for a trademark that is identical or similar to another trademark that has already been registered or given preliminary examination and approved for use on the same or similar commodities or services, the application for registration of such trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

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Patents

The PRC Patent Law (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, most recently amended on October 17, 2020 and effective on June 1, 2021, and the Implementing Rules for the PRC Patent Law (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, most recently amended on December 11, 2023 and effective on January 20, 2024, provide for three types of patents: “invention”, “utility model” and “design”. “Invention” refers to any new technical solution in relation to a product, or a process or improvement thereof. “utility model” refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use. “design” refers to a new design that is aesthetic and suitable for industrial application for the overall or partial shape, pattern or its combination of products, as well as the combination of color, shape and pattern. The validity period of a patent for an “invention” is twenty years, while the validity period of a patent for a “utility model” is ten years, and that of a “design” is fifteen years, from the date of application.

Copyright and Software Copyright

Copyright (including software copyright) is mainly protected by the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》) as promulgated on September 7, 1990 and last amended on November 11, 2020 by the SCNPC and the Implementing Rules of the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法實施條例》) as promulgated on August 2, 2002 and last amended on January 30, 2013 by the State Council. Such law and rules prescribe that Chinese citizens, legal persons or other organizations enjoy copyright protection over their works, whether published or not, in the domain of literature, art and science. In addition, internet activities, products disseminated over the internet and software products also enjoy copyright. Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and the Regulation on Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended by the State Council on January 30, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Protection of Computer Software.

Domain Names

Internet domain name registration and related matters are regulated by the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and taking into effect on November 1, 2017, and the Implementation Rules for the Registration of National Top-level Domain Names (《國家頂級域名註冊實施細則》) promulgated by China Internet Network Information Center and taking into effect on June 18, 2019. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a “first come, first file” principle. The applicants will become the holders of such domain names upon the completion of the registration procedure.

LAWS AND REGULATIONS RELATED TO LAND OR PROPERTY USE

In June 1986, the SCNPC promulgated the Land Administration Law of the PRC (《中華人民共和國土地管理法》), which was last amended on August 26, 2019 and became effective on January 1, 2020. In January 1991, the State Council published Rules for Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》) which was last amended on July 2, 2021 and came into effect on September 1, 2021. According to the regulations, enterprises and

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individuals shall use land strictly in accordance with the purpose stipulated in the land use master plan. If the enterprises or individuals do not use state-owned land in accordance with the approved land use purpose, the natural resources administrative department of the people’s government at county level and above shall order the party concerned to hand over the land.

LAWS AND REGULATIONS RELATED TO PROPERTY LEASING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and was latest amended on August 26, 2019, and the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people’s government of the municipality, city or county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, the competent construction (real estate) departments of the people’s governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. According to the PRC Civil Code, the parties’ failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

LAWS AND REGULATIONS RELATED TO LABOR PROTECTION, SOCIAL INSURANCE AND HOUSING PROVIDENT FUNDS

General Labor Contract Rules

Labor contracts must be concluded in writing if labor relationships are to be or have been established between enterprises, individual economic organizations, private non-enterprise entities, etc. and the employees under the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》), promulgated on June 29, 2007 and last amended on December 28, 2012. Employers are forbidden to force employees to work overtime or to do so in a disguised manner and employers must pay employees overtime wages in accordance with national regulations. In addition, wages may not be lower than local standards on minimum wages and must be paid to the employees timely. According to the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》), promulgated on July 5, 1994 and last amended on December 29, 2018, employers shall establish and improve a system of labor safety and sanitation and shall strictly abide by national rules and standards on labor safety and sanitation and educate employees on labor safety and sanitation so as to prevent accidents during work and reduce occupational hazards. Labor safety and sanitation facilities shall comply with national standards. The employers must also provide employees with labor safety and sanitation conditions that are in compliance with national standards and necessary articles for labor protection.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the People’s Republic of China (《中華人民共和國社會保險法》) passed by the SCNPC on October 28, 2010 and amended on December 29, 2018, each employer and individual in the PRC shall make social insurance contributions, including basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance and maternity insurance. Employer who fails to promptly pay social insurance contributions in full amount shall be ordered to pay or supplement within a prescribed period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the

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stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears. Pursuant 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)》), promulgated on July 31, 2025 and effective since September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people’s court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38(3) of the Labor Contract Law of the People’s Republic of China, the people’s court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people’s court shall support such requests in accordance with the law.

According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》) passed by the State Council on April 3, 1999 and last amended on March 24, 2019, each employer and individual in the PRC shall make housing provident fund contributions. Where, in violation of the provisions of the regulations, an employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people’s court for compulsory enforcement.

LAWS AND REGULATIONS RELATED TO TAXATION

PRC Enterprise Income Tax Law

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) promulgated by the NPC on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective on January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC’s government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

Value-Added Tax

In accordance with the Value-Added Tax Law of the People’s Republic of China (《中華人民共和國增值稅法》), promulgated by the Standing Committee of the National People’s Congress and effective as of January 1, 2026, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, real estate, and import goods within the territory of China are regarded as value-added tax payers and shall pay value-added tax in accordance with said Law. The term “selling goods, services, intangible assets, and real estate” refers to the transfer of ownership of goods and real estate for consideration, the provision of services, and the transfer of

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ownership or the right to use intangible assets. The value-added tax rates are set at 13%, 9%, 6%, and 0%, depending on the nature of the transactions. The tax rate applicable under the simplified tax calculation method is 3%.

LAWS AND REGULATIONS RELATED TO DIVIDEND DISTRIBUTION

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the SAT on October 14, 2019, came into effect on January 1, 2020, non resident taxpayers are entitled to preferential treatment under tax treaties through self determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

LAWS AND REGULATIONS RELATED TO FOREIGN EXCHANGE

Under the PRC Foreign Currency Administration Rules (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, and last amended on August 5, 2008 and various regulations issued by the SAFE and other relevant PRC government authorities, Renminbi is convertible into other currencies for the purpose of current account items, such as trade related receipts and payments, payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside China for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, requires the prior approval from the SAFE or its local branches. Payments for transactions that take place within China must be made in Renminbi. Unless otherwise provided by laws and regulations, PRC companies may repatriate foreign currency payments received from abroad or retain the same abroad. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaging in settlement and sale of foreign exchange pursuant to relevant PRC rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the SAFE is required for its retention or sale to a financial institution engaging in settlement and sale of foreign exchange, except where such approval is not required under the relevant PRC rules and regulations.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

The Notice on Further Simplifying and Improving Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by SAFE on February 13, 2015 and was amended on December 30, 2019, allowing entities and individuals to apply for foreign exchange registrations through qualified banks. Under SAFE's supervision, these banks can directly review applications. On March 30, 2015, SAFE released the

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Circular on Reforming Settlement Management of Foreign Capital in Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》). This circular mandates Discretionary Foreign Exchange Settlement for foreign-invested enterprises, enabling them to settle foreign exchange capital based on operational needs, subject to document verification. The circular emphasizes authentic and self-use principles within the enterprise’s scope, barring use for payments beyond business scope, securities investment (unless specified), Renminbi entrust loans, inter-enterprise borrowings, or real estate expenses (except for self-use by foreign-invested real estate enterprises).

The Circular of Further Improving and Adjusting the Direct Investment-related Foreign Exchange Administration Policies (《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 13**”), which became effective on December 1, 2012 and was last amended on December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

REGULATIONS RELATED TO OVERSEAS LISTING

Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

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》) and five relevant guidelines (the “**Overseas Listing Trial Measures**”) were promulgated by the CSRC on February 17, 2023, and came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, issuers seeking an initial public offering or listing abroad must file with the CSRC within three working days following the submission of their application documents for issuance and listing abroad.

Pursuant to the aforementioned regulations, issuers are prohibited from overseas offering and listing if they fall under one of the following circumstances: (1) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (2) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (3) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (4) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; (5) where there are material ownership disputes over equity held by the domestic company’s controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

Where a domestic company seeks to indirectly offer and list securities in overseas markets, the issuer shall designate a major domestic operating entity as the responsible entity to file with the CSRC, submit a filing report and other relevant materials and provide truthful, accurate and complete information on the shareholders, among other details.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provision on Confidentiality**”), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and

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other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.

REGULATIONS RELATED TO EMPLOYEE SHARE AWARD SCHEME

Pursuant to the Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company, or SAFE Circular 7 (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), issued by the SAFE in February 2012, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which may be a PRC subsidiary of such overseas listed company, and complete certain other procedures.

In addition, the SAT has issued certain circulars concerning employee restricted shares. Under these circulars, employees working in the PRC who are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are obligated to file documents related to employee restricted shares with relevant tax authorities and to withhold individual income taxes of employees who purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC governmental authorities.

OVERVIEW OF THE LAWS AND REGULATIONS RELATING TO OUR BUSINESS AND OPERATIONS IN HONG KONG

Regulations Relating to Business Registration

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) (the “BRO”)

The BRO requires every person carrying on any business to make application to the Commissioner of Inland Revenue in the prescribed manner for the registration of that business. The Commissioner of Inland Revenue must register each business for which a business registration application is made and as soon as practicable after the prescribed business registration fee and levy are paid, and issue a business registration certificate or branch registration certificate for the relevant business or the relevant branch as the case may be.

Regulations Relating to Sale of Goods

Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) (the “SOGO”)

The SOGO governs the formation, performance and remedies of contract for the sale of goods in Hong Kong and the transfer of title of goods sold. The ordinance also sets out certain implied terms or conditions and warranties generally relating to the safety and suitability of goods supplied under a contract of sale for goods in Hong Kong, including:

- (i) where there is a sale of goods by description, the goods shall correspond with the description;

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- (ii) where the seller sells goods in the course of a business, the goods shall be of a merchantable quality, i.e. (a) as fit for the purpose or purposes for which the goods of that kind are commonly bought; (b) of such standard of appearance and finish; (c) as free from defects (including minor defects); (d) as safe; and (e) as durable, as it is reasonable to expect having regard to any description applied to them, the price (if relevant) and all the other relevant circumstances; and
- (iii) where the seller sells goods in the course of a business and the buyer makes known to the seller (whether expressly or by implication) any particular purpose for which the goods are being bought, the goods supplied under the contract shall be reasonably fit for that purpose.

Under section 55 of the SOGO, where there is a breach of warranty by the seller, the buyer is not, by reason only of such breach of warranty, entitled to reject the goods, but he may set up against the seller the breach of warranty in diminution or extinction of the price, or maintain an action against the seller for damages for the breach of warranty.

Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) (the “TDO”)

Under the TDO, (a) use of false trade descriptions; (b) false, misleading or incomplete information, (c) false marks and misstatements in respect of products, and (d) false trade descriptions in respect of services supplied are prohibited. In addition, the TDO makes certain trade practices criminal offence, namely: (a) misleading omission; (b) aggressive commercial practices; (c) bait advertising; (d) bait and switch; and (e) wrongful acceptance of payment. The TDO also provides for offences relating to forged trade mark, and falsely applying of trade mark or resembling marks.

Supply of Services (Implied Terms) Ordinance (Chapter 457 of the Laws of Hong Kong) (“SSITO”)

Under the SSITO, certain terms are implied in the contracts with customers for the supply of services, including: (a) that the supplier will carry out the service with reasonable care and skill; (b) that the supplier will carry out the service within a reasonable time (if the time of service is not fixed or fixed in a manner agreed); (c) that the party contracting with the supplier will pay a reasonable charge (if the consideration is not determined by the contract or left to be determined in a manner agreed or by course of dealing between the parties).

Unconscionable Contracts Ordinance (Chapter 458 of the Laws of Hong Kong) (the “UCO”)

Under the UCO, if the Hong Kong court finds that a contract for sale of goods or supply of services (in which one of the parties deals as consumer) to have been unconscionable in the circumstances relating to the contract at the time it was made, the court may: (a) refuse to enforce the contract; (b) enforce the remainder of the contract without the unconscionable part; (c) limit the application of, or revise or alter, any unconscionable part to avoid unconscionable result.

Control of Exemption Clauses Ordinance (Chapter 71 of the Laws of Hong Kong) (the “CECO”)

The CECO limits the extent to which civil liability for breach of contract, or for negligence or other breach of duty, can be avoided by means of contract terms and otherwise.

Under section 7 of the CECO, a person cannot by reference to any contract term or to a notice given to persons generally or to particular persons exclude or restrict his liability for death or personal injury resulting from negligence. Further, in the case of other loss or damage, a person cannot so exclude or restrict his liability for negligence except in so far as the term or notice satisfies the requirement of reasonableness.

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Under section 8 of the CECO, as between contracting parties where one of them deals as consumer or on the other’s written standard terms of business, as against that party, the other cannot by reference to any contract term (i) when himself in breach of contract, exclude or restrict any liability of his in respect of the breach; (ii) claim to be entitled to render a contractual performance substantially different from that which was reasonably expected of him; or (iii) claim to be entitled in respect of the whole or any part of his contractual obligation, to render no performance at all, except in so far as the contract term satisfies the requirement of reasonableness.

Under section 9 of the CECO, a person dealing as consumer cannot by reference to any contract term be made to indemnify another person (whether a party to the contract or not) in respect of liability that may be incurred by the other for negligence or breach of contract, except in so far as the contract term satisfies the requirement of reasonableness.

In relation to a contract term, the requirement of reasonableness for the purposes of the CECO is satisfied only if the court or arbitrator determines that the term was a fair and reasonable one to be included having regard to the circumstances which were, or ought reasonably to have been, known to or in the contemplation of the parties when the contract was made.

Misrepresentation Ordinance (Chapter 284 of the Laws of Hong Kong) (the “MO”)

The MO imposes a statutory liability for misrepresentation and controls the use of provisions excluding liability for misrepresentation in contracts. Liability may arise under the MO where a party to a contract is induced to enter into that contract by a misrepresentation of a material fact made by the other party. If the action is successful, the party who relied on the misrepresentation will be entitled to rescind the contract. Damages may also be granted if the misrepresentation was made fraudulently or negligently.

Regulations Relating to Importation and Exportation of Goods

The Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) (the “**Import and Export Ordinance**”) provides for the regulation and control of the import of articles into Hong Kong, the export of articles from Hong Kong, the handling and carriage of articles within Hong Kong which have been imported into Hong Kong or which may be exported from Hong Kong, and any matter incidental to or connected with the foregoing.

The import and export of certain articles are prohibited unless with the relevant licences issued by the Director-General of Trade and Industry. If the goods to be imported or exported are “prohibited articles” or “reserved commodities” under the Import and Export Ordinance and the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations (Chapter 296A of the Laws of Hong Kong), shipping companies, airlines and transportation companies are required to deliver within 14 days to the Director-General of Trade and Industry the import/export licences together with the relevant manifests of the vessel, aircraft or vehicle.

Pursuant to the Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong), every person who imports/exports any article other than an exempted article shall lodge with the Commissioner an accurate and complete import/export declaration relating to such article using services provided by a specified body, in accordance with the requirements that the Commissioner of Customs and Excise may specify. Every declaration required to be lodged shall be lodged within 14 days after the importation/exportation of the article to which it relates.

Hong Kong is a free port and does not levy any customs tariff on imports and exports.

REGULATORY OVERVIEW

Regulations Relating to Taxes

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “IRO”)

Under the IRO, for a company carrying on a trade, profession or business in Hong Kong, its assessable profits arising in or derived from Hong Kong shall be chargeable to profits tax.

The IRO also provides for the obligation to do the followings: (a) to keep sufficient records of the company’s income and expenditure to enable the assessable profit to be readily ascertained for at least 7 years; (b) to inform the Inland Revenue Department of its chargeability to tax; (c) to submit tax return as required; and (d) to inform the Inland Revenue Department of the commencement and cessation of employment of its employees.

Regulations Relating to Intellectual Properties

Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong)

The Trade Mark Ordinance protects registered trademarks. The duration of the registered trademarks is for ten years, which can be further renewed for ten years per renewal. A registered trade mark may be challenged in revocation proceedings if it is not used in Hong Kong for a continuous period of three years.

A person infringes a registered trade mark if he uses in the course of trade or business a sign:

- (1) which is identical to the trade mark in relation to goods or services which are identical to those for which it is registered;
- (2) which is identical to the trade mark in relation to goods or services which are similar to those for which it is registered, and the use of the sign in relation to those goods or services is likely to cause confusion on the part of the public;
- (3) which is similar to the trade mark in relation to goods or services which are identical or similar to those for which it is registered and the use of the sign in relation to those goods or services is likely to cause confusion on the part of the public; or
- (4) which is identical or similar to the well-known trade mark in relation to any goods or services, and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.

OVERVIEW OF THE LAWS AND REGULATIONS RELATING TO OUR BUSINESS AND OPERATIONS IN SWEDEN

Laws and Regulations Relating to our Business

The Swedish Sale of Goods Act (Sw. Köplagen (1990:931)) applies to the sale of goods between businesses (B2B). The Product Liability Act (PLA) (Sw. Produktansvarslagen (1992:18)) regulates a producer’s liability for damage caused by a defective product. No material changes have been implemented during the Review Period or are expected in the near term.

REGULATORY OVERVIEW

By December 9, 2026, the new EU Product Liability Directive must be transposed into national legislation, and the implementation in Sweden is underway. An important forthcoming change is the new directive’s expanded definition of “product”, which expressly includes software. The forthcoming revised PLA should be expected to result in a broader scope of application with respect to the Company’s business.

The EU Machinery Directive regulates health and safety aspects for machinery placed on the EU market. In Sweden, the directive is implemented through and regulated by the Swedish Work Environment Authority’s (WEA) provision on machinery (WEA provision). It should be noted that a new EU regulation on machinery has entered into force and will become fully applicable on January 20, 2027. In general, the new regulation does not entail a significant revision. Consequently, the risk of non-compliance shall be deemed low.

The Radio Equipment Directive (RED), together with the Swedish Act on Radio Equipment (Sw. Radioutrustningslag (2016:392)) implementing the directive, and the Post and Telecom Authority’s provisions on radio equipment (PTA provision), include safety requirements for radio equipment. No material changes have been implemented during the Review Period or are expected in the near term.

The EU General Data Protection Regulation (GDPR), governing the processing of personal data, applies in full in Sweden. Given the Company’s business activities, and particularly its focus on innovative technologies and robotics, there is an elevated risk of attracting regulatory attention. Non-compliance with the GDPR may result in a fine, where the type and the severity of the breach will determine the amount of the fine.

The EU Data Act regulates access to, and use of, data generated by connected products and related services. As of September 12, 2025, the majority of the regulation’s obligations began to apply, and additional provisions will apply from September 12, 2026. Considering Sveaverken’s activities, it is highly likely that its products fall within the scope of the Data Act. The applicability of the Data Act’s requirements has not yet been assessed by the Company. Consequently, the risk of non-compliance must be deemed high. As Sweden is still in the initial stages of implementing specific penalties and enforcement measures, potential sanctions, including the likelihood that they will be imposed, cannot presently be evaluated.

The Swedish Cybersecurity Act, which transposes the EU NIS2 Directive into Swedish law, entered into force on 15 January 2026. Given Sveaverken’s provision of high-tech products, it is likely that Sveaverken falls within the scope of the Act. Non-compliance may result in administrative fines and injunctions. As enforcement practice under the Act has not yet developed, the likelihood and extent of potential sanctions cannot presently be assessed. Further regulations supplementing the Act are expected to enter into force during 2026.

The EU AI Act introduces comprehensive regulations aimed at ensuring the safe and trustworthy deployment of AI technologies. Publicly available sources suggest that certain Sveaverken products include AI technology. The AI Act is set to be implemented gradually, and the first key provisions became applicable on February 2, 2025, while most of the remaining substantive obligations will become enforceable as of August 2, 2026. Sweden is still in the initial stages of implementing specific penalties and enforcement measures, and no rules or regulations regarding sanctions under the AI Act have yet been published.

Laws and Regulations Relating to Governance

The Swedish Companies Act (Sw. Aktiebolagslagen (2005:551)) governs the formation, governance, management, and dissolution of Swedish limited liability companies and sets out the rules for board structure, shareholder rights, annual meetings, and reporting.

REGULATORY OVERVIEW

Laws and Regulations Relating to Tax and Financials

The Swedish Annual Accounts Act (Sw. Årsredovisningslagen (1995:1554)) regulates the preparation, content, and publication of annual accounts and consolidated financial statements. The Swedish Income Tax Act (Sw. Inkomstskattelagen (1999:1229)) regulates how the taxable profit is to be calculated. The Swedish Tax Procedure Act (Sw. Skatteförfarandelagen (2011:1244)) contains rules regarding, *inter alia*, the deadline for filing the income tax return, withholding of preliminary tax, submission of control statements to the Swedish Tax Agency, and the rules on tax surcharges. The Social Contributions Act (Sw. Socialavgiftslag (2000:980)) and the Act on General Payroll Tax (Sw. Lag (1994:1920) om allmän löneavgift) contain provisions concerning the obligation to pay employers’ social security contributions and the general payroll tax, respectively. The Swedish Value Added Tax Act (Sw. Mervärdesskattelag (2023:200)) determines who qualifies as a taxable person, sets out the rules for determining the place of a VAT-able transaction, what constitutes the chargeable event, the taxable amount, and the applicable VAT rates. The VAT Directive (2006/112/EC) forms the basis for Sweden’s domestic VAT legislation. The Directive is primarily relevant for the interpretation/application of the Swedish Value Added Tax Act (2023:200), which is the legislation directly applicable to the Company. The Swedish Customs Act (Sw. Tullagen (2016:253)) regulates, *inter alia*, classification, origin and customs value in respect of import and export. The aforementioned acts are relatively extensive statutes that are amended on an ongoing basis. No material changes assessed as relevant to the Company have been made during the Review Period, nor are any expected in the near term.

Laws and Regulations Relating to Employment

The Swedish Employment Protection Act (Sw. Lagen om anställningsskydd (1982:80)) governs employment contracts, termination, and employee rights. The Swedish Employment Protection Act underwent major reforms in 2022 to increase flexibility and security in the labour market. The Swedish Work Environment Act (Sw. Arbetsmiljölagen (1977:1160)) regulates workplace health and safety. The Swedish Annual Leave Act (Sw. Semesterlagen (1977:480)) regulates employees’ rights to paid vacation. The Swedish Working Hours Act (Sw. Arbetstidslagen (1982:673)) sets limits on how much employees can work and regulates rules about overtime, rest periods, breaks, and record-keeping requirements for employers. The Swedish Act on Co-Determination in the Workplace (Sw. Lag (1976:580) om medbestämmande i arbetslivet) establishes the framework for employee participation and influence in workplace decisions. No material changes have been implemented in relation to the aforementioned regulations during the Review Period, nor are any expected in the near term.

The Swedish Anti-Discrimination Act (Sw. Diskrimineringslagen (2008:567)) requires employers to prevent discrimination and promote equal rights. In May 2023, the EU adopted a new directive, known as the Pay Transparency Directive. The new regulations will mainly result in changes to the Swedish Anti-Discrimination Act, and the rules are set to enter into force on June 1, 2026. The risk that the Company will be considered non-compliant with the new regulation should be regarded as low.

Collective bargaining agreements concerning blue-collar employees (Sw. Teknikavtalet, IF Metall/Teknikföretagen) and white-collar employees (Sw. Teknikavtalet, Unionen/Sveriges Ingenjörer/Ledarna)

The above-mentioned collective bargaining agreements regulate essential employment conditions such as salaries, working hours, overtime pay, holiday entitlements, pension plans and insurance coverage. These agreements require employers to comply with negotiated terms that often exceed statutory requirements.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

The history of our Group can be traced to December 2017 when FJD Hubei (the holding company of our Group before the Reorganization) was first established. Since the establishment of FJD Hubei, Dr. Wu, our founder, the chairperson of our Board, our chief executive officer and executive Director, has been its director, leading the development and overall management of business operations of our Group. For the biography and industry experience of Dr. Wu, see “Directors and Senior Management” in this Document.

Over the years, we have continued to advance our commitment to creating accessible robotics solutions and transforming the way people live and work for the better. With a sustained focus on transforming agricultural workflows, we became the sixth largest provider of agricultural auto-steering system kits and the fourth largest provider of retrofit agricultural auto-steering system kits globally in terms of revenue, with market shares of approximately 3.4% and 6.6% in 2025, respectively. For the biography and industry experience of Dr. Wu, see “Directors and Senior Management — Board of Directors — Executive Directors” in this Document.

MILESTONES

The following is a summary of our key business development milestones since the commencement of our business:

Year	Event
2017	FJD Hubei was established in China.
2019	We introduced our agricultural auto-steering system kits, delivering centimeter-level precision across the entire farming cycle, i.e. from planting to harvesting.
2020	Our agricultural auto-steering system kits ranked first in terms of sales in China, and we started to market them to overseas markets. We obtained the High-Tech Enterprise Certificate (高新技術企業證書).
2021	We further expanded our presence in the Asian markets, and marketed our products to over 40 countries. We introduced our 3D Excavator Guidance System, which is compatible with a range of construction machinery to deliver precise performance across diverse scenarios, ranging from harrowing and planting to spraying and harvesting. We launched our Sveaverken Feed Pusher, providing user-friendly unmanned feed pushing services.
2022	We further expanded our presence in the European markets, and marketed our products to over 70 countries. We launched (i) RTK Survey Rover V1t, which is widely applicable to scanning, construction, and agricultural navigation, (ii) 3D LIDAR Scanner S1, a high-performance 3D LIDAR scanner, (iii) Robotics Mower Z42P and Unmanned Tower Crane System, and (iv) Aerial Mapper, an integrated medium-format aerial camera.
2023	We introduced Excavator Guidance System, Motor Grader Control System and Dozer Control System, enabling comprehensive precision construction of roadways. We launched (i) a product line of Sveaverken industrial autonomous cleaning robots, (ii) Electric Walk-behind Greens Mower Portable 3D LIDAR Scanner P1, (iii) RTK Survey Rover V10i, and (iv) Robotic Mower RM21.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Year	Event
2024	We obtained the ISOBUS certification, and were the first company in China to obtain such certification. We launched (i) a dedicated line-marking kit for the RM21 lawnmower, successfully upgrading the product into the world’s first integrated lawnmowing and line-marking robot, and (ii) a product line of Sveaverken smart lawn mower robots, and we updated the Autosteering Kit and 3D LIDAR Scanner S2.
2025	We further expanded our global footprints, and marketed our products to over 110 countries. We released two standalone line-marking robot models, namely Paintmaster Pro and Paintmaster Mini. These products continue the brand’s technical advantages and market recognition in the lawnmowing and line-marking sector. We launched (i) Hydraulic Autosteering Kits and Farm Management System, (ii) a product line of Sveaverken farming autonomous manure robots, and (iii) a series of flagship products, successfully entering into the high-end markets across multiple segments, including farming auto-steering systems, precision material handling, composting, and seeding equipment control in the machine control systems, as well as construction guidance and control systems for construction machinery such as excavators, graders, and pile drivers.
2026	We launched the flagship agricultural auto navigation system, the FJD AT2 Ultra Auto Steer System.

OUR MAJOR SUBSIDIARIES

The following table sets forth certain information of each of our major subsidiaries as of the Latest Practicable Date.

Name of Subsidiary	Date of Establishment and Commencement of Business	Place of establishment	Approximate Equity Interest Attributable to our Group	Principal Activities
FJ Dynamics (Shenzhen) Co., Ltd. (豐疆智能(深圳)有限公司)	January 18, 2019	PRC	100%	Manufacturing and sales of products and research and development
FJ Dynamics Technology Academy (Changzhou) Co., Ltd. (豐疆智能科技研究院(常州)有限公司)	August 8, 2018	PRC	96.77% ^(note)	Manufacturing and sales of products
Svea (HK) Limited (斯維堡(香港)有限公司)	May 28, 2019	Hong Kong	100%	Sales of products
FJ Dynamics International Limited (豐疆智能國際有限公司)	June 13, 2019	Hong Kong	100%	Sales of products and research and development
Sveaverken Svea Agri AB	January 22, 2019	Sweden	100%	Manufacturing and sales of products

Note: For further details, see “— Corporate Structure Immediately before Completion of the [REDACTED]” in this section.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers that we consider to be material to us.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF OUR GROUP

1. Establishment and Early Development of FJD Hubei

On December 12, 2017, FJD Hubei was established as a joint stock limited company with an initial registered share capital of RMB800,000,000 by Dongfeng Asset Management Co., Ltd. (東風資產管理有限公司) (“**Dongfeng Asset**”), Smart Pioneer Holdings Limited (智鋒控股有限公司) (“**Smart Pioneer**”), SZ DJI Technology Co., Ltd. (深圳市大疆創新科技有限公司) (“**SZ DJI**”), Hanjiang Investment Holdings Co., Ltd. (漢江投資控股有限公司) (currently known as Hanjiang Holdings Development Group Co., Ltd. (漢江控股發展集團有限公司)) (“**Hanjiang Investment**”) and Zhongyou Capital Management Co., Ltd. (中郵資本管理有限公司) (“**Zhongyou Capital**”) with equity interests of 48%, 24%, 20%, 6% and 2%, respectively.

On January 3, 2019, Dongfeng Asset agreed to transfer the 64,000,000 shares and 48,000,000 shares of FJD Hubei to Suzhou Lingdao Fengshou Venture Capital Center (Limited Partnership) (蘇州領道豐收創業投資中心(有限合夥)) (currently known as Ningbo Lingdao Fengshou Venture Capital Partnership (Limited Partnership) (寧波領道豐收創業投資合夥企業(有限合夥))) (“**Suzhou Lingdao**”) and Xinyu Shenda Venture Capital Partnership (Limited Partnership) (新余深大創業投資合夥企業(有限合夥)) (“**Shenda VC**”) at RMB64,400,000 and RMB48,300,000, respectively. The considerations were determined based on the then valuation of FJD Hubei conducted by independent valuer with reference to its total assets and liabilities as at June 30, 2018, and were fully settled on January 17, 2019.

On March 14, 2019, shareholders of FJD Hubei resolved to adopt the onshore employee stock ownership plan and increase the registered capital, pursuant to which Ningbo Meishan Bonded Port Area Fengzhi Innovation Enterprise Management Partnership (Limited Partnership) (寧波梅山保稅港區豐智創新企業管理合夥企業(有限合夥)) (“**Ningbo Fengzhi**”) and Time Dynasty International Limited (時禦國際有限公司) (“**Time Dynasty**”) subscribed 168,000,000 shares and 32,000,000 shares of FJD Hubei, respectively, pursuant to the onshore employee stock ownership plan. As a result, the registered share capital of FJD Hubei increased to RMB1,000,000,000. Ningbo Fengzhi was held as to 99.99% by Dr. Wu (the chairperson of the Board, our chief executive officer and our executive Director) and 0.01% by Ningbo Meishan Bonded Port Area Fengzhi Enterprise Management Co., Ltd. (寧波梅山保稅港區豐智企業管理有限公司) (“**Ningbo Fengzhi**”), which was in turn controlled by Dr. Wu. Time Dynasty International Limited is controlled by Ms. Zhang Qi (張琦) (“**Ms. Zhang**”), our executive Director and chief financial officer.

Pursuant to the resolutions of the shareholders of FJD Hubei dated May 5, 2019, FJD Hubei repurchased 160,000,000 shares of FJD Hubei held by SZ DJI at RMB160,000,000, after SZ DJI reviewed its investment portfolio and decided to adjust its investment strategies in accordance with its internal investment policies. The consideration was determined with reference to the then valuation of FJD Hubei as at December 31, 2018 conducted by independent valuer, and was fully settled on January 22, 2021. Following the repurchase, SZ DJI (a wholly-owned subsidiary of iFlight Technology Company Limited (智翔科技有限公司), which is ultimately controlled by Wang Tao (汪滔) (an Independent Third Party)), ceased to be a shareholder of FJD Hubei. Following the repurchase, the registered share capital of FJD Hubei decreased to RMB840,000,000.

On December 23, 2019, Dongfeng Asset agreed to transfer 70,400,000 shares of FJD Hubei to Dongfeng Agricultural Equipment (Xiangyang) Co., Ltd. (東風農業裝備(襄陽)有限公司) (“**Dongfeng Xiangyang**”) for 34.7% of shares in Dongfeng Jingguan Agricultural Machinery Co., Ltd. (東風井關農業機械有限公司). Subsequently, on April 21, 2020, the aforesaid 70,400,000 shares of FJD Hubei was transferred by Dongfeng Xiangyang to GBA Strategic Investment Limited (大灣區戰略投資有限公司) (“**GBA Investment**”) at RMB70,800,000. The considerations were determined based on the then valuations of FJD Hubei, and were fully settled by May 6, 2020.

Pursuant to the resolutions of the shareholders of FJD Hubei dated August 27, 2020, and October 19, 2020, FJD Hubei repurchased 16,000,000 shares and 49,500,000 shares of FJD Hubei held by Zhongyou Capital and Dongfeng Asset at RMB16,096,741 and RMB99,000,000, respectively, after Zhongyou Capital and Dongfeng Asset reviewed their respective investment portfolios and decided to adjust their respective investment strategies in accordance with their respective internal investment

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

policies. The considerations were determined with reference to the then valuations of FJD Hubei at relevant times, and were fully settled by December 31, 2020. Following the repurchases, Zhongyou Capital (a wholly-owned subsidiary of China Post Group Corporation Limited (中國郵政集團有限公司), which is in turn wholly owned by the State Council), ceased to be a shareholder of FJD Hubei. Following the repurchases, the registered share capital of FJD Hubei decreased to RMB774,500,000.

On October 15, 2020, after reviewing its investment portfolio and decided to adjust its investment strategies in accordance with its internal investment policies, Hanjiang Investment agreed to transfer 48,000,000 shares of FJD Hubei to Shenzhen Boshengxing Agricultural Development Enterprise (Limited Partnership) (深圳博勝興農業發展企業(有限合夥)) (“**Shenzhen Boshengxing**”) at RMB54,574,700. The consideration was determined with reference to the then valuation of FJD Hubei as at December 31, 2019 conducted by independent valuer and based on the final price in the public tender, and was fully settled in October 2020. Following the transfer, Hanjiang Investment, which is wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Xiangyang Municipality (襄陽市人民政府國有資產監督管理委員會), ceased to be a shareholder of FJD Hubei.

Upon completion of the aforementioned changes in share capital and transfers of shares of FJD Hubei, FJD Hubei was held by Smart Pioneer, Ningbo Fengzhi, Dongfeng Asset, GBA Investment, Suzhou Lingdao, Shenda VC, Shenzhen Boshengxing and Time Dynasty as to approximately 24.79%, 21.69%, 19.64%, 9.09%, 8.26%, 6.20%, 6.20% and 4.13%, respectively.

2. Series A Onshore Financing of FJD Hubei and Share Transfers in 2021

On October 22, 2020, Tencent Mobility Limited, Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) (“**SCGC**”), Red Earth Junsheng (Guangdong) Venture Capital Partnership (Limited Partnership) (紅土君晟(廣東)創業投資合夥企業(有限合夥)) (“**Red Earth Guangdong**”), Foshan Red Earth Junsheng Venture Capital (Limited Partnership) (佛山紅土君晟創業投資合夥企業(有限合夥)) (“**Red Earth Foshan**”), Shanghai Lipengxing Enterprise Development Co., Ltd. (上海利鵬行企業發展有限公司) (“**Shanghai Lipengxing**”), GREAT PROFIT INVESTMENT LIMITED (偉潤投資有限公司) (“**Great Profit**”), Golden Shine Financial Group Limited (金輝金融集團有限公司) (“**GSFG**”) and GBA Investment agreed to subscribe for a total of 211,668,664 shares of FJD Hubei in, at a total consideration of RMB395,566,400 (“**Series A Financing**”). For details, see “— Pre-[REDACTED] Investments” in this section. Concurrent with Series A Financing, 84,000,000 shares of FJD Hubei were issued to Ningbo Fengzhi and Time Dynasty as employee incentives at RMB1.01 per share. As a result, the registered share capital of FJD Hubei increased to RMB1,070,168,664.

In June 2021, Shanghai Lipengxing agreed to transfer 21,404,110 shares of FJD Hubei to its affiliate, Dazhong Transportation (Hong Kong) Limited (“**Dazhong Transportation**”), at RMB40,000,000. The consideration was determined on an arms’ length basis, and was fully settled by June 18, 2021.

On July 23, 2021, Dongfeng Asset agreed to transfer 152,100,000 shares of FJD Hubei to its subsidiary, Xin ZhiFeng (Wuhan) Private Equity Partnership (Limited Partnership) (“**Xin ZhiFeng**”), at RMB36,720,106.73. The consideration was determined with reference to the net book value of the relevant transferred shares of FJD Hubei as at June 30, 2021 conducted by independent valuer, and was fully settled by July 2021.

Upon completion of the aforementioned issuance and transfers of shares of FJD Hubei, immediately prior to the Reorganization, FJD Hubei was held by Ningbo Fengzhi, Smart Pioneer, Xin ZhiFeng, GBA Investment, Tencent Mobility, Suzhou Lingdao, Shenda VC, Shenzhen Boshengxing, Time Dynasty, Dazhong Transportation, Red Earth Guangdong, Great Profit, Red Earth Foshan, GSFG and SCGC as to approximately 23.55%, 17.94%, 14.21%, 10.24%, 10.00%, 5.98%, 4.49%, 4.49%, 2.99%, 2.00%, 1.25%, 1.07%, 0.75%, 0.55% and 0.50%, respectively.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

3. Reorganization

In preparation for [REDACTED] and to allow for more flexibility in potential business expansion, we underwent the following reorganization, pursuant to which our Company became the holding company and [REDACTED] vehicle of our Group.

a. Establishment of our Offshore Corporate Structure and ESOP Platform

On June 7, 2021, our Company was incorporated in the Cayman Islands as an exempted company with limited liability, with an authorized share capital of US\$50,000 divided into 50,000 Shares of par value of US\$1.00 each. Upon incorporation, our Company allotted and issued one Share at US\$1.00 to our initial subscriber, which was then transferred at par value to Simple Mindset wholly owned by Dr. Wu. On the same date, our Company further allotted and issued (i) 99 Shares at US\$1.00 each to Simple Mindset, and (ii) 100 Shares at US\$1.00 each to Million Kirin, wholly owned by Ms. Zhang, which was subsequently repurchased by our Company at US\$100.00.

On June 15, 2021, Future Sharing was incorporated in the BVI as a limited liability company, as our employee shareholding incentive platform. Future Sharing is indirectly wholly owned by Futu Trustee Limited, an independent professional trustee appointed to administer the trust for the benefits of employees who have been granted share awards under the Pre-[REDACTED] Share Award Scheme.

On June 21, 2021, FJD BVI was incorporated in the BVI as an exempted company with limited liability with all of its issued shares held by the Company. On July 8, 2021, FJD HK was incorporated in Hong Kong as an exempted company with limited liability with all of its issued shares held by FJD BVI. On August 20, 2021, FJD WFOE was established in the PRC with all of its issued shares held by FJD HK.

b. 2021 Share Subdivision

Pursuant to the resolutions of the Shareholders dated September 14, 2021, the authorized share capital of our Company became US\$50,000 divided into 50,000,000,000 Shares of par value of US\$0.000001 each.

c. Allotment and Issuance of Shares of our Company

For the purpose of reflecting and mirroring the shareholding structure of FJD Hubei in our Company, our Company issued Shares to the then shareholders of FJD Hubei or their designated offshore counterparts or affiliates (as applicable) pursuant to their respective portion of equity interests then held in FJD Hubei.

The following table sets forth the equity interests of the then FJD Hubei shareholders immediately before the Reorganization, and the shareholding structure in our Company immediately after the Reorganization.

Shareholding of FJD Hubei Immediately before the Reorganization			Shareholding of our Company Immediately after the Reorganization			
Name of the shareholder	Number of shares	Approximate Corresponding Shareholding Interest	Name of the Shareholder	Class of Shares	Number of Shares Allotted	Approximate Corresponding Shareholding Interest
		(%)				(%)
Directors' Entities						
Ningbo Fengzhi	252,000,000	23.54	Simple Mindset	Ordinary Shares	107,051,827	10.00
			Future Sharing	Ordinary Shares	144,948,173 ^{note}	13.54
Time Dynasty	32,000,000	2.99	Million Kirin	Ordinary Shares	32,000,000	2.99

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholding of FJD Hubei Immediately before the Reorganization			Shareholding of our Company Immediately after the Reorganization			
Name of the shareholder	Number of shares	Approximate Corresponding Shareholding Interest (%)	Name of the Shareholder	Class of Shares	Number of Shares Allotted	Approximate Corresponding Shareholding Interest (%)
Other Pre-Reorganization Shareholders						
Smart Pioneer	192,000,000	17.94	Smart Pioneer	Ordinary Shares	192,000,000	17.94
Xin ZhiFeng	152,100,000	14.21	Xin ZhiFeng	Series A-1 Preferred Shares	152,100,000	14.21
GBA Investment.	109,548,116	10.24	MEGA PRIME DEVELOPMENT LIMITED (“ Mega Prime ”)	Ordinary Shares	70,400,000	6.58
				Series A-2 Preferred Shares	39,148,116	3.66
Tencent Mobility Limited	107,020,548	10.00	Tencent Mobility Limited	Series A-2 Preferred Shares	107,020,548	10.00
Ningbo Lingdao	64,000,000	5.98	Linden Tech Frontier Limited (“ Linden Tech ”)	Ordinary Shares	64,000,000	5.98
Shenzhen Boshengxing	48,000,000	4.49	Zhuojian Investment Management Company Limited (卓見投資管理有限公司) (“ Zhuojian Investment ”)	Ordinary Shares	48,000,000	4.49
Shenda VC	48,000,000	4.49	SZU Technology Capital IV Ltd. (“ SZU IV ”)	Ordinary Shares	48,000,000	4.49
Dazhong Transportation	21,404,110	2.00	Dazhong Transportation	Series A-2 Preferred Shares	21,404,110	2.00
Red Earth Guangdong	13,377,569	1.25	Red Earth Guangdong	Series A-2 Preferred Shares	13,377,569	1.25
Great Profit	11,454,623	1.07	Great Profit	Series A-2 Preferred Shares	11,454,623	1.07
Red Earth Foshan	8,026,541	0.75	FSJC Ventures Limited (“ FSJC Ventures ”)	Series A-2 Preferred Shares	8,026,541	0.75
GSFG	5,886,130	0.55	GSFG	Series A-2 Preferred Shares	5,886,130	0.55
SCGC	5,351,027	0.50	SCGC	Series A-2 Preferred Shares	5,351,027	0.50
Total	1,070,168,664	100.00			1,070,168,664	100.00

Note: 144,948,173 ordinary Shares were reserved for future employee incentives purposes.

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4. Our Series B Financing and Share Transfer

On November 23, 2021, our Company agreed to issue 115,373,089 and 31,770,500 Series B Preferred Shares to Tencent Mobility Limited and Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)) (“**Suzhou Paiyi**”), respectively, at respective considerations of US\$56,683,859 and RMB99,999,946 (“**Series B Financing**”). Concurrent with Series B Financing, 53,508,433 ordinary Shares were allotted to Future Sharing for employee incentives purpose. For details, see “— Pre-[REDACTED] Investments” in this section.

On the same date, Future Sharing transferred 25,416,413 ordinary Shares to Simple Mindset at par value, as agreed by the then Shareholders in recognition of the contribution of Dr. Wu to our Group.

Upon completion of the aforementioned issuance and transfer of Shares, our Company was held by Tencent Mobility Limited, Smart Pioneer, Future Sharing, Xin Zhifeng, Simple Mindset, Mega Prime, Linden Tech, Zhuojian Investment, SZU IV, Million Kirin, Suzhou Paiyi, Dazhong Transportation, Red Earth Guangdong, Great Profit, FSJC Ventures, GSFG and SCGC as to approximately 17.50%, 15.11%, 13.62%, 11.97%, 10.42%, 8.62%, 5.04%, 3.78%, 3.78%, 2.52%, 2.50%, 1.68%, 1.05%, 0.90%, 0.63%, 0.46% and 0.42%, respectively.

5. Subsequent Share Transfers and Series B-1 Financing

From December 2021 to January 2022, Smart Pioneer transferred 773,458, 22,437,659, 9,464,686, 712,396, 20,354,162, 10,177,081 and 6,106,249 ordinary Shares, respectively to GSFG, Loyal Best Investment Limited, Lighthouse International Growth Fund II L.P., Lighthousecap Fellow L.P., Axilight AA6_LH1 International L.P., Sanfield Construction Innovations Limited and Avion Team Limited at US\$380,000, US\$11,023,622, US\$4,650,000, US\$350,000, US\$10,000,000, US\$5,000,000 and US\$3,000,000, respectively. The considerations paid were determined based on the valuation of the Company at the time of Series B Financing. Upon completion of the share transfers by February, 2022, the ordinary Shares so transferred were reclassified into Series B Preferred Shares on a one-to-one basis.

On April 28, 2022, Simple Mindset transferred 521,067 ordinary Shares to Gathering & Binding (Hong Kong) Company Limited (“**Gathering & Binding**”) at US\$256,000, determined with reference to the valuation of the Company at the time of Series B Financing. On March 10, 2023, Zhuojian Investment transferred 48,000,000 ordinary Shares to its affiliate, Zhuojia Capital Limited.

On November 20, 2023, SZU IV transferred 17,355,085 ordinary Shares to each of GBA Equity Fund I LPF and Poly Platinum Enterprises Limited (“**Poly Platinum**”), at US\$5,000,000 in each transfer. The considerations were determined by arm’s length negotiation between SZU IV, GBA Equity Fund I LPF and Poly Platinum. On the same date, our Company also repurchased 18,533,739 ordinary Shares from Future Sharing for employee incentive restructuring purpose.

Further, on November 20, 2023, our Company allotted and issued 20,354,162, 5,088,541, 6,106,249 and 6,106,249 Series B-1 Preferred Shares, respectively, to 1.8 Meters Technology Holding Limited (“**1.8 Meters**”) at US\$10,000,000, Primus Klimontovich Limited at US\$2,500,000, GBA Equity Fund I LPF at US\$3,000,000 and Poly Platinum at US\$3,000,000. In connection with the aforementioned share subscriptions, as agreed by the then Shareholders, (i) our Company also allotted and issued 18,533,739 ordinary Shares to 1.8 Meters at par value, considering, among others, the strategic value it could bring to our Group, and (ii) our Company issued warrants to GBA Equity Fund I LPF and Poly Platinum pursuant to which each of GBA Equity Fund I LPF and Poly Platinum was entitled to subscribe for a maximum number of 30,531,244 Series B-1 Preferred Shares at US\$0.4913 per such share by exercising their warrants. On November 18, 2024, our Company entered into an amended warrant with Poly Platinum, pursuant to which the maximum number of Series B-1 Preferred Shares Poly Platinum was entitled to subscribe for reduced from 30,531,244 Series B-1 Preferred Shares to 27,478,120 Series B-1 Preferred Shares. In connection with such amended warrant, our Company allotted and issued 3,053,124 Series B-1 Preferred Shares to The Innovation and Technology Venture Fund Corporation at US\$1,500,000. The warrant issued to GBA Equity Fund I LPF was subsequently exercised on July 8, 2025, at US\$15,000,000, for 30,531,244 Series B-1 Preferred Shares,

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

whereas the warrant issued to Poly Platinum was assigned by Poly Platinum to Dawanqu SPC (acting for the account of GBA Robotics SP) (“**Dawanqu SPC**”) on August 1, 2025, and was exercised by Dawanqu SPC on August 6, 2025, at US\$4,000,000 for 8,141,665 Series B-1 Preferred Shares (the aforementioned subscriptions of our Shares by 1.8 Meters, Primus Klimontovich Limited, GBA Equity Fund I LPF, Poly Platinum, Dawanqu SPC and The Innovation and Technology Venture Fund Corporation were collectively referred to as “**Series B-1 Financing**”). For details, see “— Pre-[REDACTED] Investments” in this section.

On November 29, 2023, Mega Prime transferred 39,148,116 Series A-2 Preferred Shares and 70,400,000 ordinary Shares to its affiliate, Dawanqu SPC (acting on behalf of and for the account of GBA Mega SP at US\$51,480,000, which subsequently transferred the same to its affiliate, GBA Equity Fund II LPF at the same price. Further, on March 20, 2025, Linden Tech transferred all 64,000,000 ordinary Shares to its affiliate, Linden Tech Frontier I Limited (“**Linden Tech I**”) at nil consideration.

For the shareholding structure of our Company upon completion of the aforementioned issuance and transfers of Shares, see “— Capitalization of Our Company” in this section.

Compliance with PRC laws

Our PRC Legal Adviser confirmed that (i) FJD Hubei has made all necessary regulatory filings with competent local branches of SAMR required under PRC Laws in relation to the Reorganization; and (ii) all the equity transfers and decrease in registered capital of FJD Hubei as part of the Reorganization has complied with all applicable PRC Laws in all material respects.

VOTING PROXY AGREEMENTS

As of the Latest Practicable Date, Dr. Wu was indirectly interested in approximately 9.77% of our total issued share capital through Simple Mindset, which is wholly owned by Dr. Wu.

To enhance corporate decision-making efficiency and to strengthen the control of Dr. Wu, Future Sharing and Million Kirin executed a voting rights proxy agreement on September 14, 2021 (the “**2021 Proxy Agreement**”), pursuant to which Future Sharing and Million Kirin agreed to appoint Simple Mindset with full power to exercise all of their rights in relation to the 144,948,173 Shares and 32,000,000 Shares held by Future Sharing and Million Kirin, respectively, including exercising their voting rights at all meetings of the members of the Company. The 2021 Proxy Agreement is irrevocable unless revoked with the prior written consent of Simple Mindset. On August 12, 2025, Future Sharing executed another irrevocable voting rights proxy agreement, confirming that in addition to the 2021 Proxy Agreement, since November 24, 2021, it has agreed to appoint Simple Mindset with full power to exercise all of its rights in relation to the Shares held by it from time to time, including exercising their voting rights at all meetings of the members of the Company. Both Voting Proxy Agreements shall continue in effect until terminated with prior written consent by Simple Mindset.

As a result, Dr. Wu and Simple Mindset, as the Single Largest Shareholders, directly or indirectly control the voting rights attached to the Shares held by Simple Mindset, Million Kirin and Future Sharing, representing approximately 23.59% of the total issued share capital of our Company as of the Latest Practicable Date.

REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its Shares on [REDACTED] in order to provide further capital for the development and expansion of our Company’s business, to strengthen our Company’s working capital and to further raise our business profile and global presence. For further details of our future plans, see “Future Plans and Use of [REDACTED]” in this Document.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

Overview

We underwent the following Pre-[REDACTED] Investments, details of which are set forth below.

Round	Series A	Series B	Series B-1
Date of agreements	October 22, 2020	November 23, 2021	November 3, 2023 ⁽⁶⁾
Approximate amount of consideration paid	RMB395,566,400 ⁽⁴⁾	US\$70,000,000 ⁽⁵⁾	US\$39,000,000
Total number of shares of FJD Hubei issued/total number of Shares issued (as the case may be)	211,668,664	147,143,589	79,381,234 ⁽⁷⁾
Post-money valuation (approximation) ⁽¹⁾	RMB2 billion	US\$624 million	US\$663 million
Date of the last payment of considerations	December 29, 2020	June 8, 2022	August 8, 2025
Cost per share (approximation) ⁽²⁾	RMB1.8688	US\$0.4913	US\$0.4913 ⁽⁷⁾
[REDACTED] to the [REDACTED] (approximation) ⁽³⁾	[REDACTED]%	[REDACTED]%	[REDACTED]%
Basis of determining the considerations paid	The considerations for the Pre-[REDACTED] Investments were determined based on arms’ length negotiations between our Company and the Pre-[REDACTED] Investors after taking into consideration the timing of the investments and the status of our business.		
Lock-up Period	The Pre-[REDACTED] Investors will not be subject to any lock-up arrangement at the time of [REDACTED] pursuant to the relevant agreements of the Pre-[REDACTED] Investments.		
Use of proceeds from the Pre-[REDACTED] Investments	All of the proceeds from the Pre-[REDACTED] Investments were utilized for the development and operation of our business. As of the Latest Practicable Date, all of the funds raised from the Pre-[REDACTED] Investments had been utilized.		
Strategic benefits of the Pre-[REDACTED] Investors brought to our Company	At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors’ investments in our Company and their industry experience.		

Notes:

- (1) The post-money valuation of our Company equals the total number of shares of FJD Hubei or Shares (as the case may be) immediately after the relevant round of financing, multiplied by the cost per share for the relevant round of financing.
- (2) Calculated based on the amount of consideration paid divided by the number of shares.
- (3) Calculated based on the exchange rates as set out in the section headed “Information about this Document and the [REDACTED]” in this Document and on the [REDACTED] of HK\$[REDACTED], being the mid-point of the indicative [REDACTED] set out in this Document.
- (4) Among the total consideration, the consideration of the subscription of 39,148,116 shares of FJD Hubei by GBA Investment in the amount of RMB73,160,000 was settled by the principal amount and interests our Group owed to GBA Investment as of the date of the subscription, in accordance with the loan agreement entered into between GBA Investment and FJD Hubei on April 21, 2020.
- (5) The total consideration included an amount of US\$56,683,859 and an amount of RMB99,999,946.
- (6) In connection with the amendment to a warrant issued to Poly Platinum on November 3, 2023, pursuant to a share purchase agreement dated November 18, 2024, our Company allotted and issued 3,053,124 Series B-1 Preferred Shares to The Innovation and Technology Venture Fund Corporation at US\$1,500,000. For details, see “— Corporate Development and Major Shareholding Changes of our Group — 6. Subsequent Share Transfers and our Series B-1 Financing” in this section.
- (7) The 18,533,739 ordinary Shares issued to 1.8 Meters at par value are not included in this table as such ordinary Shares, different from the Series B-1 Preferred Shares subscribed for during Series B-1 Financing, were issued to 1.8 Meters as agreed by the then Shareholders, after considering, among others, the strategic value it could bring to our Group, as agreed by the then Shareholders. For details, see “— Corporate Development and Major Shareholding Changes of our Group — 6. Subsequent Share Transfers and our Series B-1 Financing” in this section.

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Special rights of the Pre-[REDACTED] Investors

Our Company and, among others, the Pre-[REDACTED] Investors entered into a shareholders’ agreement dated November 20, 2023 (the “Shareholders’ Agreement”), pursuant to which certain shareholder rights were agreed among the parties. Pursuant to the Shareholders’ Agreement and the then memorandum and articles of association of our Company, certain Pre-[REDACTED] Investors were granted shareholder rights, such as information and inspection rights, election of directors and observers, protection provisions and redemption rights.

The redemption rights, among others, have been terminated prior to the first filing of the [REDACTED] application and shall be automatically reinstated upon the earliest of the occurrence of any of the following redemption right restoring events: the Company’s [REDACTED] application has not been accepted, or has been dismissed, withdrawn, rejected, or has not been approved by the relevant securities regulatory authority or [REDACTED], or the [REDACTED] has not been consummated by December 31, 2027. All other special rights granted to the Pre-[REDACTED] Investors will be terminated upon [REDACTED].

Compliance with the Guide for New Listing Applicants

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was settled more than 28 clear days before the first filing of the [REDACTED] by our Company with the [REDACTED]; and (ii) the special rights granted to the Pre-[REDACTED] Investors have been terminated as disclosed in the paragraph headed “— Special Rights of the Pre-[REDACTED] Investors” above, the Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with the Pre-[REDACTED] Investment Guidance as defined in Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

Information about our Pre-[REDACTED] Investors

Set forth below are details for each of our Pre-[REDACTED] Investors.

Tencent Mobility Limited

Tencent Mobility Limited is a company incorporated under the laws of Hong Kong with limited liability, and is a wholly-owned subsidiary of Tencent Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock codes: 700 (HKD counter) and 80700 (RMB counter)). Tencent Mobility Limited is principally engaged in investment holding activities.

Suzhou Paiyi

Suzhou Paiyi is a limited partnership established in the PRC and is managed by its general partner, Suzhou Yaoyi Enterprise Management Co., Ltd. (蘇州垚益企業管理有限公司), which is wholly owned by Shenzhen Zeyi Consultancy Co., Ltd. (深圳市澤益諮詢有限公司). Suzhou Paiyi had two limited partners, namely, Suzhou Tencent Phase I Investment Fund Partnership (Limited Partnership) (蘇州騰訊一期跟投基金合夥企業(有限合夥)), which held approximately 65.00% partnership interest, and Beijing Tencent Phase I Investment Fund (Limited Partnership) (北京騰訊一期跟投基金(有限合夥)), which held approximately 34.95% partnership interest.

GBAHIL

Each of GBA Equity Fund I LPF and GBA Equity Fund II LPF is a limited partnership fund registered in Hong Kong under the Limited Partnership Fund Ordinance (Chapter 637 of the Laws of Hong Kong). The general partner of them is GBA GP Limited, which is ultimately wholly-owned by Greater Bay Area Homeland Investments Limited (大灣區共同家園投資有限公司) (“GBAHIL”). GBAHIL is a company incorporated in Hong Kong with limited liability and jointly owned by ten shareholders, each of which holds less than 13% interest in GBAHIL.

Poly Platinum Enterprises Limited (“Poly Platinum”) is a company incorporated in the BVI with limited liability and is wholly controlled by Greater Bay Area Homeland Development Fund LP (“GBA Fund”). GBA Fund is a private fund established in the Cayman Islands and is jointly owned by nine limited partners, each of which holds less than 16% equity interest therein. The general partner of the GBA Fund is Greater Bay Area Homeland Development Fund (GP) Limited, which is ultimately wholly-controlled by GBAHIL.

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GBA Robotics SP is a segregated portfolio of Dawanqu SPC. Dawanqu SPC is a segregated portfolio company incorporated in the Cayman Islands as an exempted company with limited liability on May 8, 2020. Its management shareholder is Celestial Billion Limited, a company incorporated in BVI, which is indirectly wholly owned by GBAHIL.

GBAHIL does not have any equity interest in the GBA Fund, GBA Equity Fund II LPF and Dawanqu SPC — GBA Robotics SP. It has a less than 5% equity interest in GBA Equity Fund I LPF and a number of non-voting preference shares in Poly Platinum.

GBA Equity Fund I LPF, GBA Equity Fund II LPF, GBA Robotics SP, Poly Platinum and GBA Fund are managed by Greater Bay Area Development Fund Management Limited (大灣區發展基金管理有限公司) (“**GBADFML**”). GBADFML is a company wholly owned by GBAHIL and licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong.

Xin ZhiFeng

Xin ZhiFeng is a limited partnership established under the laws of the PRC. It is principally engaged in equity investment. Its general partner is Yuanjing (Wuhan) Investment Management Co., Ltd. (轅憬(武漢)投資管理有限公司) (“**Yuanjing Wuhan**”). Yuanjing Wuhan is in turn wholly owned by Dongfeng Asset. Dongfeng Asset is wholly owned by Dongfeng Motor Corporation (東風汽車集團有限公司), a Chinese central State-owned enterprises managed by State-owned Assets Supervision and Administration Commission of the State Council. Xin ZhiFeng is held as to 0.03% by Yuanjing Wuhan and as to 99.97% by its limited partner, Dongfeng Asset. To the best knowledge of our Directors, each of Xin ZhiFeng and its ultimate beneficial owner(s) is an Independent Third Party.

Smart Pioneer

Smart Pioneer is a wholly owned subsidiary of New China Agriculture LP, whose general partner is New China Agriculture GP, wholly owned by New China Capital International Limited. New China Capital International Limited is owned by New China Asset Management (Hong Kong) Limited, Profound Brilliant Star Limited and Charoen Pokphand Financial Holdings Limited at 40%, 30% and 30% equity interest, respectively. New China Asset Management (Hong Kong) Limited is in turn controlled by New China Life Insurance Company Ltd., a company listed on the Stock Exchange (stock code: 1336). Profound Brilliant Star Limited are held by 13 individuals, each of whom is an Independent Third Party. Charoen Pokphand Financial Holdings Limited is owned by Clover Global Investments Limited and Run Best Investments Limited as to 90% and 10%, respectively. Clover Global Investments Limited is wholly owned by Tse Ping. New China Agriculture LP has eight limited partners, all of whom are Independent Third Parties, and none of the limited partners holds more than 30% partnership interest of it. To the best knowledge of our Directors, each of Smart Pioneer and its ultimate beneficial owner(s) is an Independent Third Party.

Linden Tech I

Linden Tech I, a limited company incorporated in the British Virgin Islands on November 20, 2024, is wholly owned by Linden Tech Frontier Limited, a limited company incorporated and existing under the laws of Hong Kong. Linden Tech Frontier Limited is wholly owned by Freeflow Solutions Private Limited, a limited company incorporated in Singapore. Freeflow Solutions Private Limited is a professional real estate leasing services provider, primarily engaged in residential and commercial leasing operations. With its core competitiveness rooted in specialized and diversified asset management and leasing solutions, the company is wholly owned by Mr. Zhang Zhou. To the best knowledge of our Directors, each of Linden Tech I and its ultimate beneficial owner is an Independent Third Party.

Zhuojia Capital Limited

Zhuojia Capital Limited is a limited company incorporated in British Virgin Islands with limited liability, primarily engaging in equity investments. Zhuojia Capital Limited is owned as to 60% by Lai Chun Lam (賴俊霖) and 40% by Lau Chau In (劉楸妍). To the best knowledge of our Directors, each of Zhuojia Capital Limited, Lai Chun Lam and Lau Chan In is an Independent Third Party.

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1.8 Meters

1.8 Meters is a private company incorporated in the Hong Kong Special Administrative Region on March 17, 2023, and is wholly owned by 1.8 Meters Technology Fund, LP, a private fund established in the Cayman Islands. 1.8 Meters Technology Fund, LP is managed by its general partner, New Agriculture Strategic Opportunities GP Limited, which is indirectly controlled by Alibaba Group Holding Limited, a company listed on the New York Stock Exchange (stock symbol: BABA) and the Stock Exchange (stock code: 9988 (HKD counter) and 89988 (RMB counter)). To the best knowledge of our Directors, each of 1.8 Meters and its ultimate beneficial owner(s) is an Independent Third Party.

Lighthouse Capital

Lighthouse International Growth Fund II L.P., Axilight AA6_LH1 International L.P. and Lighthousecap Fellow L.P. are all exempted limited partnerships incorporated under the laws of the Cayman Islands. The general partner of the Lighthouse International Growth Fund II L.P. is Lighthouse International Growth Fund II GP Ltd., which is controlled by Zheng Xuanle. The general partner of Axilight AA6_LH1 International L.P. and Lighthousecap Fellow L.P. is Lighthousecap International INC., which is controlled by Zheng Xuanle. None of the limited partners of Lighthouse International Growth Fund II L.P. holds more than 30% partnership interest. Axilight AA6_LH1 International L.P. is held by Axiom Asia 6, L.P. as to approximately 56.91% as a limited partner, Axiom Asia 6-A SCSp, SICAV-RAIF as to approximately 36.76% as a limited partner, and other limited partners each holding less than 30% partnership interest. Each of Axiom Asia 6, L.P. and Axiom Asia 6-A SCSp, SICAV-RAIF is beneficially owned by Loh Siew Kee, Lau Zhi Yuan, Lee Sao Wei and Ng Edmond Chi Man. Besides, Lighthousecap Fellow L.P. is wholly owned by Zheng Xuanle.

Lighthouse Capital is a leading investment bank in China, providing services to top-tier technology, industrial, and new economy entrepreneurs. The company offers a range of services including financial advisory, asset management, mergers and acquisitions, securities underwriting, industry consulting, and other value-added services. To the best knowledge of our Directors, each of Lighthouse International Growth Fund II L.P., Axilight AA6_LH1 International L.P., Lighthousecap Fellow L.P. and their respective ultimate beneficial owner(s) is an Independent Third Party.

SCGC

Red Earth Guangdong is a limited partnership established under the laws of the PRC. SCGC holds 35% partnership interest as the largest limited partner and none of the other limited partners holds more than 30% partnership interest. Its general partner is Guangdong Red Earth Venture Capital Management Co., Ltd. (廣東紅土創業投資管理有限公司), a wholly owned company of SCGC.

FSJC Ventures Limited is a company incorporated under the Laws of the British Virgin Islands and controlled by SCGC.

SCGC was established in 1999 by the Shenzhen Municipal Government with a focus on venture capital investment to nurture entrepreneurship and innovation. SCGC is held by the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality (深圳市人民政府國有資產監督管理委員會) as to approximately 28.20% and 12 other shareholders each holding less than 25% interests. To the best knowledge of our Directors, each of Red Earth Guangdong, FSJC Ventures Limited, SCGC and their respective ultimate beneficial owner(s) is an Independent Third Party.

Loyal Best Investment Limited

Loyal Best Investment Limited is a company incorporated in Hong Kong on April 18, 2008. It primarily engages in investment activities and investment management with its own funds. Loyal Best Investment Limited is wholly owned by Hoscope Holding Limited, which is a limited liability company established in the British Virgin Islands and wholly beneficially owned by the family of Zheng shilin. To the best knowledge of our Directors, each of Loyal Best Investment Limited and the family of Zheng shilin is an Independent Third Party.

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Dazhong Transportation

Dazhong Transportation (Hong Kong) Limited was incorporated in Hong Kong and is a wholly-owned subsidiary of Dazhong Transportation (Group) Co. Ltd.. Dazhong Transportation (Group) Co. Ltd. (大眾交通(集團)股份有限公司) is listed on the Shanghai Stock Exchange (stock code: 600611) and primarily engaged in urban transportation, modern logistics, tourist services, real estate and self-operated financial services. The principal businesses of Dazhong HK include taxi and automobile rental and management of car parks, modern logistics and transportation. To the best knowledge of our Directors, each of Dazhong Transportation and its ultimate beneficial owner(s) is an Independent Third Party.

SZU IV

SZU IV is a limited company incorporated in the British Virgin Islands and is wholly owned by Shanghai Shenli Management Consulting Partnership (Limited Partnership) (上海深荔管理諮詢合夥企業(有限合夥)) (“**Shanghai Shenli**”). Shanghai Shenli is approximately 0.0416% owned by its general partner, Shenzhen SZU Longgang Venture Capital Ltd. (深圳市深大龍崗創業投資有限公司) (“**SZU Longgang**”), and approximately 99.9584% by its limited partner, Xinyu Shenda Venture Investment Partnership (Limited Partnership) (新余深大創業投資合夥企業(有限合夥)) (“**Shenda Venture**”). SZU Longgang is a private fund manager registered in China and serves as the general partner and manager of Shenda Venture, none of the limited partners of Shenda Venture holds more than 30% partnership interest. SZU Longgang is hold as to approximately 40.32% equity interest by Shenzhen University Longgang Innovation Research Institute (深圳大學龍崗創新研究院), 39.53% equity interest by Shenzhen Qianhai Liyuan Management Consulting Co., Ltd. (深圳前海荔源諮詢管理有限公司) (“**Qianhai Liyuan Consulting**”) Qianhai Liyuan Consulting is owned as to approximately 61.95% by Shenzhen Qianhai Liyuan Industry Co., Ltd. (深圳前海荔源實業有限公司), which is wholly owned by Zhang Zhaoxi (張釗溪). None of the other shareholders of SZU Longgang and Qianhai Liyuan Consulting holds more than 30% equity interest. To the best knowledge of our Directors, each of SZU IV and its ultimate beneficial owner(s) is an Independent Third Party.

Great Profit

Great Profit is a limited company registered in Hong Kong and is wholly owned by Qianhai International (HK) Limited which is registered in Hong Kong. Qianhai International (HK) Limited is primarily engaged in the financial services industry. It has a subsidiary corporation licensed by the Hong Kong Securities and Futures Commission and has extensive experience in intelligence technology and biotechnology investments. Its ultimate controllers are Mr. Li Ying (李鷹) and Mr. Zhang Weidong (張衛東). To the best knowledge of our Directors, each of Great Profit, Mr. Li Ying and Mr. Zhang Weidong is an Independent Third Party.

Sanfield Construction Innovations Limited

Sanfield Construction Innovations Limited is a company with limited liability incorporated in Hong Kong, which is ultimately owned by Sun Hung Kai Properties Limited (新鴻基地產發展有限公司), a company listed on the Hong Kong Stock Exchange (stock codes: 00016 (HK counter) and 80016 (RMB counter)), and are traded over the counter in the United States in the form of American Depositary Receipts (“**ADR**”). Sun Hung Kai Properties Limited is one of Hong Kong’s largest and most prominent property developers, with operations primarily in Hong Kong and Mainland China. Its business is highly diversified, encompassing residential and commercial properties development, leasing and management of commercial properties and shopping malls, hotel operation and management, data centre operation, as well as telecommunication, infrastructure and logistics services. To the best knowledge of our Directors, each of Sanfield Construction Innovations Limited and its ultimate beneficial owner(s) is an Independent Third Party.

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GSFG

GSFG is a private company limited by shares incorporated in Hong Kong on March 5, 2019, principally engaged in investment holding activities. Its sole director, Mr. Daniel Paul Livingstone, is an Independent Third Party. No shareholder holds 25% or more of the issued shares of GSFG. To the best knowledge of our Directors, each of GSFG and its ultimate beneficial owner(s) is an Independent Third Party.

Avion Team Limited

Avion Team Limited is a company incorporated in the British Virgin Islands with limited liability on 22 April 2008, primarily engaging in equity and bond investments. Avion Team Limited is wholly owned by Mr. Kwok Adam Kai Fai. To the best knowledge of our Directors, each of Avion Team Limited and Mr. Kwok Adam Kai Fai is an Independent Third Party.

Primus Klimontovich Limited

Primus Klimontovich Limited is a private limited liability company incorporated under the laws of Hong Kong on May 26, 2021, and indirectly wholly owned by Hong Kong Science and Technology Parks Corporation, a body corporate formed under the Hong Kong Science Parks Corporation Ordinance (Chapter 565 of the Laws of Hong Kong). To the best knowledge of our Directors, the above entities are Independent Third Parties.

The Innovation and Technology Venture Fund Corporation

The Innovation and Technology Venture Fund Corporation is a limited company incorporated in Hong Kong on February 3, 2017 as a special-purpose vehicle established by the Hong Kong Government to facilitate control and administration of the Innovation and Technology Venture Fund. The HK\$2 billion Innovation and Technology Venture Fund was launched by the Hong Kong Government in 2017 to encourage venture capital investment in local innovation and technology start-ups and to create a vibrant start-up ecosystem in Hong Kong. The Innovation and Technology Venture Fund Corporation co-invests with selected venture capital funds in eligible local start-ups at a matching investment ratio of Government Fund to selected venture capital funds of approximately 1:2. To the best knowledge of our Directors, each of The Innovation and Technology Venture Fund Corporation and its ultimate beneficial owner(s) is an Independent Third Party.

Gathering & Binding

Gathering & Binding is a company incorporated in Hong Kong with limited liability on March 28, 2022, primarily engaging in equity investments. Gathering & Binding is wholly owned by Mr. Jiang Bin (江彬). To the best knowledge of our Directors, each of Gathering & Binding and Mr. Jiang Bin is an Independent Third Party.

[REDACTED]

With respect to the indicative [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED] (being the low-end, mid-point and high-end of the indicative [REDACTED], respectively), the expected [REDACTED] the Shares upon [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan), in each case, will [REDACTED]. Pursuant to Rule 8.08(1) of the Listing Rules, the minimum number of Shares held by the [REDACTED] at the time of [REDACTED] as a percentage of the total number of Shares shall be approximately [REDACTED]%, [REDACTED]% and [REDACTED]%, when the [REDACTED] is fixed at HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED], respectively.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan):

- (1) as Simple Mindset is wholly owned by Dr. Wu (our executive Director, the chairperson of the Board and chief executive officer), it will be our core connected person, and the 131,947,173 Shares, which represent approximately [REDACTED]]% of the total issued Shares, will not count towards the [REDACTED] for the purpose of Rule 8.08 of the Listing Rules;
- (2) as Million Kirin and Future Sharing, as Proxy Grantors, have agreed to appoint Simple Mindset with full power to exercise all of their rights in relation to the Shares they hold in our Company, the 186,506,454 Shares, which represent approximately [REDACTED]% of the total issued Shares, will not count towards the [REDACTED] for the purpose of Rule 8.08 of the Listing Rules;
- (3) as Tencent Mobility Limited and Suzhou Paiyi will be our substantial shareholders upon Listing, they will be our core connected persons, and the 254,164,137 Shares, which represent approximately [REDACTED]% of the total issued Shares, will not count towards the [REDACTED] for the purpose of Rule 8.08 of the Listing Rules; and
- (4) as GBA Equity Fund I LPF, GBA Equity Fund II LPF, Poly Platinum and Dawanqu SPC (acting for the account of GBA Robotics SP) will be our substantial shareholders upon Listing, they will be our core connected persons, and the 195,143,693 Shares, which represent [REDACTED]% of the total issued Shares, will not count towards the [REDACTED] for the purpose of Rule 8.08 of the Listing Rules.

Based on the above, it is expected that immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan), a total of [REDACTED] Shares, representing [REDACTED]% of our total issued Shares will be counted as part of the [REDACTED], which is higher than the prescribed percentage of Shares required to be held in public hands under Rule 8.08(1) of the Listing Rules (applicable at the indicative [REDACTED] set out in this Document).

[REDACTED]

PRC REGULATORY REQUIREMENTS

SAFE REGISTRATION

Pursuant to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (“SAFE Circular 37”) promulgated by SAFE, (i) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (“Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties. Further, pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) promulgated by SAFE, the

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located, and the SAFE and its branches shall perform indirect regulation over the direct investment-related foreign exchange registration via banks.

Our PRC Legal Adviser has advised that Dr. Wu, according to the SAFE Circular 37, has completed his initial foreign exchange registration in June 2021.

M&A Rules

Pursuant to Article 11 of the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the STA, the CSRC, the SAMR and the SAFE, as amended from time to time, approval from MOFCOM is required where a domestic company or enterprise, or a domestic natural person, through an overseas company established or controlled by it, acquires a domestic company which is related to or connected with it.

As advised by our PRC Legal Adviser, unless new laws and regulations are enacted, or the MOFCOM and the CSRC publish new provisions or interpretations on the M&A Rules in the future, since FJD Hubei was a foreign-invested enterprises immediately prior to the Reorganization and the Reorganization did not involve any acquisition of domestic enterprises (as defined under the M&A Rules), Article 11 of the M&A Rules is not applicable to the Reorganization.

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan):

Name of Shareholder	As of the Latest Practicable Date						Immediately upon completion of the [REDACTED] ⁽²⁾		
	Number of Ordinary Shares	Number of Series A-1 Preferred Shares ⁽¹⁾	Number of Series A-2 Preferred Shares ⁽¹⁾	Number of Series B Preferred Shares ⁽¹⁾	Number of Series B-1 Preferred Shares ⁽¹⁾	Subtotal	Approximate ownership percentage	Number of Shares ⁽¹⁾	Approximate ownership percentage
<i>Voting rights of which are controlled by Single Largest Shareholders</i>									
Simple Mindset ⁽³⁾	131,947,173	—	—	—	—	131,947,173	9.77%	131,947,173	[REDACTED]%
Million Kirin ⁽³⁾	32,000,000	—	—	—	—	32,000,000	2.37%	32,000,000	[REDACTED]%
Future Sharing ⁽³⁾	154,506,454	—	—	—	—	154,506,454	11.44%	154,506,454	[REDACTED]%
<i>Subtotal</i>	318,453,627	—	—	—	—	318,453,627	23.59%	318,453,627	[REDACTED]%
Tencent Mobility Limited	—	—	107,020,548	115,373,089	—	222,393,637	16.47%	222,393,637	[REDACTED]%
<i>GBAHL</i>									
GBA Equity Fund II LPF	70,400,000	—	39,148,116	—	—	109,548,116	8.11%	109,548,116	[REDACTED]%
GBA Equity Fund I LPF	17,355,085	—	—	—	36,637,493	53,992,578	4.00%	53,992,578	[REDACTED]%
Poly Platinum	17,355,085	—	—	—	6,106,249	23,461,334	1.74%	23,461,334	[REDACTED]%
Dawanqu SPC (acting for the account of GBA Robotics SP)	—	—	—	—	8,141,665	8,141,665	0.60%	8,141,665	[REDACTED]%
<i>Subtotal</i>	105,110,170	—	39,148,116	—	50,885,407	195,143,693	14.45%	195,143,693	[REDACTED]%
Xin ZhiFeng	—	152,100,000	—	—	—	152,100,000	11.26%	152,100,000	[REDACTED]%
Smart Pioneer	121,974,309	—	—	—	—	121,974,309	9.03%	121,974,309	[REDACTED]%
Linden Tech I	64,000,000	—	—	—	—	64,000,000	4.74%	64,000,000	[REDACTED]%
Zhuojia Capital Limited	48,000,000	—	—	—	—	48,000,000	3.56%	48,000,000	[REDACTED]%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of Shareholder	As of the Latest Practicable Date						Immediately upon completion of the [REDACTED] ⁽²⁾		
	Number of Ordinary Shares	Number of Series A-1 Preferred Shares ⁽¹⁾	Number of Series A-2 Preferred Shares ⁽¹⁾	Number of Series B Preferred Shares ⁽¹⁾	Number of Series B-1 Preferred Shares ⁽¹⁾	Subtotal	Approximate ownership percentage	Number of Shares ⁽¹⁾	Approximate ownership percentage
1.8 Meters	18,533,739	—	—	—	20,354,162	38,887,901	2.88%	38,887,901	[REDACTED]%
Suzhou Paiyi	—	—	—	31,770,500	—	31,770,500	2.35%	31,770,500	[REDACTED]%
Lighthouse Capital									
Axilight AA6_LH1									
International L.P.	—	—	—	20,354,162	—	20,354,162	1.51%	20,354,162	[REDACTED]%
Lighthouse International									
Growth Fund II L.P.	—	—	—	9,464,686	—	9,464,686	0.70%	9,464,686	[REDACTED]%
Lighthousecap Fellow L.P.	—	—	—	712,396	—	712,396	0.05%	712,396	[REDACTED]%
Subtotal	—	—	—	30,531,244	—	30,531,244	2.26%	30,531,244	[REDACTED]%
SCGC									
Red Earth Guangdong	—	—	13,377,569	—	—	13,377,569	0.99%	13,377,569	[REDACTED]%
FSJC Ventures	—	—	8,026,541	—	—	8,026,541	0.59%	8,026,541	[REDACTED]%
SCGC.	—	—	5,351,027	—	—	5,351,027	0.40%	5,351,027	[REDACTED]%
Subtotal	—	—	26,755,137	—	—	26,755,137	1.98%	26,755,137	[REDACTED]%
LOYAL BEST INVESTMENT									
LIMITED	—	—	—	22,437,659	—	22,437,659	1.66%	22,437,659	[REDACTED]%
Dazhong Transportation	—	—	21,404,110	—	—	21,404,110	1.59%	21,404,110	[REDACTED]%
SZU IV	13,289,830	—	—	—	—	13,289,830	0.98%	13,289,830	[REDACTED]%
Great Profit	—	—	11,454,623	—	—	11,454,623	0.85%	11,454,623	[REDACTED]%
Sanfield Construction									
Innovations Limited	—	—	—	10,177,081	—	10,177,081	0.75%	10,177,081	[REDACTED]%
GSFG.	—	—	5,886,130	773,458	—	6,659,588	0.49%	6,659,588	[REDACTED]%
Avion Team Limited	—	—	—	6,106,249	—	6,106,249	0.45%	6,106,249	[REDACTED]%
Primus Klimontovich Limited	—	—	—	—	5,088,541	5,088,541	0.38%	5,088,541	[REDACTED]%
The Innovation and Technology									
Venture Fund Corporation	—	—	—	—	3,053,124	3,053,124	0.23%	3,053,124	[REDACTED]%
Gathering & Binding.	521,067	—	—	—	—	521,067	0.04%	521,067	[REDACTED]%
Other [REDACTED] taking part in the [REDACTED].	—	—	—	—	—	—	—	[REDACTED]	[REDACTED]%
Total	689,882,742	152,100,000	211,668,664	217,169,280	79,381,234	1,350,201,920	100%	[REDACTED]	100%

Notes:

- (1) Each Series A-1 Preferred Share, Series A-2 Preferred Share, Series B Preferred Share and Series B-1 Preferred Share shall be converted into one ordinary Share with effect upon completion of the [REDACTED].
- (2) Assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan.
- (3) Dr. Wu, through Simple Mindset and by virtue of the Voting Proxy Agreements, will be entitled to exercise the voting rights of the 318,453,627 Shares held by Simple Mindset, Million Kirin and Future Sharing, which represent approximately [REDACTED]% of the voting rights of the Company upon [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan).

The chart below sets out the shareholding structure of our Group immediately before completion of the [REDACTED]:



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The chart below sets out the shareholding structure of our Group immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan):



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OVERVIEW

Who We Are

Positioning

We are a global provider of robotics solutions and associated enabling technologies that enhance human potential by building digital models for the real world and bringing autonomous transition to essential workflows in agriculture and livestock farming, construction, and facility management industries and beyond. Our integrated, proprietary hardware and software systems free the workforce from repetitive and menial tasks, empowering them to dedicate time and effort toward tasks where human insight, judgment, creativity make a difference. Over the years, we have continued to advance our commitment to creating accessible robotics solutions and transforming the way people live and work for the better.

Our solutions, ranging from steering and construction control systems to scanners and robotic mowers, focus on addressing the most critical and widespread pain points faced by participants of our target industries. By offering solutions that address the common, often practical challenges within an industry, we help our end users achieve efficiency and enhance job satisfaction while driving significant growth in our business. Following substantial growth since our inception, we are now an established global player in the agricultural robotics solutions market. In the global agricultural robotics solutions market, we became the third largest provider of agricultural auto-steering system kits and the second largest provider of retrofit agricultural auto-steering system kits globally in terms of shipment, with market shares of approximately 9.7% and 17.5% in 2025, respectively. Since our inception, our continuum of innovations has propelled us to achieve rapid growth, establishing us as the youngest company among the top five industry players. In terms of revenue, we became the sixth largest provider of agricultural auto-steering system kits and the fourth largest provider of retrofit agricultural auto-steering system kits globally, with market shares of approximately 3.4% and 6.6% in 2025, respectively.

Market Backdrop

While technologies have transformed many aspects of modern life, industries with heavy physical workflows, such as agriculture and livestock farming, construction, and facility management, have yet to truly benefit from the adoption of robotic and autonomous technologies. Despite being foundational to economic and environmental infrastructure, these industries remain underserved by technological innovation, particularly with the rise of embodied AI driving the integration of intelligent systems into physical machines that can achieve real-world tasks. The penetration rate of global robotics solutions with agriculture and livestock farming, construction, and facility management industries are only less than 10.0%, 1.0%, and 15.0%, respectively, in 2024.

At the same time, these essential sectors are under growing pressure to increase productivity to meet the challenges arising from labor shortage around the world.

- Aging workforces and urban migration are making it harder to secure and retain field labor, further straining operations that are already resource intensive. According to the *FAO Statistical Yearbook 2024*, global employment in agriculture, forestry, and fishing declined by 13% between 2000 and 2022, including a dramatic 47% reduction in Europe. In the United States, the average age of agricultural workers is now between 46 and 58 years, highlighting the sector’s aging workforce and the scarcity of younger replacements.

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- Younger generations are less inclined to enter these industries due to the physically demanding working conditions such as long hours, harsh working environments, and limited access to modern conveniences and comforts. For example, aerial construction workers often spend long hours on elevated platforms without easy access to restrooms, causing physical discomfort in addition to heightened safety risks. In addition, many agricultural and construction roles are based in remote locations with poor connectivity and limited social infrastructure, which can lead to isolation and reduced quality of life for workers. The skills required for many roles in these industries are not easily acquired, further limiting the pace at which new talent can enter and support long-term industry developments.

While some advanced robotics solutions are available, due to the significant industry knowledge and R&D resources required to develop such solutions, they are often built with long development cycles, serve limited use cases, and are costly to adopt. Few robotics players possess the industry knowledge and long-term commitment required to build solutions that work in real-world, field-based scenarios, leaving the market chronically underserved.

Workers and businesses alike need comprehensive, easy-to-use, affordable solutions that can transform how essential workflows get done with greater efficiency and operational flexibility, minimum effort, lower costs, and more sustainable practices. As a result, the global robotics market is seeing rising demand, growing at 16.1% CAGR from US\$78.4 billion in 2024 to US\$170.0 billion in 2029. The global robotics market of agriculture and livestock farming, construction and facility management robotics solutions are projected to reach US\$27.6 billion, US\$13.1 billion, and US\$9.6 billion by 2029, respectively.

Value Propositions

Our solutions are purpose-built to address the most pressing challenges in the field-based scenarios. We offer tangible value to our end users in the following ways:

- ***Catalyze income growth.*** Our products enhance operational precision and control, allowing end users to achieve greater output and earn more income with the same resources. Across agriculture livestock farming, construction and facility management, we have helped end users unlock meaningful topline uplift.
- ***Generate cost savings.*** Our products help reduce costs and improve operational efficiency. Labor has been one of the biggest constraint across industries with physically intensive workflows. In terms of resource savings, the precision and control delivered by our products help save resource usage and minimize waste, thereby achieving measurable cost savings. With our efficient R&D model and streamlined supply chain, we are able to offer our solutions at affordable prices.
- ***Enhance work engagement.*** Our solutions support the long-term sustainability of essential industries by reshaping field-based work into an experience that combines the engagement of play with the impact of productivity. Through digital modeling and user-friendly design, our solutions bring the ease and satisfaction of gameplay to essential workflows. Our control systems are operated through intuitive screens that emulate the experience of managing and deploying resources in a virtual game world, making real-world operations more interactive and enjoyable. This shift not only improves overall job satisfaction, but also makes these roles more appealing and accessible to a broader range of people, especially the younger generations.

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Our Achievements

With a sustained focus on transforming agricultural workflows, we became the sixth largest provider of agricultural auto-steering system kits and the fourth largest provider of retrofit agricultural auto-steering system kits globally in terms of revenue, with market shares of approximately 3.4% and 6.6% in 2025, respectively. Our relentless commitment to addressing the fundamental labor challenges is well recognized and widely accepted by our end users. During the Track Record Period, our sales volume of auto-steering kit amounted to 33,072, 34,259 and 41,921, respectively. As of December 31, 2025, we have 2,564 distributors with a geographic coverage of over 110 countries. Building on this foundation, we are well positioned to bring digital model and autonomous transition to a broader range of industries, starting with agriculture livestock farming, construction, and facility management.

Supported by our scalable distributor model, adaptive R&D approach, and efficient supply chain, we were able to sell globally from an early stage. Within a short time frame since our inception, we have been expanding our geographic coverage and reached over 110 countries as of December 31, 2025. In 2025, 53.7%, 30.2% and 11.8% of our total revenue was generated from Europe, Asia and Americas, respectively.

What We Offer

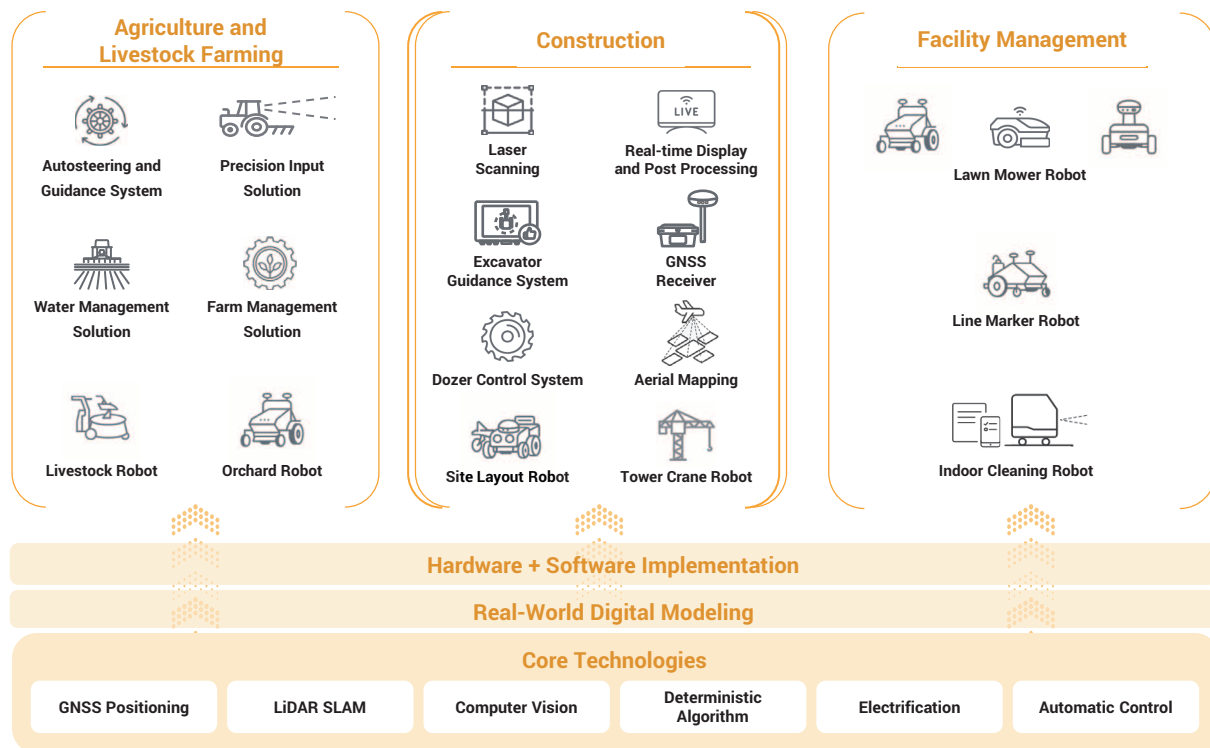
Our Solutions

We are committed to making transformative innovations broadly accessible to those essential but underserved industries. By strategically focusing on underpenetrated sectors, we purposefully building solutions that address the specific pain points of the markets we serve. Currently, we offer robotics solutions and associated enabling technologies tailored to the distinct needs of agriculture and livestock farming, construction and facility management industries at affordable prices.

- *Agriculture and livestock farming solutions.* Our precision agriculture solutions provide guidance and steering systems throughout the farming cycle. Together with our water management solution, precise input solution, and farm management solution, we help farms reduce input costs and resources usage while meaningfully increasing yield. Our livestock farming solutions introduce automation to various aspects of livestock farming and animal farming, such as feed pushing, manure cleaning and herd management.
- *Construction solutions.* With our real-world modeling capabilities, we enable laser scanning, GNSS receiver, aerial mapping, and post-processing in construction workflows. On top of the digital model for the real world, we provide machine control systems and robots to enable safer, more streamlined construction process with shorter delivery timelines for the construction industry.
- *Facility management solutions.* With our smart robots, including mowers, line markers and cleaning robots, we make facility management workflow smoother, more efficient, and more sustainable.

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Our Offerings



We have consistently invested in R&D, which allows us to deliver high-quality, pioneering products that meet the evolving needs of our end users:

- Our solid integration capabilities for different types of technologies across hardware and software form the foundation of our solutions. We seamlessly combine core technologies from different domains within a single product to deliver the optimized performance. In addition, we provide a unified software-hardware experience that helps enhance productivity from fieldwork all the way to data analytics.
- Our technology roadmap is anchored by a set of core technologies that are transferable across products developed for different scenarios. A number of our products are built on the same set of technologies, including GNSS positioning, LiDAR SLAM, computer vision, deterministic algorithm, electrification and automatic control, and we are able to flexibly deconstruct and re-integrate different technology modules to serve the product design purpose. On top of our technology infrastructure, we tailor our solutions to the unique requirements of a wide range of real-world scenarios. The combination of a proven, reusable technology infrastructure and a focus on product innovation for specific industry needs allows us to maximize R&D efficiency, accelerate time-to-market, and launch new products with optimized cost structures that drive long-term, sustainable ROI.

Distributor Model

We deliver our solutions around the world, primarily through a network of 2,564 distributors across over 110 countries, as of December 31, 2025. While we provide training and technical support to our distributors, the distributors provide onsite, immediately accessible services to the end customers. With the local expertise and established presence of our distributors, we are able to rapidly expand our

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market reach while ensuring the quality of on-the-ground user experience. This model also affords us the ability to quickly adapt to evolving market needs and reduce regulatory burden, allowing us to focus on our core competencies whilst partnering with distributors for their capabilities in sales and servicing.

FINANCIAL PERFORMANCE

During the Track Record Period, we achieved steady business growth. Our revenue amounted to RMB529.6 million, RMB569.8 million and RMB739.9 million in 2023, 2024 and 2025, respectively. Our gross profit margin were 53.6%, 64.5% and 65.8%, for the same years, respectively. We achieved profitability on an adjusted basis for the first time since our inception, and recorded adjusted profit (Non-IFRS measure) of RMB10.1 million in 2025, in comparison to our adjusted loss (non-IFRS) positions in 2023 and 2024.

OUR STRENGTHS

Entrepreneurial Culture and Leadership Driving Customer-Centric Innovation

Led by a team with extensive industry and global experience, we operate with a lean organizational structure and foster a culture that encourages employees to continuously learn, take initiative, and deliver meaningful results. Our management, led by our founder and chief executive officer, Dr. Wu Di, exemplifies this ethos through active involvement in product development and end-user engagement, helping shape our strategic direction from the ground up. This entrepreneurial mindset permeates our organization, enabling us to remain agile, challenge conventions, and pursue innovation that directly enhances customer outcomes. Together with an efficient R&D model, streamlined supply chain, and a team with diverse global background, we are able to drive long-term success with robotics solutions that expand the boundaries of automation across industries.

Strong R&D Capabilities Enabling Technology Integration and Scalable Product Innovation

- **Technology and R&D Capabilities** — We possess industry-leading R&D capabilities supported by over 540 dedicated R&D employees, representing 43.2% of our total workforce. As of December 31, 2025, our growing patent portfolio includes 368 patents in the PRC and other countries and regions around the world. Our R&D efforts were established in a full-stack technology foundation that spans GNSS positioning, LiDAR SLAM, computer vision, deterministic algorithm, electrification and automatic control, enabling us to deliver optimized performance across diverse environments.
- **Modular and Transferable Architecture** — Our ability to re-use and re-purpose foundational technologies for different products allows for a highly efficient R&D process. We leverage the same set of technologies, separately or as a combined module, to develop different products. This modular approach allows us to evolve our foundational technologies in the R&D process for every product, enabling us to enhance the technologies at a much faster pace than others. By developing and leveraging the proven and transferable technologies, we are able to deliver disruptive solutions in a shorter product development cycle.
- **Efficient Design with Comprehensive and Integrated Software** — Our products seamlessly integrate foundational technologies across different domains covering GNSS positioning, LiDAR SLAM, computer vision, deterministic algorithm, electrification and automatic control. We also integrate software with our hardware to enable end-to-end experience, from field work and data collection to data processing and analytics. Furthermore, our software is compatible with external

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data sources, allowing us to serve a broader range of users and use cases beyond our proprietary ecosystem. This integrated approach allows us to serve our users in a more efficient and comprehensive way.

Product Innovation Powered by Deep Industry Expertise

- **Standardized Products, Purposeful Design** — Our product innovation strategy centers on developing standardized solutions that address the most critical and widespread challenges within industry. This approach is grounded in a deep understanding of our end markets and the core pain points experienced by the majority of our end users. By prioritizing accessibility, our solutions empower more people to embrace technological enablement to the essential workflows, enhancing efficiency and productivity across the board. Such mass-market focus also drives volume growth and unlocks margin potentials through economies of scale.
- **Customer-centric Approach** — We approach a number of essential but underserved markets with high-performance, specialized, accessible robotics solutions tailored to their specific needs. Our products, designed to be aftersales installed, work seamlessly with users’ existing equipment throughout the operational workflow, introducing minimal impact to their standard practice while bringing significant efficiency uplifts. Through the customer-centric product development approach, we are committed to empowering businesses with targeted technological solutions that address impactful economic and environmental pain points in a wide range of industries.
- **Relentless Innovation** — We are committed to continuously pushing the boundaries of product innovation and redefine what is possible in a broader range of industries. Our line marker robot automates sports field marking, enabling continuous, round-the-clock operations. These advancements reflect our dedication to staying ahead of the curve and delivering unparalleled value to our end users as a disruptor in the market.

Scalable, Efficient Distributor Model Built on Close Collaboration with Global Partners

- **Distributor Network** — We strategically targeted the global market, where the aging workforce and rising labor costs have created massive demand for robotics solutions, particularly in labor-intensive use cases. Leveraging the local expertise, established customer relationships, and in-depth know-how of our distributors, we are able to operate with better agility and navigate regulatory challenges more efficiently, achieving rapid market expansion through an asset-light approach. Our distributors handle customer service locally, ensuring high-quality support and strong relationship management on the ground. This model allows us to focus resources on advancing our core competency in technology and products, supporting our long-term growth. The number of distributors in our network has grown from 2,087 in 2023 to 2,564 in 2025, representing a three-year CAGR of 10.8%. As of December 31, 2025, we have 2,564 distributors across over 110 countries, and our products have been distributed in over 110 countries globally.
- **Scalable and leverageable Distribution Capabilities** — Our distributor network is inherently scalable, as many of our distributors already serve multiple industries and can rapidly introduce our products to a wide range of sectors we serve. This cross-industry reach allows a single distributor to support multiple verticals, significantly enhancing the efficiency and reach of our sales model. Many distributors begin with one product or one industry and gradually expand their distribution of the products from us. This land-and-expand dynamic deepens engagement and strengthens long-term relationships.

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OUR STRATEGIES

We will focus on leveraging our core modularized technology to rapidly expand into diverse markets and broaden our product and solution portfolio. By harnessing the scalability and adaptability of our technology, we aim to accelerate market adoption and extend real-world applications. Our commitment is to enable customers to achieve sustainable return on investment (ROI) through innovative, efficient, and tailored solutions that address their evolving operational challenges. To achieve this, we are committed to implementing our strategy through the following initiatives:

Broaden product matrix to pursue market potential

Leveraging our successful experience and current market-leading position in the precision agriculture industry, we have identified significant opportunities to extend our core technologies and expertise into adjacent industries facing similar labor and productivity challenges, such as real-world modeling and the landscaping industry. We have successfully expanded from agriculture and livestock farming into construction and facility management, where our products have already achieved top global market positions. This diversification reduces reliance on any single market segment, spreads business risk, and taps into growing demand driven by aging workforces and rising labor costs worldwide.

Our product expansion strategy emphasizes both broadening across diverse industries and application scenarios as well as deepening market penetration within key sectors. On the one hand, we enhance and diversify our existing product portfolio to better address the varied needs of our customers across multiple scenarios. On the other hand, we continuously leverage and adapt our core technologies to enter and develop new industry sectors, thereby broadening our customer base and uncovering additional market opportunities.

We maintain a diversified product portfolio and will continue to expand it based on customer needs and industry pain points. We intend to continue to upgrade existing product functionalities to create differentiated products that address diverse customer segments and price points. We will continuously collect customer feedback and incorporate the feedback directly into the product design process.

Continue to enhance R&D capabilities strengthening our core technologies and product offerings

Our R&D capabilities and core technologies form the foundation of our competitive advantages. We are the current market leader in precision agriculture industry and our R&D focus in developing market-pioneering technology solutions in areas such as advanced navigation perception, sensor fusion, autonomous control algorithms, integrated hardware-software platforms, robotic mechanical design, and software-as-a-service (SaaS) solutions for intelligent operation and management. We will integrate our R&D results into our technical architecture to deliver top-class, reliable, and efficient automation solutions for end customers across agriculture and livestock farming, construction and facility management sectors.

We will leverage our core modularized spatial perception technologies to real life application scenarios across a wide range of different industries, expanding our product portfolio while ensuring sustainable ROI for our customers. We will also work closely with our partners to swiftly translate these advanced technologies into practical products, enabling seamless operations in labor-intensive industries and accelerating the integration of our innovations into daily life.

We will continue to invest in our R&D capabilities, particularly with respect to our core technologies, in order to enhance our core technologies utilized under our products, strengthening our leading market position and improving our product competitiveness in the industry.

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Improve global penetration and market reach

Central to our global expansion is our deeply rooted collaborative network of distributors worldwide, spanning over 110 countries. Our partners highly recognize the distinct technological leadership embodied in our offerings and share our enthusiasm for ongoing cooperation and mutual growth.

By deepening collaboration with more partners and distributors who share our mission, we will further expand our market reach and build mutually supportive, deeply collaborative relationships. We will provide them with DMS systems and other management tools to enhance their capabilities and strengthen partnership engagement. This also enables us to work effectively together to drive business growth while also helping to liberate more people from labor-intensive work and improve our customers' ROI.

Building on the solid foundation of our advanced technologies and strong distributor partnerships, we will continue to expand our global presence, broadening our customer base and fortifying our sales network to achieve deeper market penetration and sustained global growth. Specifically, we will: strategically strengthen our global sales network to drive the global growth of our business and improve our market penetration; strengthening product promotion on international social media platforms to improve brand awareness; and set up more oversea showrooms to offer our existing and potential customers opportunities to experience our products by participating in demonstrations.

PATH TO PROFITABILITY

Despite our steady revenue growth, we were loss-making during the Track Record Period. Our net loss was RMB471.1 million, RMB333.5 million and RMB281.1 million for 2023, 2024 and 2025, respectively. Nonetheless, we recorded adjusted loss (non-IFRS measure) of RMB268.6 million, RMB57.2 million in 2023 and 2024, respectively, and we recorded adjusted profit (non-IFRS measure) of RMB10.1 million in 2025. Our revenue increased from RMB529.6 million in 2023 to RMB569.8 million in 2024 and further increased to RMB739.9 million in 2025. Our adjusted loss (non-IFRS measure) as a percentage of revenue narrowed during the Track Record Period.

During the Track Record Period, we recorded historical losses primarily due to the following factors: (i) significant investments in R&D, as we consistently prioritized research and development. Our R&D expenses accounted for 50.9%, 40.7% and 31.2% of total revenue during the Track Record Period, reflecting our strategic focus on enhancing our R&D capabilities and strengthening our core technologies. While these investments impact short-term profitability, they are critical for securing long-term competitiveness and driving sustainable growth; (ii) significant investment in selling and distribution, as we continuously expanded our geographic footprint, strengthened brand presence and awareness, and built scalable distributor networks. Our sales and distribution expenses accounted for 31.4%, 28.0% and 27.6% of our revenue during the Track Record Period, reflecting sustained efforts in marketing, promotion, and channel development; and (iii) non-cash fair value changes of preferred shares, primarily due to the changes in market expectations, which further contributed to the reported losses.

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Going forward, we will continue to improve profitability by implementing the following strategies:

Expand Our Revenue Scale

Leverage Our Leading Position in a Rapidly Growing Industry

We operate at the forefront of the rapidly growing global robotics solutions industry. The market size of global robotics solutions increased from US\$49.4 billion in 2021 to US\$91.4 billion in 2025, reflecting a CAGR of 16.6%. It is projected to reach US\$200.9 billion by 2030, reflecting a CAGR of 17.1% from 2025, according to Frost & Sullivan. This expansion is fueled by advances in perception, navigation and control software, demographic shifts such as ageing populations and labor scarcity, rising labor costs, and the growing need for traceable and standardized operations. At the same time, declining hardware and integration costs are enabling pilot projects to scale into multi-site deployments.

Within this landscape, the agriculture and livestock farming, construction, and facility management segments together accounted for approximately 24.9% of the global market in 2025, and this share is projected to increase to 27.7% by 2030. Penetration in these segments remains at an early stage — below 11% in agriculture, 1% in construction, and 15% in facility management — highlighting significant untapped potential. Growth is driven by practical objectives such as enhancing human wellbeing, freeing up labor for higher-value work, reducing exposure to hazardous tasks, and improving productivity, quality, and safety in workplaces and public spaces.

Following substantial growth since our inception, we are now an established global player in the agricultural robotics market, ranking as the third-largest provider of agricultural auto-steering system kits and the second-largest provider of retrofit agricultural auto-steering system kits worldwide, with market shares of approximately 9.7% and 17.5% in 2025, respectively. Leveraging the industry dynamics and our market leading position, we have achieved an overall increase in sales volume and broader customer adoption, which has supported our steady revenue growth.

Revenue Growth from Our Existing Product Matrix

Robotics Solutions

During the Track Record Period, we maintained a steady growth in our revenue. Our revenue amounted to RMB529.6 million, RMB569.8 million and RMB739.9 million in 2023, 2024 and 2025. To sustain and accelerate this growth, we aim to expand the sales volume of our robotic solutions by developing products that address customer pain points, delivering specialized and accessible solutions, offering premium products at competitive prices, and creating synergies through cross-segment cross-selling. In particular:

- **Develop and Deliver Products that Matter.** Driven by deep market insights and a clear understanding of customer pain points, we drive revenue growth by developing products that truly matter to our customers. Underpinned by market intelligence, our innovation strategy focuses on standardized solutions that tackle the most critical and widespread pain points across industries. By prioritizing accessibility and purposeful design, our products enhance efficiency and productivity in essential workflows, empowering more users to adopt robotics solutions. This mass-market orientation not only expands our customer base but also accelerates sales volume growth and unlocks margin potential through economies of scale. At the same time, our customer-centric approach enables us to deliver high-performance, specialized, and accessible robotics solutions tailored to specific operational environments. During the Track Record Period, our sales volume grow rapidly. Our sales volume of agriculture and livestock farming, construction and facility management amounted to

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1,104,927 units, 13,613 units and 7,434 units in 2023, respectively, and increased to 1,557,114 units, 74,605 units, and 117,974 units in 2025, respectively. By targeting underserved markets with high-performance solutions designed for seamless aftersales installation, our products integrate smoothly with existing equipment, minimizing disruption while delivering significant efficiency gains. This practical integration accelerates adoption, strengthens customer loyalty, and drives repeat purchases, ensuring that our product portfolio continues to generate sustainable revenue growth from the existing matrix.

- **Premium products with acceptable price.** We improve sales volume by positioning our products as premium solutions offered at acceptable price points. Compared to international competitors, our portfolio achieves broader market acceptance by balancing high performance with affordability. This value proposition expands our accessible customer base, accelerates adoption across diverse industries, and drives repeat purchases, ultimately translating into higher sales volumes within the existing product matrix.
- **Synergies and cross-selling between segments.** We further enhance sales growth by leveraging synergies across our product segments. Our solutions are designed to integrate seamlessly, enabling cross-selling opportunities that maximize customer lifetime value. By offering complementary products that address adjacent needs, we strengthen customer relationships, increase wallet share, and create a multiplier effect on sales volume. This cross-segment strategy ensures that our existing product matrix generates incremental revenue beyond standalone product sales.

We also plan to implement disciplined pricing strategies to drive our revenue growth. By introducing price increases within acceptable limits for customers, we preserve affordability while capturing additional value from our premium positioning. At the same time, we adopt market-specific pricing strategies to reflect the varying purchasing power across different regions. This balanced approach ensures that our products remain competitive and accessible globally, while enabling us to expand margins and sustain revenue growth from the existing product matrix.

Software Solutions

Our software solutions are provided alongside our robotics solutions, creating a seamless hardware-software ecosystem that enhances customer value and drives incremental revenue growth. By embedding software into the robotics workflow, we enable advanced functionality such as precision navigation, real-time monitoring, and data-driven decision support, which significantly improves efficiency and productivity for end users. Such synergy also accelerates adoption, as customers gain immediate access to integrated solutions without the need for separate procurement or complex installation. This approach strengthens customer loyalty, increases stickiness, and ensures recurring revenue streams, while simultaneously boosting sales volume within the existing product matrix.

Broaden Product Matrix to Pursue Market Potential

Leveraging our successful experience and current market-leading position in the precision agriculture industry, we are extending our core technologies and expertise into adjacent industries facing similar labor and productivity challenges, such as real-world modeling and landscaping. Building on our proven expansion from agriculture and livestock farming into construction and facility management — where our products have already achieved top global market positions — we are diversifying our portfolio to reduce reliance on any single segment, spread business risk, and capture growing demand driven by aging workforces and rising labor costs worldwide.

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Our product expansion strategy emphasizes both breadth and depth: broadening across diverse industries and application scenarios, while deepening penetration within key sectors. On one hand, we enhance and diversify our existing product portfolio to address varied customer needs across multiple workflows. On the other, we continuously leverage and adapt our core technologies to enter new industry sectors, thereby broadening our customer base and uncovering additional market opportunities. We maintain a diversified product portfolio and will continue to expand it based on customer needs and industry pain points, upgrading existing functionalities to create differentiated products across customer segments and price points. Continuous customer feedback is directly incorporated into our design process, ensuring our solutions remain relevant, impactful, and widely adopted.

Benefit from Our Distributorship Model

Our distributorship model plays an important role in our global business and supports our expansion strategy. In 2023, 2024 and 2025, revenue generated from our distributors amounted to 507.7 million, 539.0 million and 710.8 million, respectively, accounting for approximately 95.9%, 94.6% and 96.1% of our total revenue, for the same period, respectively. As of December 31, 2025, our products were distributed in over 110 countries, ensuring both domestic and international market coverage. As of December 31, 2023, 2024 and 2025, we collaborated with 2,087, 2,224 and 2,564 distribution partners, respectively. Through a deeply rooted network of distributors spanning Europe, Asia, and the Americas, we deliver our solutions to customers worldwide. This demonstrates the critical role our distributor model plays in achieving global penetration and sustained market reach. Building on our existing global presence, we plan to place greater emphasis on developed markets such as Europe, Japan, and North America, which offer significant growth potential due to labor shortages, aging populations, and strong purchasing power.

We manage our distribution channels in strict accordance with internal policies and continuously monitor their performance through our sales management system. Our dedicated sales management team oversees the entire distributor lifecycle, including the development, evaluation, and recruitment of new distributors, negotiation and execution of contracts, and ongoing management of existing partners. This encompasses oversight of predetermined sales territories, pricing, inventory, and trade receivables, ensuring that distributors operate efficiently and in alignment with our strategic objectives.

Beyond operational oversight, we place strong emphasis on elevating after-sales service quality and strengthening customer loyalty. By providing distributors with comprehensive sales support and training, we empower them to deliver consistent, high-quality service across regions. Regular review and maintenance of distribution networks further ensure that customers benefit from reliable coverage and responsive support. This disciplined management approach not only enhances distributor performance but also reinforces customer trust, creating a virtuous cycle of stronger partnerships, improved service quality, and long-term loyalty.

To further empower our distributors, we provide them with DMS systems and a suite of management tools designed to enhance their operational efficiency and strengthen engagement. These tools enable distributors to better manage sales processes, inventory, and customer relationships, while also improving transparency and coordination with our sales management team. By equipping partners with advanced digital solutions, we elevate their capabilities, foster deeper collaboration, and ensure that our distributor network remains agile and responsive to market demands. This empowerment not only improves distributor performance but also reinforces long-term partnership engagement and mutual growth.

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Enhancing Our Gross Profit Margin

Optimize Our Product Matrix

We are actively optimizing our product mix by reallocating resources toward high-margin, high-value-added solutions while gradually phasing out low-margin items. This reallocation increases the share of higher-margin products in the portfolio, strengthening overall profitability. During the Track Record Period, our gross profit margin maintains steady growth. In 2023, 2024 and 2025, our gross profit margin were 53.6%, 64.5% and 65.8%, respectively. This disciplined approach improves overall gross margin as the portfolio shifts to products that deliver differentiated performance and stronger customer value. Building on our market-leading position in precision agriculture, we selectively extend core technologies into adjacent use cases with similar labor and productivity challenges, which enrich our product mix with offerings that carry attractive unit economics and strengthen margin quality. By continuously upgrading functionalities and tailoring our products to distinct customer segments and price points, we align the product mix with segment-specific demand curves, concentrating volume in higher-margin variants and improving overall portfolio profitability.

Transition towards a Business Model with a Higher Proportion of Software Revenue

Our long-term margin expansion strategy is driven by a progressive transition toward a higher proportion of software revenue. We initially penetrate the market with cost-effective hardware solutions to build scale and customer adoption. Over time, we increase the share of subscription-based software, which carries structurally higher margins and provides recurring revenue streams. This shift not only enhances gross profit margins but also builds a more robust and sustainable business model, anchored in customer stickiness and long-term engagement. During the Track Record Period, revenue generated from software maintain steady growth. In 2023, 2024 and 2025, revenue generated from software amounted to 5.6 million, 11.7 million and 33.8 million, respectively, accounting for 1.1%, 2.0% and 4.6% of our total revenue, for the same period, respectively, while maintaining a gross profit margin of 100.0%.

A key driver of this transition is Trion, our proprietary point cloud processing software available on both iPadOS and Windows platforms. Trion enables users to quickly import and visualize raw point cloud data, generate realistic digital twin models, and integrate seamlessly with our robotics solutions. By supporting real-world scene modeling, Trion makes it easier for customers to deploy robots such as cleaning or lawn-mowing robots, improving overall efficiency and strengthening customer loyalty.

Lower Raw Material Costs

During the Track Record Period, our raw material costs decreased from RMB198.1 million in 2023 to RMB170.4 million in 2024, primarily due to our modularized design and the leverage of our existing R&D platform. Our raw material costs increased to RMB227.1 million in 2025, primarily attributable to the launch of new products and an increase in overall sales volume. By integrating design and procurement processes, we are able to procure core modules for new products at scale, which allows us to capture economies of scale. In addition, because most of the technological know-how is developed internally through vertical integration, our raw material cost remain relatively stable and efficient. To further sustain and reduce raw material costs, we are establishing long-term agreements with key suppliers to secure price stability and supply reliability, while diversifying our supplier base and maintaining safety stock levels to mitigate volatility. Looking ahead, we expect continued cost improvements as we expand sales volumes, strengthen supplier partnerships, and capitalize on our modularized design and integrated R&D capabilities.

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Pursue Greater Operational Efficiency

Improve R&D Efficiency

We possess a full-stack technology foundation spanning GNSS positioning, LiDAR SLAM, computer vision, deterministic algorithms, electrification and automatic control. Leveraging this foundation, we are able to re-use and re-purpose technologies across multiple products, enabling a highly efficient R&D process. By adopting modular architectures, we minimize duplication of effort, accelerate product development cycles, and reduce R&D costs. During the Track Record Period, our research and development expenses amounted to RMB269.6 million, RMB232.1 million and RMB231.0 million, respectively, representing 50.9%, 40.7% and 31.2% of our revenue, respectively, underscoring our improved efficiency in translating R&D investment into innovation. Looking ahead, we will further leverage our modular and transferable architecture to re-use and re-purpose foundational technologies across different products, enabling a more efficient R&D process, faster evolution of core technologies, and shorter product development cycles for disruptive solutions.

Improve Sales Efficiency

By leveraging established distributor networks spanning multiple industries, we operate an efficient and scalable model that accelerates market entry and enables rapid expansion worldwide. This reuse of proven sales channels reduces customer acquisition costs, shortens go-to-market timelines, and improves the reach of our global presence. As of December 31, 2025, we collaborated with 2,564 distributors, with distribution across more than 110 countries. This footprint enables efficient product introduction into diverse markets, where distributors activate existing relationships to drive faster adoption and broader coverage. During the Track Record Period, we continued to improve the efficiency of our selling and distribution expenses. Our selling and distribution expenses amounted to RMB166.5 million, RMB159.4 million and RMB204.2 million, respectively, representing 31.4%, 28.0% and 27.6% of our revenue, respectively. Looking ahead, by deepening collaboration with partners and distributors who share our mission, we expand our market reach and foster mutually supportive relationships. Through the provision of DMS systems and other management tools, we enhance partners’ capabilities and strengthen engagement, thereby improving the overall efficiency of our sales and distribution network.

Improve Management Efficiency

By integrating digital tools and data-driven workflows, we improve transparency, reduce operational bottlenecks, and enable faster decision-making. This digital transformation strengthens coordination across departments, lowers overhead costs, and ensures that our management processes are agile enough to support rapid growth while maintaining profitability. During the Track Record Period, we continued to improve the efficiency of our administrative expenses. Our administrative expenses amounted RMB93.0 million, RMB72.4 million and RMB68.6 million, respectively, representing 17.6%, 12.7% and 9.3% of our revenue, respectively. Looking ahead, we will further adopt advanced management systems and implement digital automation initiatives to improve management efficiency.

OUR BUSINESS MODEL AND PRODUCTS

We are dedicated to the design, development and production of robotics solutions and the associated enabling technologies that enhance human potential by driving the digitalization and automation of traditionally labor-intensive workflows in various scenarios, including agriculture and livestock farming, construction, and facility management. Our robotics solutions and technologies help to improve worker satisfaction, workflow efficiency and precision, lower costs, and enable more sustainable operations. By allowing remote control of traditionally hazardous work processes, our solutions also significantly enhance workplace safety.

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During the Track Record Period, we generated our revenue primarily from sales of various types of robotic solutions, covering agriculture and livestock farming, facility management and construction, and provision of software solutions, such as Trion and farming management system. For provision of software solutions, we charged customers either a subscription fee for using our applications over a period of time, or a one-off fee for granting access to specific applications.

The table below sets forth a breakdown of our revenue by segment, in absolute amounts and as percentages of total revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>(RMB in thousands except for percentages)</i>					
Agriculture and livestock farming . .	470,348	88.8%	443,177	77.8%	497,536	67.2%
Product	419,145	79.1%	394,586	69.2%	436,004	61.3%
Components	51,204	9.7%	48,592	8.5%	61,533	6.0%
Construction.	41,027	7.7%	82,807	14.5%	118,890	16.1%
Product	36,016	6.8%	75,062	13.2%	107,295	14.5%
Components	5,011	0.9%	7,745	1.4%	11,594	1.6%
Facility management	12,610	2.4%	32,174	5.6%	89,696	12.1%
Product	11,250	2.1%	30,430	5.3%	88,868	12.0%
Components	1,360	0.3%	1,745	0.3%	828	0.1%
Software	5,629	1.1%	11,679	2.0%	33,796	4.6%
Total	529,614	100.0%	569,837	100.0%	739,918	100.0%

Since our inception, we have steadily expanded our global footprint. Today, our sales network spans over 110 countries and regions, with Europe and Asia as our largest revenue sources. The following table sets forth our revenue breakdown by geographical locations for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>(RMB in thousands except for percentages)</i>					
Europe	220,807	41.7%	301,076	52.8%	396,973	53.7%
Poland	19,847	3.7%	37,917	6.7%	66,214	8.9%
Austria	20,197	3.8%	16,848	3.0%	43,209	5.8%
Other countries.	180,763	34.2%	246,311	43.1%	287,550	38.9%
Asia	245,857	46.4%	187,537	32.9%	223,749	30.2%
Mainland China	165,004	31.2%	121,651	21.3%	119,546	16.2%
Japan	15,435	2.9%	23,791	4.2%	33,334	4.5%
Other countries.	65,417	12.3%	42,095	7.4%	70,869	9.6%
Americas	51,016	9.6%	66,777	11.7%	87,593	11.8%
Mexico	20,118	3.8%	29,656	5.2%	26,696	3.6%
United States	16,418	3.1%	10,047	1.8%	23,321	3.2%
Other countries.	14,480	2.7%	27,074	4.8%	37,576	5.1%
ROW.	11,934	2.3%	14,447	2.5%	31,603	4.3%
Total	529,614	100.0%	569,837	100.0%	739,918	100.0%

Note: Information about the Group’s revenue from external customers is presented based on the location of the Group’s direct contractual customers. Where sales are made to distributors, such geographical information reflects the location of those distributors, which may differ from the location of the ultimate end customers or the jurisdictions in which the products are ultimately sold or used.

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Agricultural and Livestock Farming Solutions

Our agricultural and livestock farming robotics solutions integrate agriculture machinery with advanced precision agriculture software and technologies to free up farm workers from traditionally repetitive and labor-intensive tasks, improving productivity and precision, and saving costs by reducing wastage. Our agricultural and livestock farming robotics solutions mainly comprise precision agriculture solutions and livestock farming solutions. Our precision agriculture solutions help to support farmers in various aspects of the modern agricultural production cycle, including field preparing, planting, field management, and harvesting. Our livestock farming solutions cover various aspects in animal farming such as feed pushing and manure cleaning.

Precision Agriculture Solutions

Our precision agriculture solutions mainly include (i) auto-steering and guidance systems, used to automate steering and guide agricultural machinery in field work while vehicle speed remains manually controlled. All such systems are sold as retrofit products; (ii) water management systems, covering land leveling and irrigation control to improve efficiency of field management; and (iii) precision input solutions, such as ISOBUS Implement Controller and spray systems with automatic flow and section control to reduce overlaps and optimize chemical use.

Product	Key features
Auto-steering and Guidance Systems: ⁽¹⁾  FJD AG1 Guidance System  FJD AT2 Auto-steering System  FJD AS2 Steer Ready Auto-steering System  FJD AH2 Hydraulic Auto-steering System	Multi-source GNSS with up to ±2.5 cm precision; smooth auto turns and optimal path planning; reducing overlaps and improving coverage; reliable on even sloping or rough terrain; compatible with diverse machinery; operating from ultra-low speed to ultra-high speed for various farm tasks; and quick installation

Note: Our auto-steering and guidance systems are sold as retrofit products.

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Product

Key features

Water Management Systems:



FJD AL02 3D Land Leveling System

3D GNSS-based land leveling with high precision; multi-terrain compatibility; flexible scanning and sharing; remote assistance; and reducing pesticides and fertilizers costs

Precision Input:



ISOBUS Implement Controller

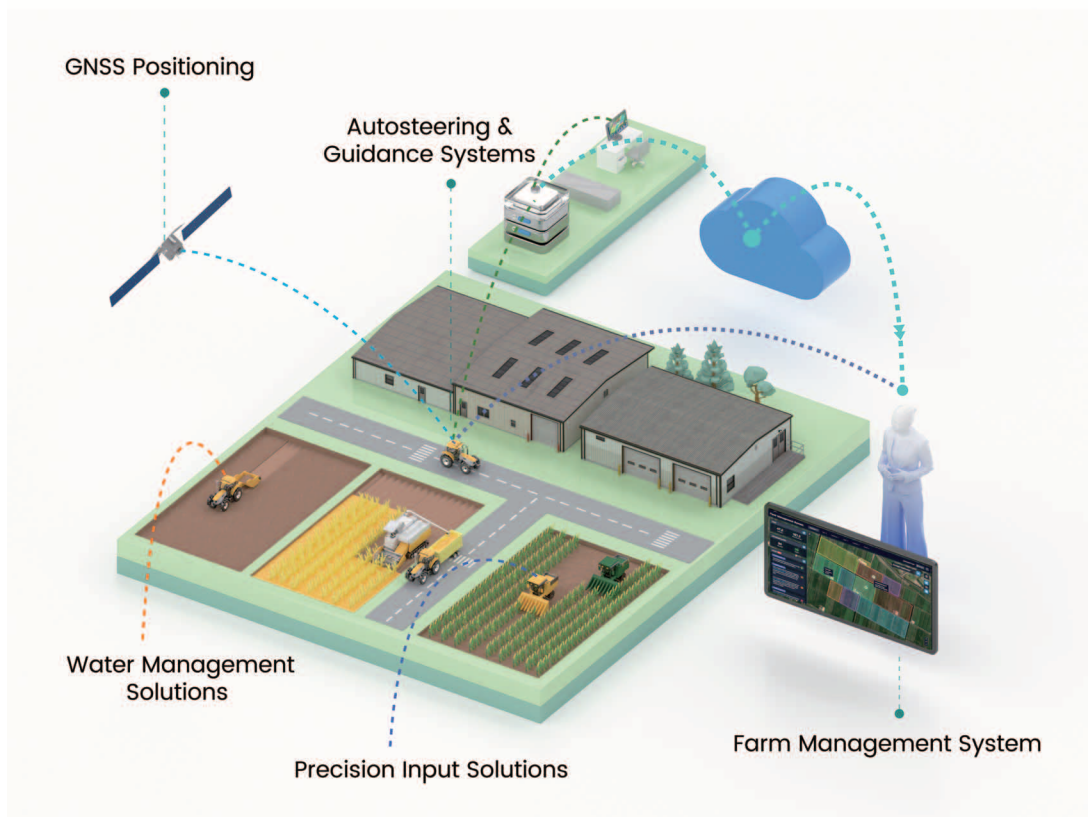


FJD ATS Precision Spray Auto-steering System

AEF certified; automated section control; individual nozzle control; variable rate application; reduced overlaps and skips at field boundaries; and tailored solutions for traditional implements

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Below illustrates the interactions between our auto-steering and guidance systems, smart agricultural machinery, GNSS positioning infrastructure, farm management software, and end user.

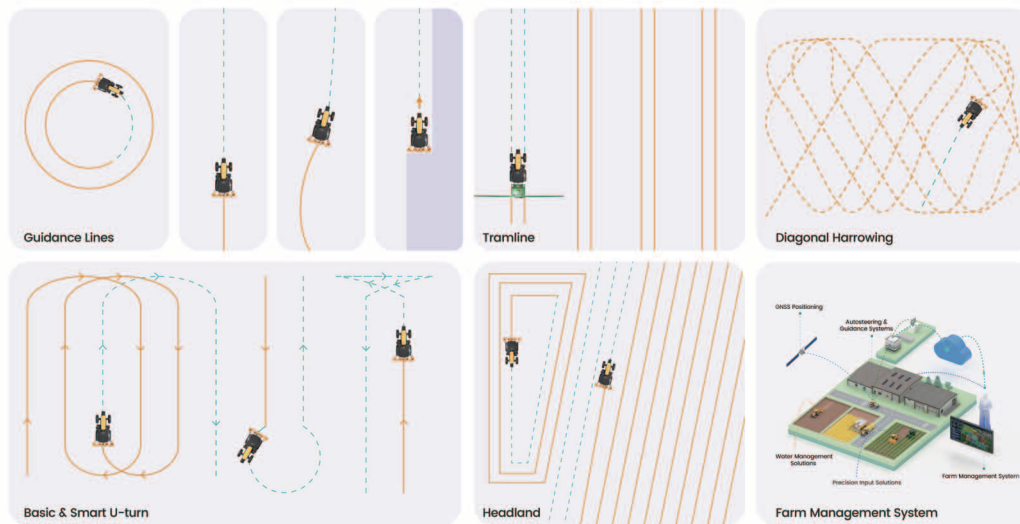


Auto-steering and Guidance Systems

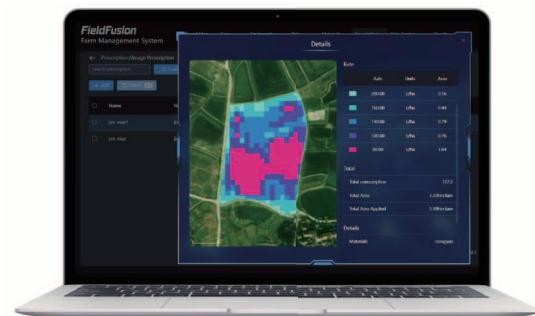
We offer a comprehensive portfolio of various models of auto-steering and guidance systems, which are used to steer and guide tractors, planters, sprayers, harvesters and other agricultural machinery with enhanced precision and efficiency. They help to reduce skips and overlaps for drivers, offer guidance lines and tramlines to guide machinery on straight, curved, pivot or mixed routes across various terrains, plan optimal paths when covering fields, and save costs by reducing unnecessary fuel usage.

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Below sets forth an illustration of certain functions offered by our auto-steering and guidance systems:



Our auto-steering and guidance systems are equipped with intuitive, user-friendly interfaces that simplify operation for users of all experience levels. Our software supports multi-machine collaboration, allowing users to seamlessly transfer project files among different tractors or other machinery to enable multiple machines to work together, enabling synergy and improving efficiency. Additionally, our software features the Farm Management System (FMS), which allows users to easily control and manage auto-steering and guidance systems from an integrated platform and consolidate agricultural operational data.



Water Management Solutions

Our core water management product is land leveling system which are used in farmland. Our land leveling systems are used in farmland leveling and terrain planning. They are used in a wide variety of use cases including wasteland reclamation, field consolidation and leveling, slope-to-terrace conversion and setting water flow direction.

BUSINESS

Precision Input Solutions

We are currently one of the few that has fully mastered the technologies related to ISOBUS controllers through our ISOBUS implement controller, which can be directly applied to the core precision control of high-end agricultural machinery such as precision seeding, intelligent spraying, and variable-rate fertilization. It can also communicate seamlessly with tractors of world-renowned brands, achieving a “plug-and-play” effect. Meanwhile, it supports precision machinery control and section control functions, which significantly improve the accuracy and efficiency of agricultural machinery operations and reduce the waste of agricultural resources.

The precision spray auto-steering system represents an important practical use case for the ISOBUS Implement Controller. It upgrades most traditional sprayers into ISOBUS-compatible implements. AEF-certified, it supports multiple third-party valves with strong scalability. The system provides automatic flow rate control and section control, reducing overlaps at boundaries and minimizing skips. With stable flow, timely section switching, and high-accuracy auto-steering, it ensures uniform spraying, lowers chemical use, and prevents crop damage compared with manual operations.

Livestock farming Solutions

Our livestock farming solutions introduce automation to various aspects of livestock farming and animal farming, such as herd feed pushing, manure cleaning and herd management. By integrating robotic automation with intelligent control systems, our solutions streamline daily livestock management tasks and reduce reliance on manual labor.

The chart below sets forth certain details of our livestock farming solutions:

Product	Key features
	3D LiDAR- and AI vision-based navigation, eliminating the need to install magnetic markers; 100% autonomous; quick installation; remote control, 24/7 monitoring and online diagnostics; fastest working speed on the market; operation up to 2 days on a single charge; skirt lift for slopes up to 27%; rain resistant; durable scraper designed for slatted floors; auto-charging and water refill for fully automated operation; smart light for safe navigation even in low light environment; equipped with camera to enable real-time monitoring, remote control and online diagnostics
	

BUSINESS

Product

Smart collar

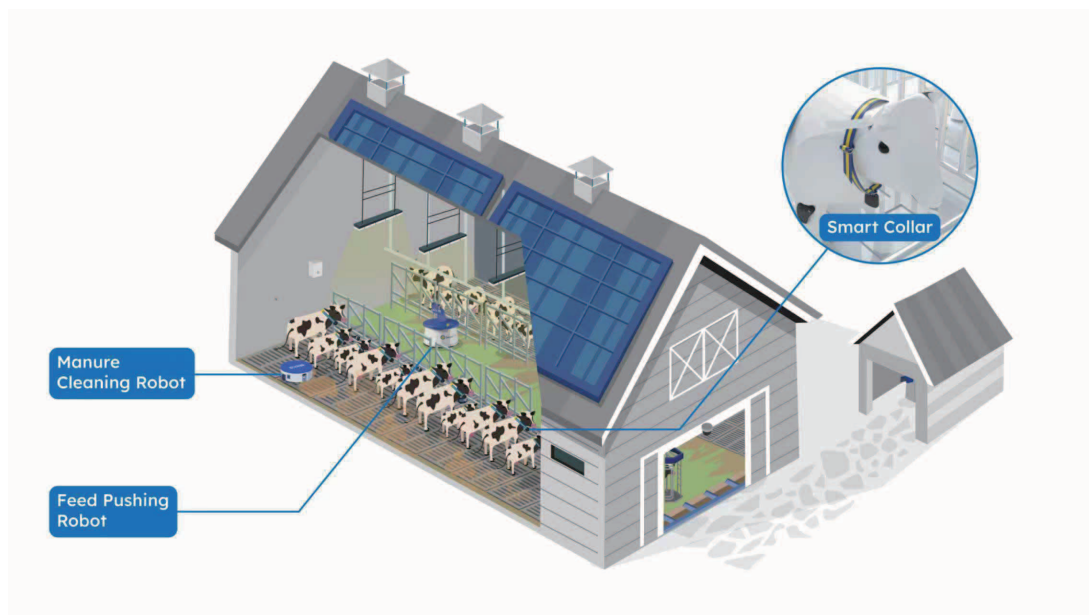
Key features

Real-time cattle heat detection for optimized breeding management; 24/7 monitoring of animal behavior; 1km gateway coverage; 7+ years of battery life; enables group management of cattle; provides data updates every 2 hours; sends notifications immediately when the herd behaves abnormally or displays signs of illness; and data is uploaded to cloud platform for storage and can be accessed easily via mobile app



Sveaverken MooCollar Bree

The diagram below illustrates the main use cases of our livestock farming solutions:



Construction Solutions

Our construction robotics solutions primarily comprise 3D excavator guidance and control systems, which are guidance and control systems for excavators and construction machinery, specifically motor graders and dozers to help improve accuracy and productivity and provide visual guidance to the users. The 3D excavator guidance systems currently provide visual guidance only and do not directly control the excavator’s movement.

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The chart below sets forth the matrix of our construction robotics solutions:

Product	Key features
 3D excavator guidance systems	Centimeter-level accuracy enabled by a 3D reference model; design file or onsite design; compatible with diverse buckets and booms; user friendly for beginners; projects management and equipment management via cloud platform; and quick installation within 1 hour
 Motor grader and dozer control systems	Automatic blade control; centimeter-level accuracy; real-time 3D visual guidance and control; task Visualization; temperature as low as -40°C; and 8-core 2.2GHz Tablet

Scanner Suite solutions

Our Scanner Suite solutions primarily include (i) LiDAR scanners, which are hand-held scanners that can be used for scanning both indoors and outdoors; (ii) RTK GNSS systems, which are systems connected to various satellite networks to provide high-precision location services for users; and (iii) aerial mappers, which are used on aircrafts or drones for wide-area mapping and 3D landscape modeling. We also offer our own point cloud processing software, our Trion model, that can be used in conjunction with our digital twin hardware to render photorealistic scenes directly from scan data uploaded by the cameras and generate immersive digital scans in minutes instead of hours. Our point cloud processing software are particularly suitable for use cases such as indoor showrooms, 3D city walks, virtual tourism and virtual house renovation.

Product	Key features
 LiDAR scanners	Powered by SLAM LiDAR technology, which can easily catch the measurements and information with high efficiency; real-time distance point cloud colorization; lightweight and portable, weighing as little as 1kg for some models; relative accuracy of up to 1.2 cm; georeferenced Point Cloud; uploads real-time scan to the cloud to enable live Access; and indoor & Outdoor Scanning

BUSINESS

Product

Key features



RTK GNSS systems

RTK receivers are widely used for outdoor scanning in construction, agriculture, and engineering; global constellation coverage; 1408 channels supported; supports multiple protocols; fast delivery of positions; centimeter-level high accuracy; built-in IMU; maximum 60°, calibration-free; and waterproof and durable



2W/5W internal radio options available; dual 5MP cameras; small size, light weight; wide communication diversity; integrated 4G modem; seamless AR Stakeout view; 2MP front camera, 5MP downward camera; seamless AR and Visual Stakeout view; wide communication diversity; and OLED screen, 2 buttons and 4 signals.



Used for wide-area mapping, urban planning, 3D city modeling, pipeline planning, forestry scanning, and various other wide-area scanning tasks; integrated with software that provides real-time camera data; and equipped with flight plan design software that allows easy generation of flight plans by defining the survey area and generating flight lines



Aerial mappers

Aerial mapper can be used with aircrafts or planes for photogrammetry of big scenarios; combined with 5 self-developed cameras; 150MP high resolution per camera; up to 1/2500s shutter speed; up to 4fps capture rate; and wide and fast aerial coverage

Facility management robotics solutions

Our facility management robotics solutions primarily include (i) lawn mowers robots, which provide transforming landscaping with greater efficiency and precision across both commercial landscaping care and household applications; (ii) line marker robots, which are mainly used for marking various game fields such as football fields and baseball fields; (iii) mower auto-steering kit, which can transfer traditional mowers into autonomous mowers; and (iv) cleaning robots, which provide transforming traditional commercial cleaning with greater efficiency. Our solutions are powered by advanced technologies, including GNSS positioning, LiDAR SLAM, computer vision, deterministic algorithm, electrification and automatic control.

BUSINESS

The chart below sets forth the matrix of our facility management robotics solutions:

Product	Commercial Lawn Mower Robots:		Key features
			
RM21 Robotic Mower	FRX Robotic Mower	Z42P Robotic Mower	Vehicle-free rapid mapping; centimeter-level mowing accuracy for precise facility management care; multi-field management for efficient operations; smart path planning for optimal mowing routes; covers 20,000+m ² in a single day; delivers high-precision mowing, even under trees; smart digital cloud platform management; and remote app control & scheduling

Product	Residential Lawn Mower Robots:		Key features
			
FR4000 Robotic Mower	FL3000 LiDAR Robotic Mower		Quick 5-minute installation with no wires; intelligent boundary recognition for precise edge cutting; drop & run setup with flexible work zones; delivers high-precision mowing, even under trees; GPS anti-theft security; auto-recharging & multi-field management; handles slopes up to 33° with all-terrain traction; rain sensor and IPX5 waterproof design for worry-free use; and smart app control for zones, progress, and schedules

PaintMaster™ Robotic Line Marker:		Key features
		Handheld marker enables fast, vehicle-free mapping; centimeter-level marking precision; reduces labor and paint usage by 50%+; reduces labor up to 90%+; line Marking Simulator saves significant time and labor by previewing markings digitally; cloud-based fleet management with app control; fast & easy battery swapping, 24/7 continuous operation; and GPS anti-theft
PaintMaster™ Pro RLM01 Robotic Line Marker	PaintMaster™ Mini RLM02 Robotic Line Marker	

BUSINESS

Product

Mower auto-steering Kit:



MS100 Mower Kit

Key features

Vehicle-free rapid mapping; centimeter-level operation accuracy; quick installation and deployment; turns traditional mowers into autonomous models; all-terrain adaptability for slopes & uneven lawns; smart path planning & obstacle avoidance upgrade; reduces labor costs by 80% post; and smart digital cloud platform management

Our mower products are equipped with smart applications that do not require specific licensing. Our app’s privacy policy defines the scope of personal data collected, including both information actively provided by users and data automatically generated by the system. It explains the legitimate uses of such data, such as account management and feature optimization, and sets out compliant rules for data storage, sharing, and cross-border transfer, safeguarding users’ fundamental rights to access, correct, and delete their personal data.

Commercial Cleaning Solution

Persistent labor shortages, escalating operating costs and stringent hygiene regulations have increased demand for automated cleaning solutions. Our commercial cleaning robotics suite comprises two product families: compact dry and wet cleaning hybrids, and autonomous heavy-duty floor scrubbers. They are built on LiDAR SLAM and computer vision navigation, ensuring precise cleaning performance, and centralized data management, enabling facility operators to meet compliance requirements and optimize labor allocation across facilities of all sizes. By reducing reliance on human labor, businesses can save cleaning costs, energy consumption and reduce water and cleaning agent usage, saving costs and making them a more environmentally friendly choice.

BUSINESS

The chart below sets forth certain details of our commercial cleaning solutions:

Product



Small commercial cleaning robots: S100 Pro

Key features

Sweeps, vacuums, and mops simultaneously, unlike certain competitors that require manual part changes to switch between cleaning modes; featuring LiDAR SLAM, computer vision, and Line Laser technology, the S100 Pro offers fast mapping, better obstacle avoidance and superior navigation for even complex layouts; best-in-class cleaning efficiency with 1,000 m²/h cleaning speed; equipped with a UV light for mop disinfection to prevent bacteria growth; dual side brushes operate flush against walls, ensuring edge-to-edge cleaning; safe for use on most floor types with adjustable water flow control and cleaning brush pressure; 6 hours of continuous operation on a 2-hour auto-charge; and fully managed via a phone app



Large commercial cleaning robot for wet cleaning: Sveabot M100E

Heavy-duty down-pressure disc brushes apply up to 50 kg of downward force for deep scrubbing and stain removal; an 860 mm scrub width covers large areas quickly, reducing cycle times; offers fast mapping, advanced obstacle avoidance and superior navigation for large complex layouts with LiDAR SLAM and computer vision technology; with intelligent self-docking technology, the robot automatically returns to recharge when needed; safe for use on most floor types with 3 levels of brushing pressure; efficient in narrow areas with small turn-around width design; features one of the largest water tank capacities (120L) on the market for longer cleaning without frequent refills; handles slopes even when fully loaded; and fully managed via a phone app

Software

Trion Model

Our Trion Model is a proprietary, highly integrated point cloud processing software available for both iPadOS and Windows platforms. Users of Trion Model can either purchase a permanent license or subscribe on an annual basis. With the commitment of making advanced point cloud processing accessible to everyone, everywhere, it is designed to directly import, process, and visualize raw point cloud data from multiple sources — eliminating the need for complex format conversions — and significantly streamlining the workflow from data acquisition to analysis.

BUSINESS

Leveraging 3D Gaussian Splatting technology, Trion Model can generate highly realistic digital twin models within minutes, dramatically reducing project turnaround times. It offers a suite of advanced analytical tools, including automated tilt correction, feature classification, contour extraction, cross-section analysis, and volumetric calculations, meeting the demanding requirements of professional scanning.

The Trion Model can be used in conjunction with our robotics solutions. It enables real-world scene modeling for our robotics solutions, and the resulting modeling data helps customers and distributors deploy robots such as material-pushing robots, cleaning robots, line-marking robots, and lawn-mowing robots. This makes it easier for customers to use our robotics solutions while improving overall efficiency.

In addition, Trion Model serves as a simulation platform for future robotic applications across diverse environments. Within a laboratory setting, it can simulate robotic operations in different scenarios and support task planning. With a broad application scope, Trion Model is ideal for use in residential and commercial real estate, tourism and hospitality, construction engineering, and Scan-to-BIM workflows. In particular, it helps clean and organize point cloud data, making it easier to measure volumes of soil, minerals, or storage piles, useful for construction and inventory planning. In forestry, it can automatically identify individual trees and calculate height, diameter, and canopy size, supporting forest mapping and carbon assessments. For architecture and design, Trion Model can quickly generate floor plans and cross-sections, and connect with BIM workflows to support renovation and construction projects. Its realistic 3D scene reconstruction is valuable for site inspections, accident investigations, and insurance assessments. Engineers can also use it to analyze road and tunnel profiles for better design decisions. Additionally, the software provides mapping support for robot deployment, helping define work zones and terrain features to speed up setup and improve efficiency.

OUR TECHNOLOGY

Our Core Technologies

The following outlines the core technologies that support our product development and competitive positioning in the market, all of which are proprietarily developed and owned by us.

- **High precision positioning.** We have developed proprietary high precision positioning technologies that integrate GNSS systems (including GNSS, RTK and PPP). These technologies enable centimetre-level and even millimetre-level accuracy through multi-satellite coordination, error correction algorithms, and enhancement systems. It offers high positioning accuracy, fast convergence time, and all-weather service performance, particularly in open-field environments and is widely applied across agricultural navigation kits, autonomous mowers, construction guidance and control systems, scanning instruments, and base stations.
- **Lidar SLAM.** We employ simultaneous localization and mapping (SLAM) algorithms that integrate IMU and vision data, forming the foundation of our 3D reconstruction and core robotics technologies. Our proprietary multi-sensor fusion lidar SLAM algorithm has already been applied to our products such as scanners, cleaning robots, lawn-mowing robots, and line-marking robots. We continuously optimize these algorithms for diverse application scenarios by improving dynamic object detection and removal, point-cloud filtering, and performance in feature-sparse environments. These enhancements significantly increase the stability and reliability of our products.

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- **Computer Vision.** Our robotics solutions use different types of cameras, such as single-lens, dual-lens, and wide-angle fisheye, to “see” their surroundings. For example, image recognition helps material-handling robots find the right feed channels and helps lawn-mowing robots detect the edges of a lawn. Dual-lens cameras add depth perception, while fisheye cameras give a wider view of the environment. Combining vision algorithms with motion sensors further improves path planning.
- **Deterministic Algorithms.** Our core technology is a deterministic algorithm built on sensor fusion and a rule-based decision framework. By integrating data from multiple commercial sensors (such as vision, positioning, and inertial systems), we apply clearly defined rules to guide robotic actions. This approach enables our system to accumulate and address corner cases in real-world operations, ensuring that the robot can reliably achieve its tasks in a safe, predictable, and auditable manner.
- **Electrification.** Our expertise in batteries, motors, and motor control provides strong support for our robotics solutions. We have developed multiple battery specifications tailored to different applications. Reliability and quality of both batteries and motors are core considerations from the very start of product design. To ensure diagnostic capability and ease of after-sales service, we adopt modular designs. Our motor control technology integrates batteries, motors, and software through co-design, enabling flexible strategies across diverse application scenarios. This ensures an optimal balance among power consumption, performance, and reliability.
- **Automatic control.** We have developed proprietary automatic control algorithms adaptable to nearly all mainstream tractors worldwide (40–400 horsepower) and compatible with diverse chassis and steering modes. Our system delivers precise navigation and manoeuvres across varied terrains, with proven deployment across over 110 countries and applications spanning precision seeding, unmanned spraying and automated tillage, demonstrating strong global adaptability and scenario experience.

Research and Development

Research and development have been at the core of our business since our inception. We made substantial investment in research and development during the Track Record Period. During the Track Record Period, our research and development expenses amounted to RMB269.6 million, RMB232.1 million and RMB231.0 million, respectively, representing 50.9%, 40.7% and 31.2% of our revenue, respectively. The overall decrease in our research and development expenses was primarily due to the continue improvement of our R&D efficiency.

Research and development process

We have established a comprehensive research and development process consisting of six phases: (i) concept phase; (ii) preliminary analysis phase; (iii) design and development phase; (iv) validation phase; (v) launch phase; and (vi) after-sale phase. Each phase of our research and development process is governed by a rigorous stage-gate review mechanism to ensure effective risk management across technology, cost, schedule and quality dimensions.

Concept Phase. During the concept phase, we conduct in-depth feasibility studies encompassing market demand, technical viability, manufacturing capability and procurement strategy, culminating in a concept review to determine project initiation.

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Preliminary Analysis Phase. In the preliminary analysis phase, we expand the project team and focus on prototype design and the formulation of detailed product requirement specifications, alongside comprehensive planning and budgeting across functional domains.

Design and Development Phase. The design phase marks the core of product realization, involving detailed design, coding and unit testing of hardware, mechanical components, embedded software and applications, followed by iterative integration testing and debugging using prototype models, leading to the completion of engineering samples and full regression testing.

Validation Phase. During the validation phase pilot production is conducted to verify manufacturability, process stability and product reliability. Finalized documentation for manufacturing processes and quality inspection standards is prepared, and relevant certifications for safety and environmental compliance are obtained.

Launch Phase. Following successful reviews of all preceding phases, the project enters the launch phase, where all deliverables are transferred to the mass production team and a comprehensive readiness assessment is conducted across manufacturing, marketing and sales channels. The product is then officially released to market.

After-Sale Phase. After-sale phase ensures ongoing lifecycle management, including customer service, issue resolution, design change control and iterative product optimization until product retirement.

Our research and development team

As of December 31, 2025, we had 540 R&D personnel, representing 43.2% of our total workforce. Our R&D personnel are highly qualified and skilled, with approximately 26.5% holding a master’s degree or above, and have extensive experience in key areas such as computer science, mechanical engineering and robotics. Our R&D team is divided into two primary departments: software and hardware. The software department is divided into several specialized group, including algorithm engineering, front-end development, back-end development, embedded development, and software testing. It focuses on key areas such as algorithm development, computer vision technology, sensor fusion techniques, RM software development, and embedded software solutions. Meanwhile, the hardware department is divided into several specialized group, including hardware engineering, RF (radio frequency), electrical systems, PCB layout, component engineering, and hardware testing. It specializes in the R&D of structural design and electrical components. We also have a structural design team that works closely with both departments, consisting of two functional units: mechanical engineering and industrial design, to support mechanical engineering and cross-functional integration. We have established a dedicated collaboration hub aimed at driving the advancement and continuous evolution of our modular and transferable technology.

Key Achievement and Pipeline

Through our relentless efforts in research and development, we achieved several key milestones. During the Track Record Period, we launched several key products, in particular:

- In 2023, we introduced Excavator Guidance System, Motor Grader Control System and Dozer Control System. We also launched Electric Walk-behind Greens Mower Portable 3D LIDAR Scanner P1, RTK Survey Rover V10i and Robotic Mower RM21.
- In 2024, we released the world’s first integrated lawnmowing and line-marking robotics solution.

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- In 2025, we launched two standalone line-marking robotics models, Paintmaster Pro and Paintmaster Mini. Our portfolio of agriculture and livestock farming solutions has been expanded to include the FJD ATX Auto Steer System and the FJD AYM Yield Monitoring Solution. We also offer two scanner suite solutions: the P2 and the V4e.

Looking ahead, we maintain a robust research and development pipeline that includes next-generation auto-steering and guidance system, RTK GNSS, hand-held scanners, systems, lawn mower robots, line marker robots.

INTELLECTUAL PROPERTY

We believe the protection of our intellectual property rights is critical to our business. Our commercial future depends, in part, on our ability to obtain, maintain and defend our intellectual property rights for commercially significant technologies, inventions and know-how. As of December 31, 2025, we held 272 patents, 253 trademarks, 70 domain names and 105 software copyrights in the PRC and 96 patents, 220 trademarks and 13 domain names in countries and regions other than the PRC.

We implement protective measures to protect our intellectual property, in addition to making trademark and patent registration applications. We rely on a combination of trademark, fair trade practice, copyright and trade secret protection laws and patent protection, as well as confidentiality procedures and contractual provisions to protect our intellectual property and our trademarks. We actively monitor access to our proprietary technology and information and will use legal measures to protect ourselves against any unauthorized use of our intellectual property. We have developed proprietary technology, including patented technology, in various areas such as control systems and sensors.

As of the Latest Practicable Date, we were not involved in any litigation or arbitral proceedings in respect of misappropriation or other violations of third-party intellectual property that could have a material adverse effect on our business, results of operations or financial condition.

OUR PRODUCTION

As of December 31, 2025, we had three production bases located in Shenzhen, Fuzhou and Sweden, with an aggregate site area of approximately 25,236 sq.m. All our production lines are flexible, allowing us to adjust our production configurations based on order volumes to efficiently meet customer demands while optimizing capacity utilization.

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The table below sets forth our total production volume, production capacity and capacity utilization rate for the years indicated:

	Year Ended December 31,		
	2023	2024	2025
Production volume (units)			
Agriculture and livestock farming	48,522	60,981	70,872
Construction	5,614	5,054	10,536
Facilities management	35,044	19,144	47,902
Production capacity (units)			
Agriculture and livestock farming	66,605	79,104	83,604
Construction	7,887	6,481	12,331
Facilities management	43,004	23,001	56,091
Capacity utilization rate (%)			
Agriculture and livestock farming	72.9%	77.1%	84.8%
Construction	71.2%	78.0%	85.4%
Facilities management	81.5%	83.2%	85.4%

Note:

- (1) The utilization rate during the year equals the production volume divided by the production capacity during the same year.

We further set forth a breakdown of our production capabilities by production base as follows:

Shenzhen Production Base

	Year Ended December 31,		
	2023	2024	2025
Production volume (units)			
Agriculture and livestock farming	48,445	60,903	70,793
Construction	5,552	4,991	10,472
Facilities management	—	—	—
Production capacity (units)			
Agriculture and livestock farming	66,500	79,000	83,500
Construction	7,800	6,400	12,250
Facilities management	—	—	—
Capacity utilization rate (%)			
Agriculture and livestock farming	72.9%	77.1%	84.8%
Construction	71.2%	78.0%	85.5%
Facilities management	—	—	—

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Fuzhou Production Base

	Year Ended December 31,		
	2023	2024	2025
Production volume (units)			
Agriculture and livestock farming	—	—	—
Construction	—	—	—
Facilities management	35,044	19,144	47,902
Production capacity (units)			
Agriculture and livestock farming	—	—	—
Construction	—	—	—
Facilities management	43,004	23,001	56,091
Capacity utilization rate (%)			
Agriculture and livestock farming	—	—	—
Construction	—	—	—
Facilities management	81.5%	83.2%	85.4%

Sweden Production Base

	Year Ended December 31,		
	2023	2024	2025
Production volume (units)			
Agriculture and livestock farming	77	78	79
Construction	62	63	64
Facilities management	—	—	—
Production capacity (units)			
Agriculture and livestock farming	105	104	104
Construction	87	81	81
Facilities management	—	—	—
Capacity utilization rate (%)			
Agriculture and livestock farming	73.3%	75.0%	76.0%
Construction	71.3%	77.8%	79.0%
Facilities management	—	—	—

Production Process and Quality Control

Our production process begins with production planning through our material requirements planning (MRP) system, which we use to forecast product demand for the upcoming quarter. Our sales and marketing personnel provide estimated sales data based on market trends, which is then consolidated and reviewed by sales managers, product line managers, and production managers to validate its accuracy and feasibility. Once the data is approved, it is passed to the supply chain team to handle procurement based on the production volume. After suppliers provide delivery timelines and production orders are generated accordingly, we then schedule production by assigning specific product lines and timelines to ensure smooth operations across multiple production lines.

After suppliers deliver the raw materials and components, incoming quality control (IQC) inspections are conducted prior to warehouse entry. Materials that meet quality standards are stored in the warehouse, while those that fail are returned to suppliers for replacement. Once production orders are initiated, materials are retrieved from the warehouse and prepared for the production line.

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Our production process is divided into multiple stages, subject to the complexity of the product. During production, product quality engineering (PQE) teams conduct regular inspections to ensure quality control at every stage. Daily spot checks are performed to verify that each production step adheres to quality standards. At the end of the production line, finished products undergo final inspections, including automated testing, to ensure compliance with quality requirements. Products that pass the final quality checks are stored in the warehouse as finished goods. These goods are then distributed based on sales demand.

We are committed to minimizing the risks of product liability claims, warranty claims and product recalls through strict quality control measures. Furthermore, if our suppliers are deemed to bear (in whole or in part) product liability, we will evaluate the compensation or cost-sharing amounts to be claimed from the relevant suppliers under the terms and conditions of the supply agreements. We will also take into account various commercial factors as appropriate, including but not limited to the amount of compensation, the financial capability of the suppliers and the risk of supply chain disruptions we may face due to such compensation or cost-sharing claims.

During the Track Record Period and up to the Latest Practicable Date: (i) we had not been subject to any material administrative or other penalties from any competent authority in connection with product quality issues; (ii) we had not undertaken any material product recalls or experienced any material product returns with respect to defective products; and (iii) we had not been involved in any material dispute with customers in connection with product quality.

SEASONALITY AND ITS IMPACT ON OUR BUSINESS OPERATION

According to Frost & Sullivan, agricultural robotics solution providers, including us, are affected by natural seasonality associated with crop cultivation cycles. Demand for agricultural auto-steering systems and other intelligent farming equipment typically rises during the main planting and field operation seasons, generally in the second and third quarters, and softens during the first and fourth quarters when agricultural activity is limited. According to monthly data from the Association of Equipment Manufacturers of the United States, sales of tractors and combines typically remain below the annual average in the first half of the year, with the strongest performance often occurring in the second and third quarter. Similarly, registration data from the European Agricultural Machinery Association indicate that market demand in Europe tends to concentrate in the latter half of the year, with the second and third quarters being the peak periods for machinery procurement and delivery. This seasonal pattern is largely driven by the spring planting and autumn harvest cycles.

As a result, our revenue tends to be more concentrated in the middle of the year, reflecting the timing of key agricultural operations. The lower revenue contribution in the first half of the year in Europe, Asia, and the Americas aligns with the industry’s operational pattern, where procurement and deployment of equipment are driven by seasonal field activities. Such seasonality reflects the natural purchasing rhythm of agricultural operations and may cause temporary fluctuations in quarterly revenue recognition, capacity utilization, and inventory management.

To manage such seasonality, we have adopted production and inventory planning strategies designed to balance capacity utilization across quarters and maintain supply chain resilience, ensuring stable delivery during peak agricultural seasons.

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WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We established comprehensive systems and procedures for warehousing, logistics, and inventory management. Meanwhile, we regularly review and update relevant procedures, which are published through our internal systems. We also provide staff training to ensure strict procedural compliance, including inspection, handling and reporting of anomalies to maintain standardized operations. We have also engaged competent logistics providers to ensure safe, timely, and reliable product delivery.

Inventory Management

Our inventories primarily comprise raw materials, work-in-progress and finished goods stored in our warehouses. We have implemented stringent inventory management measures to maintain an optimal level of inventory, generally stocking several months’ supply for a product to ensure availability. We have established policies and guidelines setting out requirements on inventory control, including periodic asset audits and on-site inventory inspections through digital tools and automated processes. Our comprehensive inventory management measures enable us to maintain high standards in inventory performance and rapid responsiveness to market demands.

Logistics

For the delivery of our products, we base our logistics arrangements on the specific needs of our customers. The majority of our deliveries are made on a delivered duty unpaid (DDU) basis, where we arrange the transportation of our solutions from our production plants to our distributors as well as our direct sales customers. During the Track Record Period, we outsourced logistic activities to third-party service providers to deliver our products. We also accommodate other delivery terms, including ex works (EXW), where our customers or distributors arrange transportation from our production plants. During the Track Record Period, we outsourced logistic activities to third-party service providers to deliver our products. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruptions or damage in relation to product delivery.

OUR SUPPLY CHAIN

Procurement

During the Track Record Period, our procurement primarily covered raw materials and components used in the manufacturing of our robotics solutions. We primarily procure electrical components such as motors and wire harnesses, electronic components like LCD screens and modules, and structural components including sheet metal parts, machined parts and plastic enclosures. Most of our raw materials, components and indirect materials are sourced from China, with a small portion of components and indirect materials sourced from overseas suppliers. To avoid reliance on a few suppliers for our key raw materials and components, we generally maintain a larger pool of suppliers for our key raw materials and components. During the Track Record Period, we did not experience any major shortages, delays or difficulties in procuring key raw materials or components from suppliers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major price fluctuations, overstock, delays or shortages in the supply of key raw materials and components.

Supplier Selection

When selecting new suppliers, we first conduct a preliminary sample testing. After our R&D department confirms that the sample provided is of acceptable quality, a joint evaluation is conducted by our R&D, procurement, and quality assurance departments, where they perform on-site inspections and scoring. After the joint evaluation, sample approval is required, and a cost assessment is made. The project management department makes the final decision in selecting the supplier. We include penalty

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clauses in contracts signed with suppliers and regularly evaluate supplier performance through a scoring system, which directly impacts their procurement share. This approach helps us to maintain high quality procurement while fostering accountability among our suppliers.

Our Major Suppliers

Our suppliers primarily comprise electronic components used for signal transmission, such as integrated circuits and modules, electrical components used for converting electric power to other forms of energy, such as motors and batteries, and structural components. In 2023, 2024 and 2025, purchases from our five largest suppliers in aggregate accounted for 16.4%, 20.4% and 14.9% of our total purchase in each year during the Track Record Period, respectively, and purchases from our largest supplier accounted for 5.0%, 8.5% and 4.6% of our total purchase for the same years, respectively. During the Track Record Period, with the exception of some standardized sensor components, all of the hardware components related to our proprietary core technologies are self-designed and self-produced.

During the Track Record Period, all of our top five suppliers in each year during the Track Record Period were Independent Third Parties of the Group. None of our Directors and their close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) have any interest in any of our top five suppliers in each year during the Track Record Period that is required to be disclosed under the Listing Rules.

We set forth our top five suppliers in each period of the Track Record Period as follows:

Rank	Suppliers	Business Scope	Products / Services provided to the Group	Year of the commencement of cooperation with the Group	Credit term	Settlement methods	Purchase from suppliers (RMB'000)	% of total purchase
For the year ended December 31, 2023								
1	Supplier A .	Human resources solutions provider, headquartered in California, USA	Agency services	2022	Monthly settlement	Bank transfer	24,111	5.0%
2	Supplier B .	Electric motor manufacturer, headquartered in Jiangsu	Material purchase	2019	Credit period of 60 days/ credit period of 30 days settlement by month	Bank transfer/ bills payables	19,975	4.1%
3	Supplier C .	Satellite navigation technology company, listed on Shenzhen Stock Exchange	Material purchase	2020	Credit period of 30 days settlement by month	Bank transfer	18,998	3.9%
4	Supplier D .	Metal engineering company, headquartered in Sweden	Material purchase	2005	Credit period of 30 days settlement by month	Wire transfer	8,556	1.8%
5	Supplier E .	Logistics solutions provider, headquartered in Jilin	Logistics service	2022	Upfront payment	Wire transfer	8,221	1.7%
	Subtotal . .						79,861	16.4%
For the year ended December 31, 2024								
1	Supplier A .	Human resources solutions provider, headquartered in California, USA	Agency services	2022	Monthly settlement	Bank transfer	25,031	8.5%

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Rank	Suppliers	Business Scope	Products / Services provided to the Group	Year of the commencement of cooperation with the Group	Credit term	Settlement methods	Purchase from suppliers (RMB'000)	% of total purchase
2	Supplier B .	Electric motor manufacturer, headquartered in Jiangsu	Material purchase	2019	Credit period of 60 days/ credit period of 30 days settlement by month	Bank transfer/ bills payables	12,547	4.3%
3	Supplier C .	Satellite navigation technology company, listed on Shenzhen Stock Exchange	Material purchase	2020	Credit period of 30 days settlement by month	Bank transfer	8,875	3.0%
4	Supplier F .	Logistics solutions provider, headquartered in Shenzhen	Logistics service	2021	Monthly settlement	Bank transfer	7,094	2.4%
5	Supplier G .	Navigation and positioning technology company, headquartered in Beijing	Material purchase	2024	Credit period of 30 days settlement by month	Bank transfer/ bills payables	6,276	2.1%
Subtotal . .							59,823	20.4%

For the year ended December 31, 2025

1	Supplier A .	Human resources solutions provider, headquartered in California, USA	Agency services	2022	Monthly settlement	Bank transfer	23,950	4.6%
2	Supplier G .	Navigation and positioning technology company, headquartered in Beijing	Material purchase	2024	Credit period of 30 days settlement by month	Bank transfer/ bills payables	17,177	3.3%
3	Supplier H .	Motor and lighting manufacturer, headquartered in Guangzhou	Material purchase	2023	Credit period of 60 days settlement by month	Bank transfer/ bills payables	15,702	3.0%
4	Supplier I .	Display module and optoelectronic product developer, headquartered in Shenzhen	Material purchase	2020	Credit period of 60 days settlement by month	Bank transfer/ bills payables	10,154	2.0%
5	Supplier J .	Geospatial solutions provider, headquartered in Beijing	Material purchase	2024	Credit period of 30 days settlement by month	Bank transfer	10,077	2.0%
Subtotal . .							77,060	14.9%

Key Terms of Procurement Agreements

The key terms of our framework procurement agreements with our suppliers typically include:

- **Duration:** Our procurement agreements typically have a term of one year.
- **Pricing:** The price is generally determined by both parties through negotiation and is generally specified in purchase orders.
- **Payment:** We shall issue payment upon receipt of the invoice.

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- **Delivery:** Supplier shall be responsible for the cost of delivery.
- **Acceptance and inspection:** Upon delivery of goods by the supplier, we first accept the goods and then conduct an inspection within the agreed time limit according to the acceptance standards and the inspection methods agreed by both parties.
- **Warranty:** During the warranty period, if we discover nonconforming products, the supplier shall bear all costs and provide unconditional replacement or repair.

SALES, DISTRIBUTION AND AFTER-SALES SERVICE

We deliver our solutions across the world to our end users, with the majority of which being farmers around the world, primarily through a global network of independent distributors spread across Europe, Asia, and Americas. As of December 31, 2025, our products were distributed in over 110 countries. We access both the domestic and overseas markets through distribution partners to ensure market penetration and coverage, which is particularly suitable for serving dispersed end-users through localized distribution channels, especially for end users located in remote rural areas. We derive the majority of our revenue from distributors.

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 in thousands except for percentages)					
Distribution channels.	507,737	95.9%	539,047	94.6%	710,752	96.1%
Direct sales	21,877	4.1%	30,790	5.4%	29,166	3.9%
Total	529,614	100.0%	569,837	100.0%	739,918	100.0%

Our relationships with these distributors operate on a seller-buyer basis, where they purchase products from us to resell to or end users. Our distributors are responsible for the retail sales of our robotics solutions to end users as well as providing after-sales services and support. Our distributors may sell our product through networks of dealers supported by the distributors, and our distributors also may directly market our products and provide customer service support. As of December 31, 2023, 2024 and 2025, we collaborated with 2,087, 2,224 and 2,564 distribution partners, respectively. Our sales are not dependent on any specific distributor.

Our distribution partners may independently develop secondary channels in order to better cover their authorized areas and improve market penetration. We do not engage directly with sub-distribution channels or participate in their operations. For the management of secondary channels, we require our distribution partners to seek our approval for the establishment of these channels, which are typically subject to our on-site inspections.

We have set high standards and expectations for our distribution partners. Within their authorized areas, we require our distribution partners to uphold our brand equity through: (i) enhancing brand visibility and market presence within their authorized areas through localized promotion activities; (ii) providing comprehensive after-sales support and collecting customers’ feedback; and (iii) adhering to our pricing structures and sales policies. Based on our requirements, we rigorously review our business relationship with distribution partners through our strict selection process and annual assessment. In 2023, 2024 and 2025, we categorized our business relationships as inactive with 809, 1,185 and 1,235 distribution partners, respectively, primarily due to our increased leverage in business negotiations attributable to the continued expansion of our business operations. As of December 31, 2025, the

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number of inactive distributors increased compared to December 31, 2024, mainly due to (i) failure to meet our business performance targets; (ii) changes in their business focus and (iii) deviations from our stringent payment terms.

Nonetheless, we maintain positive relationships with these distributors and actively explore potential sales opportunities, contributing to the resilience and flexibility of our sales network. During the Track Record Period and up to the Latest Practicable Date, we experienced no material unsettled disputes or litigation in relation to the termination of these distribution arrangements.

The following table sets forth our total number of distributors and their movements (including additions and terminations) for the years indicated:

	Year Ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the year	1,462	2,087	2,224
Number of new distributors	1,434	1,322	1,575
Number of inactive distributors ⁽¹⁾	809	1,185	1,235
Net increase/(decrease) in number of distributors	625	137	340
Number of distributors at the end of the year	2,087	2,224	2,564

Note:

- (1) Inactive distributors are distributors with whom we did not have sales in the year indicated but had sales in the preceding year.

The overall increase in number of distributors in 2023, 2024 and 2025 is primarily due to the increase in number of new distributors outpaced increase in number of inactive distributors, which was mainly attributable to the continued expansion of our global reach and adoption of a tiered model to enhance market coverage.

Management of Our Distribution Channels

We manage our distribution channels in accordance with our internal policies and monitor their performance through our sales management system. Our sales management team is primarily responsible for distribution management, including: (i) development, evaluation and recruitment of new distributors; (ii) negotiation and execution of contracts with distribution partners; (iii) on-going management of distribution partners, including oversight of predetermined sales territories, pricing, inventory and trade receivables; (iv) provision of sales support and training; and (v) review and maintenance of distribution networks.

No Material Risk of Channel Stuffing

Our management is of the view that channel stuffing is unlikely to occur in our distribution channels and generally does not pose significant managerial concern, mainly due to (i) we focus on sell-out rather than sell-in, and only request distributors to maintain inventory of approximately 20%–30% of their annual procurement target to ensure supply in case of sudden demand; (ii) our core products, such as scanner and auto-steering kit, have quick fund turnover, imposing minimal inventory and capital pressure on distributors.

To monitor the inventory level of our distributors, our sales team check with to our distributors periodically to verify and update their current inventory level. Our distributors are also requested to update the inventory level of our sub-distributors periodically.

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Major Terms of Distribution Agreements with Our Distribution Partners

We typically enter into standard distribution agreements with our distribution partners across different geographic regions. Salient terms of our standard distribution agreements generally include:

- **Term:** The duration of the distribution agreements is typically one year.
- **Designated distribution area:** We do not allow our distribution partners to distribute our products outside their predetermined distribution areas.
- **Exclusivity clauses:** We may enter into exclusivity clauses with our distributors under which only one distributor may sell our products in a given geographical area. However, not all geographical area is covered by such exclusivity clauses, and certain areas may be served by multiple distributors of ours.
- **Sales target:** We set annual or quarterly sales targets for our distribution partners and conduct evaluations and inspections of their performance. If a distribution partner fails to achieve its annual sales target, it is at our discretion to terminate the business relationship with, such distribution partners.
- **Product ownership:** Product ownership transfers to our distribution partners upon the deliverer’s receipt from us.
- **Price management:** We have the right to set the recommended distributor price of the distributors.
- **Payments:** Payments may be required (i) on a prepaid basis prior to delivery of products, (ii) upon receipt of products, or (iii) within 90 days after the distributor’s receipt of invoice.
- **Logistics:** Distributor shall be responsible for the cost of delivery.
- **Sub-distribution:** We do not impose any restrictions regarding sub-distribution with the distribution partners, except for the requirements of recommended distributor price and confidentiality.
- **Anti-commercial bribery and confidentiality:** We prevent our distribution partners from engaging in bribery or leaking our commercial secrets to any third parties.
- **Termination:** We list several conditions that may result in the breach of contract in the distribution agreements. We are entitled to terminate the distribution agreements if our distribution partners breach the distribution agreements through underperformance.

Independence Analysis

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our distribution partners were independent third parties.

Direct Sales

In addition to our distribution network, we make a small amount of sales directly to end customers, mainly to end customers in Hong Kong. Our direct sales are generally for specific projects, such as those related to unmanned farm initiatives, where we directly engage with end customers to better understand their unique demands and create tailored solutions.

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Pricing

When pricing our products, we generally take into consideration our market positioning, the competitive advantages of our products, and market competition. We generally employ a margin-based approach where we price our product with a targeted gross margin in mind, while evaluating whether our solution offerings can achieve sufficient market traction. We also engage in competitive pricing to gain market share and/or maintain our competitive position.

We provide recommended retail prices to our distributors, while allowing distributors to determine the final retail prices. To ensure relative pricing transparency and consistency, we display our product prices on our e-commerce platform, and also actively communicate with our distributors to align on pricing strategies.

Our Sales and Marketing Team

Our marketing department coordinates marketing activities, manages our distribution network, and provides technical support and training to our distribution partners. As of December 31, 2025, we had 470 sales and marketing staff.

OUR CUSTOMERS

We primarily sell our products to domestic and international distribution partners. In 2023, 2024 and 2025, revenue from sales to our top five customers in aggregate accounted for 25.4%, 22.3% and 12.3% of our total revenue in each year during the Track Record Period, respectively, and revenue from sales to our largest customer accounted for 10.2%, 6.3% and 3.2% of our total revenue for the same years, respectively.

During the Track Record Period, all of our top five customers in each year during the Track Record Period were Independent Third Parties of the Group. While the controlling shareholder of Xin Zhifeng, one of our Shareholders, holds certain equity interest in Customer F, none of our Directors and their close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) has any interest in any of our top five customers in each year during the Track Record Period that is required to be disclosed under the Listing Rules.

We set forth our top five customers in each year of the Track Record Period as follows:

Rank	Customers	Business Scope	Products/Services acquired to the Group	Year of the commencement of cooperation with the Group	Credit term	Settlement methods	Revenue from customers (RMB'000)	% of total revenue
For the year ended December 31, 2023								
1	Customer A	A company primarily engaged in technical service provision and distributorship, headquartered in Zhejiang.	Agriculture and livestock farming solutions and software	2022	3 days	Wire transfer	53,769	10.2%
2	Customer B	A company primarily engaged in energy and infrastructure, headquartered in France.	Agriculture and livestock farming solutions and software	2023	100% upfront payment/ 50% down payment and remaining 50% on credit period of 90 days	Wire transfer	33,939	6.4%

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Rank	Customers	Business Scope	Products/Services acquired to the Group	Year of the commencement of cooperation with the Group	Credit term	Settlement methods	Revenue from customers (RMB'000)	% of total revenue
3	Customer C	A company primarily engaged in manufacturing & mechanical engineering, headquartered in Germany.	Agriculture and livestock farming solutions and software	2021	100% upfront payment/ 50%-70% down payment and remaining balances on credit period of 90 days	Wire transfer	24,321	4.6%
4	Customer D	A company primarily engaged in bearings manufacturing, headquartered in Japan.	Agriculture and livestock farming solutions, construction solutions, and software	2019	100% upfront payment/ 40 days	Wire transfer	11,702	2.2%
5	Customer E	A company primarily engaged in agricultural technology solutions and equipment distribution, headquartered in Turkey.	Agriculture and livestock farming solutions and software	2022	50% down payment and remaining 50% on credit period of 90 days	Wire transfer	11,052	2.1%
Subtotal.							134,783	25.4%

For the year ended December 31, 2024

1	Customer F	A company primarily engaged in import and export of automobile and mechanical equipment, headquartered in Hubei.	Agriculture and livestock farming solutions and software	2022	3 days	Wire transfer	35,761	6.3%
2	Customer G	A company primarily engaged in agricultural machinery and rubber products, headquartered in Germany.	Agriculture and livestock farming solutions and software	2024	100% upfront payment	Wire transfer	28,910	5.1%
3	Customer C	A company primarily engaged in manufacturing & mechanical engineering, headquartered in Germany.	Agriculture and livestock farming solutions, construction solutions, and software	2021	100% upfront payment/ 50%-70% down payment and remaining balances on credit period of 90 days	Wire transfer	21,580	3.8%
4	Customer D	A company primarily engaged in bearings manufacturing, headquartered in Japan.	Agriculture and livestock farming solutions, construction solutions, and software	2019	100% upfront payment/ credit period of 40 days	Wire transfer	20,646	3.6%

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Rank	Customers	Business Scope	Products/Services acquired to the Group	Year of the commencement of cooperation with the Group	Credit term	Settlement methods	Revenue from customers (RMB'000)	% of total revenue
5	Customer B	A company primarily engaged in energy and infrastructure, headquartered in France.	Agriculture and livestock farming solutions and software	2023	100% upfront payment/ 50% down payment and remaining 50% on credit period of 90 days	Wire transfer	20,434	3.6%
Subtotal.							127,331	22.3%

For the year ended December 31, 2025

1	Customer D	A company primarily engaged in bearings manufacturing, headquartered in Japan.	Agriculture and livestock farming solutions, construction solutions, facility management and software	2019	100% upfront payment/ 30% down payment and remaining 70% on credit period of 90 days/credit period of 40 days	Wire transfer	23,871	3.2%
2	Customer H	A company primarily engaged in research, development & production of EPS, headquartered in Austria.	Agriculture and livestock farming solutions, construction solutions, facility management and software	2022	100% upfront payment/ 30% down payment and remaining 70% on credit period of 90 days	Wire transfer	21,884	3.0%
3	Customer F	A company primarily engaged in import and export of automobile and mechanical equipment, headquartered in Hubei.	Agriculture and livestock farming solutions, construction solutions, facility management and software	2022	3 days	Wire transfer	17,010	2.3%
4	Customer G	A company primarily engaged in agricultural machinery and rubber products, headquartered in Germany.	Agriculture and livestock farming solutions, construction solutions, facility management and software	2024	100% upfront payment/ 50%-70% down payment and remaining balances on credit period of 90 days	Wire transfer	15,358	2.1%
5	Customer I	A company primarily engaged in smart farming equipment and agricultural automation solutions, headquartered in Austria.	Agriculture and livestock farming solutions, construction solutions, facility management and software	2023	100% upfront payment/ 20% down payment and remaining 80% on credit period of 120 days	Wire transfer	13,193	1.8%
Subtotal.							91,316	12.3%

Customer Service

We uphold a customer-centric service philosophy and place great value on user experience and customer service. As we generally do not directly interact with the end users of our products, we provide extensive training to our distributors to ensure that they are able to provide adequate after-sales services to end users. In order to ensure that our end users receive adequate after-sales support, in the initial stages after the launch of a new product, we may send our customer service personnel or other

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employees with the relevant expertise to provide after-sales support and training to end users. In the event of any functional issues caused by our products, we dispatch R&D and after-sales personnel to provide onsite repair and maintenance services.

Third-Party Payment Arrangement

During the Track Record Period, we accepted payments made by third parties to settle the amounts that certain distributors and end customers owed to us in connection with their purchases of our products. In 2023, 2024 and 2025, the aggregate amount settled through such Third-Party Payment Arrangements was RMB14.5 million, RMB28.7 million and RMB44.3 million, respectively, representing 2.7%, 5.1% and 6.0% of our total revenue for the same years, respectively. The number of distributors and end customers who settled payments through third-party channels, referred to as “Third-Party Settled Customers,” was 171 in 2023, 219 in 2024 and 331 in 2025. We confirm that we had not proactively initiated any Third-Party Payment Arrangements. Based on the representations of the Third-Party Settled Customers and to the best knowledge of our Directors, the Third-Party Settled Customers utilized Third-Party Payment Arrangements primarily because our overseas clients often rely on third parties to facilitate cross-border transactions, import and export arrangements, and intra-group settlements, offering greater payment convenience and faster processing times. As a result, we have to accept the Third-Party Payment Arrangements. The third parties who made the payments to us under these Third-Party Payment Arrangements during the Track Record Period, referred to as “Third-Party Payers,” were primarily (i) the entities within the same corporate group or under common control with the Third-Party Settled Customers who initially purchased the products from us, or individuals who are the controlling shareholders of such Third-Party Settled Customers or their family members, (ii) the third parties that subsequently acquired our products from the Third-Party Settled Customers, and (iii) the entities that had other existing business relationship with the Third-Party Settled Customers. We confirm that all Third-Party Payers are independent of our Group. During the Track Record Period, regardless of jurisdictions in which they are located, the Third-Party Settled Customers generally enter into sales contracts with our subsidiaries incorporated in the PRC or Hong Kong. During the Track Record Period and up to the Latest Practicable Date, (i) we had not encountered any disputes with, nor received any refund request from, any Third-Party Settled Customer or Third-Party Payer, (ii) we had not been subject to any administrative penalties by any PRC government authorities with respect to the Third-Party Payment Arrangements, (iii) the pricing, payment and other salient terms of the agreements we entered into with the Third-Party Settled Customers were in line with our other customers not involved in the Third-Party Payment Arrangements, and (iv) we had not provided any discount, commission, rebate or other benefits to any of the Third-Party Settled Customers or the Third-Party Payers to facilitate or encourage the Third-Party Payment Arrangements. During the Track Record Period, most of our customers have entered into written contracts with the Company and the Third Party Payers setting out, among others, the payment obligation of the Third Party Payers on behalf of the customers prior to entering such Third-Party Payment Arrangements. As advised by our PRC Legal Advisers and our legal counsel as to Third-Party Payment Arrangements, our acceptance of payments through the Third-Party Payment Arrangements do not contravene any prohibitive provisions under PRC laws and regulations, and there is no law prohibiting the Third-Party Payment Arrangements in Hong Kong. Considering that we are entitled to pursue contractual counterparties under the Third-Party Payment Arrangements, our directors believe that we are not subject to any material legal consequences under such arrangements.

To safeguard our interest against risks associated with Third-Party Payment Arrangements, we have significantly enhanced and implemented various internal control measures which include, among other things: we initiated the implementation of Third-Party Payment Arrangements enhancement measures and informed our employees regarding the enhanced internal control measures; we amended our standard forms of relevant agreement so as to clearly specify the obligations of relevant parties thereof, such as the customers and the designated payors both being parties of the agreement undertake that they shall be jointly and severally liable to us for any act of non-compliance with applicable laws

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and regulations, falsified transaction, non-disclosure of funding sources, or any other violation of our anti-money-laundering policies; and we have internal guidelines in place regarding anti-money laundering, which require our employees to exercise reasonable due diligence with respect to all trading parties, including their business nature, business models and ownerships and proposed transactions, to identify potential risks of anti-money laundering. To ensure that no transaction made under Third-Party Payment Arrangements is falsified or otherwise possibly involved with money laundering, we keep detailed records of all orders and payments involving Third-Party Payment Arrangements to ensure that all payments made by Third-Party Payers are associated with actual, existing orders from us.

We began our third-party payment rectification efforts in August 2025. As of the Latest Practicable Date, we have fully implemented the above-mentioned internal control measures and have rectified all Third-Party Payment Arrangements. We entered into separate payment agreements with the Third-Party Payers in respect of all Third-Party Payment Arrangements during 2025. While we may continue accepting payments under Third-Party Payment Arrangements due to the aforementioned business necessity, we will only accept such payments if there is a proven business necessity on the customer’s side, restrict the scope of Third-Party Payer to affiliated parties of the customer, and continue to improve our internal control and anti-money laundering measures to ensure that all Third-Party Payment Arrangements are compliant with applicable laws and regulations. Based on the foregoing, our Directors confirm that the cessation of the Third-Party Arrangements will not have a material adverse impact on the Group’s operations, liquidity and financial performance, and, after consulting our internal control consultant, are of the view that our enhanced internal control measures are adequate and effective.

Having taken into account the views of our Directors as described above, the work and procedures performed by our internal control consultant, as well as the independent due diligence conducted by the Joint Sponsors (including but not limited to obtaining legal opinions from our PRC Legal Advisers and our legal counsel as to Third-Party Payment Arrangements), nothing has come to the attention of the Joint Sponsors which would reasonably cause them to cast doubt on our Directors’ views as stated above.

According to Frost & Sullivan, the use of third-party payment arrangements is not uncommon within the robotics solutions market. Agricultural machinery and intelligent agricultural equipment are typically sold through multi-tier distribution networks. In many cases, end users (farmers, cooperatives, or agricultural service providers) rely on financial leasing, credit purchase, or regional distributors to complete transactions. Payments are therefore often executed by third parties such as (i) financing or leasing institutions, (ii) distributors or dealers, or (iii) agricultural platforms or cooperatives on behalf of end users. These arrangements facilitate financing efficiency, support customer acquisition, and align with the working capital practices of rural markets.

Similar third-party payment arrangements are also adopted by major agricultural equipment manufacturers through their local dealers or finance subsidiaries. For companies engaged in robotics solutions industry, similar models exist in certain project-based sales, where the project integrator or distributor executes payments to the manufacturer on behalf of the final end user.

See “Risk Factors — Risks Relating to Our Business and Industry — We are subject to risks associated with third-party payments.”

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PROPERTIES

Owned Properties

Our headquarters are located in Shenzhen. As of the Latest Practicable Date, we owned one properties with an aggregate gross floor area of approximately 1,470.3 sq.m. in the PRC, primarily for offices.

Leased Properties

As of the Latest Practicable Date, we leased 25 properties with a total site area of approximately 30,795.1 sq.m and two land parcels with a total site area of approximately 4,462.0 sq.m in China, primarily for production facilities, warehouse and offices, and six properties in Hong Kong, Sweden, Singapore and Poland with a total site area of approximately 4,807.0 sq.m, primarily for offices and warehouse. We did not experience material difficulties in renewing any our leases during the Track Record Period and up to the Latest Practicable Date.

As of December 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Hong Kong Listing Rules to include in this Document any valuation report. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

As of the Latest Practicable Date, with regard to 13 leased properties and leased land parcels with an aggregated area of approximately 15,030.9 sq.m. in the PRC, we have not been provided by the lessors with valid title certificates or other documents proving ownership rights of the relevant leased properties, or, in the event we acted as sublessees, the consent from the property owner or the holder of the right to use for certain leased properties and leased land parcel. Furthermore, with regard to 18 leased properties with an aggregated area of approximately 13,783.5 sq.m. in the PRC, we did not register and file such lease with the relevant government authorities.

Under the applicable PRC laws and regulations, the parties to a lease are required to register and file such lease with the relevant government authorities. While the lack of registration will not affect the validity of the leases under PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant leases within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease.

Furthermore, as of the Latest Practicable Date, certain of our leased properties and land parcels are subject to other defects, including: (i) failure to obtain consent from not less than two-thirds of the members of villager assembly or the representatives of the villagers for certain leased land parcels located on collectively-owned land; and (ii) failure to obtain authorization from relevant authorities for certain of our leased properties located on allocated land. Such defects may result in the termination of our relevant leases, and we may need to seek alternative premises and incur additional costs for relocation.

In addition to the aforementioned title defects, as of the Latest Practicable date, we did not complete the Fire Safety Filing required for one of our leased properties. The failure to complete the Fire Safety Filing was due to the aged nature of the property; due to the property's outdated design, it was difficult to renovate the building's existing fire prevention system to the level required by the

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applicable laws and regulations. We have nevertheless implemented a series of measures, including daily fire safety inspections, 24/7 fire watch, periodical tests of fire-prevention equipment, and periodical fire drills, to ensure the safety of our employees and our operations.

As advised by our PRC Legal Advisor, (i) the risk of material administrative penalty for any of the title defects in our leased properties and land parcels is remote; (ii) the lack of registration and filing of the leases will not affect the validity of the leases under PRC laws, but we may have a maximum penalty of RMB10,000 imposed on us for each non-registered lease if we fail to complete the lease registration and filing after we are requested to do so by the competent PRC government authorities; (iii) we may be ordered to carry out relevant remedial actions for the lack of Fire Safety Filing of the leased property and have a maximum penalty of RMB5,000 imposed on us for such lease. During the Track Record Period, we were not subject to any material administrative penalties in relation to these properties.

Our Directors are of the view that (i) we would not face any material difficulties to identify and lease alternative properties if our leases were to be prematurely terminated due to the aforementioned title defects; and (ii) the aforementioned administrative penalties, if imposed upon us, would not have an materially adverse impact on our business or financial position.

LICENSES, PERMITS AND APPROVALS

We are required to obtain permits, licenses, approvals, filings and certifications for certain business operated by us from the relevant government authorities in accordance with the applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had obtained all licenses, permits, approvals, filings and certifications that are material to our operations, and such licenses, permits, approvals, filings and certifications all remain in full effect. See “Regulatory Overview” for more details regarding the laws and regulations to which we are subject.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates. To the best of our Directors’ knowledge, we do not expect to encounter any material difficulty in renewing them when they expire, if applicable, and no material unexpected or adverse changes have occurred since the date of their respective issuance.

The following table sets forth the key licenses and permits material to our business and operations as of December 31, 2025:

License/Permit	Holder	Grant Date	Expiration Date
Certificates of Pattern Approval for Measuring Instruments of the People’s Republic of China (中華人民共和國計量器具型式批准證書)	FJ Dynamics (Shenzhen) Co., Ltd.	December 11, 2023	N/A
Customs Registration Receipt for Import and Export Consignee (海關進出口貨物收發貨人備案回執)	FJ Dynamics Technology Academy (Changzhou) Co., Ltd.	September 27, 2018	Permanent
Customs Registration Receipt for Import and Export Consignee (海關進出口貨物收發貨人備案回執)	FJ Dynamics (Shenzhen) Co., Ltd.	July 21, 2020	Permanent

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EMPLOYEES

As of December 31, 2025, we had 1,251 employees, the majority of which were located in China. The following table sets forth a breakdown of our employees by function as of December 31, 2025:

Function	Number of Employees	% of Total
Administrative	123	9.8
Sales and marketing	470	37.6
R&D	540	43.2
Manufacturing	118	9.4
Total	1,251	100.0

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive salaries and performance-based cash bonuses. We primarily recruit our employees through internal referrals, online recruitment, campus recruitment and local job fairs. We align our employee planning and recruitment strategies with our strategic development plan, proactively reserving talent and building a talent pipeline. We have established detailed policies to manage our recruitment processes. Standard employment contracts and confidentiality agreements are signed with employees, and we have also entered into non-compete agreements with key employees.

We prohibit all forms of discrimination based on race, gender, religion, age, nationality or any other characteristic.

As required by PRC laws and regulations, we participate in employee social security plans organized by municipal and provincial government, including pension, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing funds. We are required under PRC laws and regulations to make contributions to employee social security schemes at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. We have granted, and plan to continue to grant, share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development. To prevent the leak of trade secrets and confidential information, we have entered into confidentiality agreements with our key employees.

We hire outsourced employees for certain non-technical positions, such as security guards and janitors. We clearly specify the rights and obligations of our outsourced employees in the outsourcing agreements.

During the Track Record Period, we engaged third-party employment agencies to dispatch contract workers. According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Security on January 24, 2014, which became effective on March 1, 2014 (the “**Interim Provisions**”, the number of dispatched contract workers hired by an employer shall not exceed 10% of the total number of its employees (including both directly hired employees and dispatched contract workers). Pursuant to relevant PRC laws and regulations, if an employer violates regulations related to labor dispatch, the labor administration department will order it to make corrections within a specified period. Failure to make corrections within the given period may lead to a fine ranging from RMB5,000 to RMB10,000 per person. During the Track Record Period, the number of dispatch contract workers hired by one of our subsidiaries exceeded 10% of its total employees. The subsidiary is principally engaged in the research, development, production and sale of smart power tools. Since we had not received any notice of warning or order or been subject to any administrative penalties or other disciplinary actions from relevant PRC authorities during the Track

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Record Period and up to the Latest Practicable Date, and as of the Latest Practicable Date, all of our subsidiaries within our Group had less than 10% of dispatched contract workers, as advised by our PRC Legal Adviser, the likelihood that we would be subject to material administrative penalties due to our non-compliance with the labor dispatch regulations is low and our Directors believe that such issues are unlikely to have a significant adverse impact on our business operation and financial condition.

We believe that we maintain a positive working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disputes with our employees.

INFORMATION SECURITY AND PRIVACY

In our business operations, we may collect, process, and store various types of business data and personal information, including that of customers, suppliers, and other business partners. We place great importance on the confidentiality and integrity of data and information and are committed to building a comprehensive and compliant data security management system to prevent the risks of data leakage, abuse, or illegal access during transmission, storage, and use. Additionally, we have established data backup and disaster recovery mechanisms to ensure the high availability of critical business data and business continuity. Regular data recovery drills further enhance our ability to respond quickly to and repair unexpected network incidents.

We adopt different hardware and software architectures across our GNSS/RTK-enabled products depending on their application scenarios. Our construction and facility management solutions are designed based on a multi-satellite constellation system. For agriculture and livestock farming solutions, legacy models include multi-constellation systems, while certain units have been upgraded to operate on a BeiDou-only basis. Newly launched agricultural navigation devices are configured with BeiDou-only hardware.

The data we collect, process and output in our domestic operations are technical in nature, publicly accessible and globally receivable, and align with the definition of open service under international GNSS standards. As at the Latest Practicable Date, we had not received any investigation, inquiry or rectification notice from PRC regulatory authorities (including but not limited to national confidentiality, security or cyberspace departments) regarding our GNSS/RTK products in connection with state secrets or national security concerns.

We collect and process data in the PRC primarily comprising (i) device operation and performance data, (ii) customer account and personal information (such as contact details), and (iii) customer-imported data during use of our products and services, which may include farm-related data such as soil maps and crop yields.

Data ownership and consent are governed by our user agreements and privacy policies. Personal information remains the property of the individual data subject, and we act as the data processor under authorisation. Customer-imported data is owned by the customer. Device performance data and anonymised, aggregated analytical results that do not identify any individual are owned by us and used to improve our products and services.

We deploy servers globally based on customer location, with data stored locally and segregated across jurisdictions. For data collected in the PRC, we do not transfer or store such data overseas, nor do we permit foreign entities to access or export data stored within the PRC.

To ensure compliance with applicable PRC data protection laws, we have implemented internal control measures including data classification, encryption, access control, backup protocols, and emergency response mechanisms. We maintain standard cybersecurity infrastructure and have

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designated responsible personnel for cybersecurity, personal information protection and data governance. We also enforce internal policies covering the full lifecycle of personal information management, supported by technical safeguards and staff training.

We strictly comply with the Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》), the Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》), the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》), as well as the applicable data protection laws and regulations in the jurisdictions of our overseas operations, continuously improving our internal data compliance governance framework. To this end, we have established data security and cybersecurity management systems that span the entire Group, and we have set up a dedicated team to coordinate the Group’s information security strategies and implementation.

We have deployed multiple protective IT mechanisms and infrastructure, including a data classification system, point-to-point encrypted transmission protocols, centralized software deployment and configuration management. These systems and infrastructure operate in collaboration to effectively identify, thwart, and respond to potential information security risks.

We have implemented Information Security Code of Conduct for Employees, that clearly defines confidentiality responsibilities for each employee. Regular training and assessments are conducted for employees in confidential systems or key positions. As of the Latest Practicable Date, we have not experienced any major data security incidents or information breaches.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any claim from any third party against us on the ground of infringement of any third party’s right to data and privacy protection as provided by any applicable laws and regulations, (ii) there had been no legal proceeding pending or threatened against us initiated by competent government authorities or third parties with respect to cybersecurity, data security and personal information protection, and (iii) we had not experienced material leakage of personal information in relation to laws and regulations of cybersecurity, data security and personal information protection. Based on the above, as well as that (i) we have implemented internal policies on protecting cybersecurity, data security and personal information; and (ii) we will continuously pay close attention to the legislative and regulatory development in cybersecurity, data security and personal information protection, maintain ongoing communication with relevant government authorities and implement all necessary measures in a timely manner to ensure continuous compliance with the relevant laws and regulation, and after consultation with local counsels in our major jurisdictions, we are of the view that, during the Track Record Period and up to the Latest Practicable Date, we have undertaken ongoing measures to ensure compliance concerning cybersecurity, data security and personal information protection, aiming to aligning with the requirements of relevant cybersecurity, data and personal information protection laws and regulations in material aspects and we have been in compliance with the relevant PRC and Hong Kong laws and regulations relating to cybersecurity, data security and personal information protection in material aspects during the Track Record Period and up to the Latest Practicable Date.

However, as the laws and regulations in the cybersecurity, data security and personal information protection are still developing, we cannot assure you that we can always timely adapt to all the aspects of such laws and regulations. See “Risk Factors — We collect and access certain personal information of end users of our robotics solutions through our systems. Any actual or perceived failure to comply with cybersecurity, data security and personal information protection laws, or concerns regarding our practices or policies in collecting, using, storing, transmitting, disclosing or otherwise processing such data could expose us to potential liabilities”.

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COMPETITION

We operate in the global robotics solutions market across agriculture and livestock farming, construction and facility management sectors. The market size of the global robotics solutions market increased from US\$49.4 billion in 2021 to US\$91.4 billion in 2025, reflecting a CAGR of 16.6%. It is projected to reach US\$200.9 billion by 2030, reflecting a CAGR of 17.1% from 2025. Market growth is supported by continued advances in perception, navigation and control software, ageing demographics alongside labour scarcity and rising labour costs, the need for traceable and standardised operations, alongside the declining hardware and integration costs that enable pilots to scale into multi-site deployments. By industry applications, the market spans agriculture and livestock, construction, facility management and other robotics solutions. In 2025, the combined market position of the agriculture and livestock, construction, and facility management segments accounted for about 24.9% of the global total and is expected to increase to around 27.7% by 2030. The remaining portion comprises other robotics solutions. Market growth among these segments is activated by practical objectives that enhance human wellbeing and free up labour for higher-value work, including reducing exposure to repetitive and hazardous tasks, extending service availability and consistency, raising productivity and quality, and improving cleanliness and safety in workplaces and public spaces. As the sixth largest provider of agricultural auto-steering system kits and the fourth largest provider of retrofit agricultural auto-steering system kits globally in terms of revenue in global agricultural robotics solutions market, we believe we are in a strong position to capture the opportunities offered by the growth of the market.

The global agricultural auto-steering system kits market increased from approximately US\$1.2 billion in 2021 to US\$2.1 billion in 2025, representing a CAGR of 16.5%. Within this market, the retrofit agricultural auto-steering system kits segment reached around US\$1.1 billion, accounting for 50.7% of the total in 2025. Its growth has been driven by strong replacement and upgrade demand from existing agricultural machinery fleets, as downstream consumers increasingly adopt automation retrofits to enhance precision and efficiency without purchasing new equipment.

By contrast, the OEM-integrated segment, which mainly serves new tractor or harvester sales and targets customers seeking factory-installed precision systems with higher upfront costs, reached approximately US\$1.0 billion in 2025, representing 49.3% of the total market.

Looking ahead, the total market is projected to expand to around US\$3.7 billion by 2030, reflecting a CAGR of 11.6%. Over the same period, the retrofit segment is expected to grow from US\$1.1 billion in 2025 to US\$2.0 billion in 2030, representing a CAGR of 13.7%, with its market share increasing to around 55.5%. The OEM-integrated segment is forecast to reach US\$1.6 billion by 2030, reflecting a CAGR of 9.4%. Overall market expansion will continue to be supported by the wider adoption of GNSS-based retrofit solutions, which enhance operational accuracy, productivity, and labour efficiency.

See “Industry Overview” for more details on our competitive landscape, industry growth drivers and development trends.

IMPACT OF THE COVID-19 OUTBREAK

Our Directors confirm that COVID-19 outbreak did not have any material adverse impact on the operations of the Group.

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INSURANCE

We maintain insurance coverage sufficient to cover major assets, facilities, and liabilities, including but not limited to property-related insurance, product liability insurance, cargo transportation insurance, employer liability insurance and export trade credit insurance. We periodically review our insurance coverage based on past experience, production changes and any changes in industry norms.

During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies. Our Directors believe that our insurance coverage is, as confirmed by Frost & Sullivan, adequate in line with industry norm. However, the risks related to our business and operations may not be fully covered by insurance. For details, see “Risk Factors — Risks Related to Our Business and Industry — Our insurance may not sufficiently cover all losses or potential claims that could affect our business, results of operations, and financial condition.”

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Overview

We have established the *ESG Comprehensive Management Policy* in accordance with Appendix C2 to the Listing Rules to regulate the Group’s Environment, Social and Governance (“ESG”) compliance. Our Board will take primary responsibility for overseeing and identifying environmental, social and climate-related risks and opportunities that may affect us, formulating, reviewing and adopting our ESG policies and targets, and conducting ESG information disclosure.

ESG Committee has been established by our Board to provide support in the following areas: implementing ESG policies and targets; formulating and reviewing ESG strategies; executing and supervising the implementation of ESG management policies, strategies and targets across the Company, monitoring the progress in achieving targets and providing timely reports; conducting materiality assessments of ESG-related risks; continuously monitoring the implementation of the Group’s ESG risk mitigation measures; organizing the preparation of ESG reports; and carrying out ESG management and enhancement initiatives. Our ESG Committee is required to report to our Board on the Group’s ESG performance and the effectiveness of our ESG systems on an annual basis.

Potential Impact of ESG-related Risks and Our Solutions

Under the supervision of the Board, we actively identify and monitor short-term, medium-term and long-term ESG-related risks. We have adopted various strategies and measures to identify, evaluate, manage and mitigate such risks, including but not limited to: reviewing and assessing the ESG reports of comparable companies in our industry to identify common ESG-related risks; arranging regular discussions and meetings with management to ensure that all material ESG risks are identified and reported; engaging with key stakeholders on major ESG principles and practices; formulating detailed ESG risk early warning systems and management measures; quantifying performance indicators; identifying and considering ESG risks and opportunities separately from other business risks and opportunities; and setting short-term and long-term targets for key environmental and social performance indicators.

Indicators and Targets

Our ESG Committee will set targets for each major key performance indicator at the beginning of each financial year. Our Board will review the relevant targets for major key performance indicators annually, taking into account relevant historical performance.

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We will conduct an enterprise risk assessment at least once a year to evaluate our current and potential risks. Our decisions to reduce, transfer, accept or control risks would be influenced by a variety of factors. When we consider that there are major risks and opportunities, we will take them into account in our strategic, financial planning and corporate governance policies.

We have identified the following ESG risks and opportunities as material ones that may affect our business, strategies or financial performance. We have formulated and implemented strategies and internal policies and procedures to manage and mitigate such risks. During the Track Record Period, we kept monitoring a number of ESG indicators (some of which are set out below) to further assess and manage the environmental and social risks and opportunities arising from our business operations.

Environmental Protection

Hazardous Waste

We have established internal policies to prevent environmental risks and ensure compliance with applicable national, industry and local standards, laws, regulations and policy requirements. We regularly monitor the generation of hazardous waste. We are committed to reducing hazardous waste and emissions. We would transfer hazardous waste to designated storage facilities. Subsequently, those hazardous waste would be collected and processed by qualified third-party waste disposal companies. The waste disposal companies would issue us written records for the transfer of hazardous waste.

During the Track Record Period, the total amount of hazardous waste generated and disposed of at our principal place of operation (Mainland China) was as follows:

Indicator	Year ended December 31,		
	2023	2024	2025
Hazardous Waste. Amount of Hazardous Waste (tonnes)⁽¹⁾	21.92	—	—

Note:

- (1) We have collected and analyzed statistics on hazardous waste generated from our major business activities. Such waste mainly included waste liquid from engine assembly and component cleaning, waste mineral oil, and paint waste liquid generated at our Changzhou and Weifang plants. Such waste was collected or disposed of by qualified suppliers. Since 2024, we have no longer generated hazardous waste from these business activities due to our streamlined offerings.

Consumption of Resources

To achieve our sustainable development objectives, we monitor our environmental performance in areas such as resource utilization efficiency and energy consumption. We also formulate environmental management plans to continuously enhance energy efficiency. We also ensure that all operational activities comply with relevant government environmental laws and requirements, with the aim of avoiding or mitigating any adverse impact of our operations and services on the environment.

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We have established a series of measures to monitor our electricity and water consumption levels and have adopted initiatives to improve energy efficiency. During the Track Record Period, the total amount of purchased electricity and water resources consumed at our principal place of operation (Mainland China) was as follows:

Indicator		Year ended December 31,		
		2023	2024	2025 ⁽²⁾
Electricity Consumption	Total Electricity Consumption (MWh)	2,247.97	1,889.86 ⁽¹⁾	1,630.14
	Intensity (MWh/million RMB)	4.24	3.31	2.20
	Year-on-year Change of Intensity	—	(0.22)	(0.34)
Water Consumption	Total Water Consumption (tonnes)	7,605.67	7,133.31	5,852.32
	Intensity (tonnes/million RMB)	14.36	12.52	7.91
	Year-on-year Change of Intensity	—	(0.13)	(0.37)

Note:

- (1) 90 MWh of the total electricity consumption in 2024, was sourced as purchased green electricity.
- (2) Our overseas entities are not involved in energy-intensive operations such as factories and have a relatively small workforce; therefore, they are currently excluded from resource consumption and greenhouse gas emission statistics and calculations.

Climate Change

Typhoons, torrential rains, floods, and other extreme weather events pose direct threats to our factories, warehouses, and offices, substantially impacting our operations. Such disasters may result in damage to workplaces and production facilities, disrupt operational activities, and even endanger employee safety. Extreme weather can trigger supply chain disruptions, causing indirect impacts on business continuity.

Additionally, climate change issues may significantly impact many of our stakeholders, such as our customers. Rising temperatures directly affect crop growth cycles and environments, making it impossible for crops originally adapted to specific climates to maintain their original yields and quality. Increased extreme precipitation may trigger floods and inundate farmland, while more frequent severe convective weather events like hailstorms can also lead to reduced crop yields. Moreover, the warming and humidification trend creates favorable conditions for the proliferation of pests and diseases. Farmers must invest more time and resources in pest control, introducing greater uncertainty into agricultural production.

We actively identify and monitor the environmental impacts of our business activities. Given the nature of our operations, our activities involve electricity consumption and generate greenhouse gas emissions. Through the formulation of our “*Policy on Low-carbon Development and Climate Change Response*”, we have incorporated climate-related issues (including actual and transitional risks) into our risk assessment process and actively respond to climate change. During the Track Record Period, we were not materially affected by climate-related matters, nor did we incur any material capital expenditure or compliance costs in this regard.

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To mitigate the impact of climate change, we take the reduction of energy consumption and pollution as important factors in designing our products, and regularly review and analyze statistics of carbon emissions generated from our business operations. Based on the tracking and verification of emission indicators, we actively take actions and explore solutions to reduce carbon emissions. At our principal place of operation (Mainland China), we account for greenhouse gas (“GHG”) emissions, covering Scope 1 and Scope 2 emissions while outlining the plan to gradually identify Scope 3 emissions and, when conditions permit, include Scope 3 emissions in our greenhouse gas accounting. Scope 1 emissions mainly originate from the fuel consumed by our self-owned vehicles. Scope 2 emissions refer to indirect greenhouse gas emissions primarily from purchased electricity consumption.

The following table sets forth our Scope 1 and Scope 2 greenhouse gas emissions at our principal place of operation (Mainland China) during the Track Record Period:

Indicator	Year ended December 31,		
	2023	2024	2025 ⁽²⁾
GHG ⁽¹⁾ Scope 1 GHG ⁽²⁾ emissions (tCO ₂ e)	12.90	9.08	12.27
Scope 2 GHG ⁽³⁾ emissions (tCO ₂ e)	1,192.77	1,002.76	864.95
Total GHG Emissions (Scope 1 & Scope 2) (tCO ₂ e)	1,205.68	1,011.84	877.23
GHG Emission Intensity (tCO ₂ e/million RMB revenue)	2.28	1.78	1.19
Year-on-year Change of GHG Emission Intensity	—	(0.22)	(0.33)

Notes:

- (1) We calculated our total GHG emissions in Mainland China based on the carbon emission factors published in official PRC government sources, including the *China Energy Statistical Yearbook* and the *Notice on the Publication of the 2023 Power Carbon Dioxide Emission Factors*.
- (2) Our Scope 1 greenhouse gas emissions are calculated based on the gasoline and diesel consumption of our company vehicles.
- (3) Our Scope 2 greenhouse gas emissions are calculated based on our total purchased electricity consumption.

Social Responsibility

Employment and Care

We enter into employment contracts with our employees in accordance with applicable laws and regulations, including the *Labor Law of the People’s Republic of China* (《中華人民共和國勞動法》) and the *Labor Contract Law of the People’s Republic of China* (《中華人民共和國勞動合同法》), the *Fair Labor Standards Act* (FLSA) in the US, the *Working Time Directive* in the European Union, the *Employment Act* in Singapore, and the *Labour Standards Act* in Japan. We have also established internal policies such as the *Employee Handbook* and the *Labor Employment Management Rules*. We adhere to the principles of legality, fairness, equality, voluntariness, mutual consent and good faith, and recruit employees based on merit. We actively safeguard the rights of our female employees and strictly prohibit the use of child labor in any of our business operations.

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During the Track Record Period, the number of our employees and their distribution were as follows:

Indicator		Year ended December 31,		
		2023	2024	2025
Number of Employees	Male Employees (persons)	848	688	838
	Female Employees (persons)	310	253	331
By Geography	Employees in Mainland China (persons)	1,060	859	1,061
	Employees in Hong Kong, Macau, Taiwan and overseas (persons)	98	82	108
By Age Group.	Below 30 years old (persons)	440	294	442
	30 to 50 years old (persons)	695	628	709
	Above 50 years old (persons)	23	19	18

Welfare and Benefits

We are committed to offering competitive remuneration packages to attract and retain employees. We provide appealing benefits and care initiatives, including marriage and childbirth benefits, festive gifts and community activities.

We are also focused on fostering equality, inclusiveness and diversity within our organization. Through our *Diversity, Equity and Inclusion Policy*, we ensure that all employees are treated and respected equally in recruitment, training, health, and professional and personal development, thereby maximizing equal career opportunities for everyone. Employees who encounter any unfair treatment or discrimination may immediately seek assistance from their department manager, our human resources department or our management team. We will follow up promptly with investigations and report the case to law enforcement authorities when necessary.

Workplace Safety

We have adopted and maintained a series of rules, standard operating procedures and measures to safeguard a healthy and safe working environment for our employees, ensuring that our operations comply with applicable workplace safety regulations in the jurisdictions where we operate. We have implemented safety guidelines that outline potential safety hazards, and we have formulated relevant policies and taken measures to ensure workplace hygiene and employee health. To ensure compliance with applicable laws and regulations, our human resources department would consult our legal advisers when necessary, to adjust our human resources policies in response to material changes in labor and safety laws and regulations. In the event of a workplace injury, we would intervene promptly to ensure that the affected employee receives immediate assistance and care.

Development and Training

To further support professional development, our employee training and management program is divided into two major categories: on-the-job training and onboarding training. These programs cover both professional knowledge and the introduction of our corporate culture and values. We provide ample resources to help our employees to succeed.

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During the Track Record Period, the participation of our employees in training was as follows:

Indicator	Year ended December 31,		
	2023	2024	2025
Employee Training. Total number of employees trained (persons)	877	474	862
Percentage of employees trained	75.73%	50.37%	73.74%
Average training hours per employee (hours)	10.2	12.8	10.94

Anti-corruption and Anti-bribery

We have formulated and implemented a series of policies, such as the *Anti-corruption Policy* and the *Corporate Hospitality Management Rules*, to ensure that our operations comply with applicable anti-bribery and anti-corruption laws and regulations in the jurisdictions where we operate. These policies set out potential bribery and corruption acts, our anti-bribery and anti-corruption measures, and reporting procedures. Prohibited improper payments under these policies include bribes, kickbacks, excessive gifts or facilitation fees, or any other payments made or offered to obtain undue business advantages.

Our compliance department is responsible for investigating reported incidents and taking appropriate actions where necessary. We also conduct background checks prior to the engagement of any third party, and ensure that the hiring process is carried out in full compliance with our anti-bribery and anti-corruption policies. In addition, we provide regular training to our employees on anti-bribery and anti-corruption policies to strengthen the effective implementation of such policies.

Supply Chain Management

We have established supplier management policies to supervise our product development, procurement and production processes. We prudently evaluate our suppliers based on their historical quality performance and require them to provide relevant certifications, including ISO9001, ISO14001 and ISO45001 certifications, as well as compliance with the EU *Registration, Evaluation, Authorisation and Restriction of Chemicals* (REACH) and *Restriction of Hazardous Substances Directive* (RoHS), the U.S. *Toxic Substances Control Act* (TSCA), and the Japan *Chemical Substances Control Law* (CSCL), to ensure that our products comply with the local legal requirements of the markets into which they are sold.

In addition, we encourage our suppliers to comply with applicable environmental and social regulations. We are committed to reducing environmental impact by collaborating with suppliers to manufacture and deliver products in a more environmentally responsible manner. We also include anti-corruption clauses in our agreements with suppliers to prevent collusion and fraud.

Product Quality and Safety

Our Group has obtained ISO9001, ISO14001 and ISO45001 certifications in line with our business needs. These certifications demonstrate our reliability and effectiveness of our production processes to our customers. During the Track Record Period, we were not subject to any material claims or penalties in relation to product safety issues, major defects or malfunctions, or false advertising, and we have complied with applicable laws and regulations in all major respects.

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LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

From time to time, we may become involved in legal proceedings and claims that arise in the ordinary course of our business activities. We cannot predict the results of litigation and claims. See “Risk Factors — Risks Relating to Our Legal and Regulatory Requirements — Any legal or regulatory proceedings against us could be costly and time-consuming to defend or settle and could harm our reputation.”

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

Non-Compliance

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

TARIFFS AND TRADE RESTRICTIONS

During the Track Record Period and up to the Latest Practicable Date, our geographic coverage have reached over 110 countries as of December 31, 2025. In 2025, 53.7%, 30.2% and 11.8% of our total revenue was generated from Europe, Asia and Americas, respectively, each subject to different import tariff policies. Pursuant to our framework agreements and order terms, the majority of import tariffs were borne by distributors, while in limited cases tariffs were borne fully or partially (e.g. 50% of incremental tariffs) by us. The transaction value of such orders represented approximately 3.9%, 0.8% and 0.6% of our total revenue in 2023, 2024 and 2025, respectively. The fluctuation was primarily due to order volume changes.

In terms of tariff rates, our products were generally subject to U.S. tariffs 7.5% to 180.9% and E.U. tariffs of up to 2.7%. In 2023, 2024 and 2025, revenue generated from sales to the U.S. amounted to RMB16.4 million, RMB10.0 million and RMB23.3 million respectively, representing 3.1%, 1.8% and 3.2% of our total revenue for the same year, respectively. The sale volume for our sales to the U.S. amounted to 6,963 thousand units, 2,608 thousand units and 2,588 thousand units, respectively, for the same year. The average selling price was RMB2,358.0, RMB3,852.3 and RMB9,011.1, respectively, for the same year.

To mitigate the impact of tariffs, we adopted a range of measures, including pre-shipment stocking and establishing overseas production capacity. At present, given our globalized supply chain and overseas stock reserves, these tariff measures have not had a material adverse impact on our operations or financial performance.

INTERNAL CONTROL AND RISK MANAGEMENT

Our Directors believe that internal control procedures and risk management are crucial to our business development and success. In order to strengthen our internal control procedures and risk management system to better safeguard the interests of our Shareholders, we have adopted enhanced internal control and risk management measures as follows: adopted policies to ensure compliance with the Listing Rules, including, but not limited to, aspects related to risk management, connected

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transactions and information disclosure; provided enhanced training programs on quality assurance and production safety; and distributed employee handbooks to enhance employees’ awareness of complying with laws and regulations.

Taking into consideration the adoption and implementation of the above-mentioned internal control procedures and risk management measures, our Directors are of view that our enhanced internal control and risk management system are adequate and effective to address various potential risks identified in relation to our business.

AWARDS AND RECOGNITIONS

During the Track Record Period, we have won numerous awards, honors and recognitions for our achievements and outstanding product quality, including the following:

Year of Grant	Award/Recognition	Issuing Organization/Authority
2025	2025 Agricultural Machinery Annual Award — Market Leadership Award	Agricultural Machinery Magazine
2024	Deloitte Hong Kong Technology Fast Growth Leading Enterprise	Deloitte
2024	High-Tech Enterprise	Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, Jiangsu Provincial Tax Service of the State Taxation Administration
2023	2022 2nd Annual Top Ten Smart Agricultural Machines — Best Design Award	Agricultural Machinery Magazine
2021	Innovation Award for Autonomous Driving Technology Application Scenarios	CAIRDC Pearl Award
2021	Microsoft IoT Most Valuable Partner of the Year 2021	Microsoft
2021	Gold Plus Supplier Assessment Certificate	SGS and Alibaba

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon [REDACTED], the Board will consist of six Directors, including three executive Directors and three independent non-executive Directors. The following table provides certain information about our Directors:

The following table sets forth the key information about our Directors:

Name	Age	Position/Title	Time of Founding/Joining our Group	Date of Appointment as a Director	Responsibilities
Executive Directors					
Dr. Wu Di (吳迪)	47	Chairperson of the Board, chief executive officer and executive Director	December 2017	June 7, 2021	Being responsible for the overall management of business operations, strategies and corporate development of our Group
Ms. Zhang Qi (張琦)	39	Executive Director and chief financial officer	December 2017	June 7, 2021	Being responsible for overseeing the financial operations of our Group
Mr. Qin Shuo (秦碩)	32	Executive Director and chief operating officer	January 2019	September 14, 2021	Being responsible for product planning, sales activities and marketing activities of our Group
Independent Non-executive Directors					
Mr. Ho Shun Wah Montgomery (何舜華)	66	Independent non-executive Director	[REDACTED]	September 18, 2025, effective upon [REDACTED]	Being responsible for supervising and providing independent judgment to our Board
Mr. Debierre Félix .	68	Independent non-executive Director	[REDACTED]	September 18, 2025, effective upon [REDACTED]	Being responsible for supervising and providing independent judgment to our Board
Ms. Ma Yuanyuan (馬源源)	44	Independent non-executive Director	[REDACTED]	September 18, 2025, effective upon [REDACTED]	Being responsible for supervising and providing independent judgment to our Board

Executive Directors

Dr. Wu Di (吳迪), aged 47, is our founder, chairperson of the Board, chief executive officer and executive Director. Dr. Wu founded our Group in December 2017, and has been a director of FJD Hubei since December 2017. He was appointed as a Director, the chairperson of the Board and chief executive officer of our Company since its incorporation in June 2021. He is responsible for the overall management of business operations, strategies and corporate development of our Group. Dr. Wu was re-designated as an executive Director in September 2025. He also serves as a director or senior management member in certain subsidiaries of our Company.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Wu has more than 15 years of experience in research and development of circuit design. Prior to founding our Group, Dr. Wu started his career in Sweden as a VP systems engineering at Coresonic AB.. Subsequently, Dr. Wu returned to China and from June 2012 to September 2013, he worked at Spreadtrum Communications (Shanghai), Inc. (展訊通信(上海)有限公司) as a system director. In October 2013, he joined Soochow University (蘇州大學) and served as a professor until March 2016. From June 2016 to June 2019, Dr. Wu worked at iFlight Technology Company Limited (智翔科技有限公司) and its associated company within the DJI group as the chief scientist.

Dr. Wu obtained his bachelor’s degree in civil avionics from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in the PRC in June 2000. He further obtained his master’s degree in pattern recognition and intelligent systems from Beijing University of Posts and Telecommunications (北京郵電大學) in the PRC in April 2003. Dr. Wu further pursued his study in Sweden, where he obtained his doctor’s degree in computer engineering from the Linköping University in November 2009.

Ms. Zhang Qi (張琦), aged 39, is our executive Director and chief financial officer. Ms. Zhang joined our Group in December 2017 as a director of FJD Hubei. Ms. Zhang was appointed as a Director in June 2021, and was further appointed as the chief financial officer of our Company in November 2023. She was re-designated as an executive Director in September 2025. Ms. Zhang is responsible for overseeing the financial operations of our Group. She also serves as a director or senior management member in certain subsidiaries of our Company.

Ms. Zhang has about 15 years of experience in capital markets. Prior to joining our Group, from April 2010 to April 2014, she worked at BOCI Asia Limited and BOCI Securities Limited. From April 2014 to October 2016, she worked at Morgan Stanley Asia Limited as a vice president. From November 2016 to January 2019, Ms. Zhang worked at New China Asset Management (Hong Kong) Limited and its subsidiary, New China Capital Management Limited.

Ms. Zhang obtained her bachelor’s degree in economics and finance from The Hong Kong University of Science and Technology in Hong Kong in September 2009.

Mr. Qin Shuo (秦碩) (whose former name is Qin Shuo (秦燦)), aged 32, is our executive Director and chief operating officer. Mr. Qin joined our Group in January 2019 and became the general manager of FJ Dynamics Technology (Wuhan) Co., Ltd. (豐疆智能科技(武漢)有限公司) in August 2019. He was appointed as a Director in September 2021, and was further appointed as the chief operating officer of our Company in November 2023. He was re-designated as an executive Director in September 2025. Mr. Qin is responsible for product planning, sales activities and marketing activities of our Group. He also serves as a director or senior management member in certain subsidiaries of our Company.

Mr. Qin has more than eight years of experience in software development. Prior to joining our Group, from August 2018 to December 2018, Mr. Qin worked at SZ DJI Technology Co., Ltd. (深圳市大疆創新科技有限公司) as a management trainee.

Mr. Qin has been a member of the Council of Jiangsu Agricultural Machinery Industry Association (江蘇省農業機械工業協會理事會) since May 2025.

Mr. Qin obtained his bachelor’s degree in computer science and technology from Nanjing University (南京大學) in the PRC in June 2016. He further obtained his master’s degree in computer science from the University of Hong Kong in Hong Kong in December 2018.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. Ho Shun Wah Montgomery (何舜華), aged 66, was appointed as an independent non-executive Director in September 2025, effective upon [REDACTED]. Mr. Ho is responsible for supervising and providing independent judgment to our Board.

Mr. Ho has more than 40 years of experience in banking and finance. From August 1983 to December 2017, Mr. Ho worked at multiple subsidiaries of HSBC Holdings plc, a company listed on the Stock Exchange (stock code: 0005), where he last served as the chief executive officer (Guangdong) of HSBC Bank (China) Company Limited (匯豐銀行(中國)有限公司). From March 2019 to April 2020, he worked at Regina Miracle International (Holdings) Limited, a company listed on the Stock Exchange (stock code: 2199), as a consultant. From April 2020 to April 2025, he worked at Bank of East Asia (China) Limited (東亞銀行(中國)有限公司) as the chief executive officer and an executive director. Since July 2025, Mr. Ho has worked at Fortune Pharmacal Company Limited as a advisor.

Mr. Ho obtained his bachelor’s degree in arts from the University of Hong Kong in November 1983 and a master of business administration degree from The Chinese University of Hong Kong in October 1992.

Mr. Debierre Félix, aged 68, was appointed as an independent non-executive Director in September 2025, effective upon [REDACTED]. Mr. Félix is responsible for supervising and providing independent judgment to our Board.

Mr. Félix has about 40 years of experience in finance. From 1986 to 1988, Mr. Félix served for at the Ministry of Finance of France as a deputy to head of the Bureau A1. From 1989 to 1994, he worked at Indosuez, where he last served as a director of Indosuez Japan. From 1995 to 1997, he worked at Alcatel Shanghai Optical Fibre Cable Co. as the general manager. From 1997 to 2003, Mr. Félix worked at Nexans as a line director. From 2003 to 2006, he worked at Areva NP, with where he last served as a senior vice president. From 2007 to 2011, he worked at Areva Wind as the chief executive officer.

Mr. Félix obtained his master’s degrees in mathematics, economy and international finance, and civil engineering from Ecole Polytechnique, Université Paris-Dauphine-PSL and Ecole des Ponts-et-Chaussées, in July 1980, October 1982 and July 1983, respectively.

Ms. Ma Yuanyuan (馬源源), aged 44, was appointed as an independent non-executive Director in September 2025, effective upon [REDACTED]. Ms. Ma is responsible for supervising and providing independent judgment to our Board.

Ms. Ma has more than 20 years of experience in finance. From August 2003 to July 2012, Ms. Ma worked at KPMG as an auditor. From July 2012 to March 2014, she worked at Allyes Media Group as a finance controller. From April 2014 to October 2014, she worked at Optegra Eye Clinic Franchise as the head of finance. From October 2014 to June 2019, Ms. Ma successfully worked at iFlight Technology Co., Ltd. (DJI group) as a consultant and senior finance director. From July 2019 to June 2020, she worked at Prime Watch Group as a senior finance director. From June 2020 to September 2020, she worked at Alibaba Group as a senior business partner. From September 2020 to October 2024, Ms. Ma worked at Dewu APP & HUPU APP as a senior business partner and senior finance director.

Ms. Ma has been a fellow of the Association of Chartered and Certified Accountant since June 2013 and a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since June 2013.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Ma obtained her bachelor’s degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in the PRC in July 2003.

SENIOR MANAGEMENT

The following table sets forth the key information about our senior management.

Name	Age	Position/Title	Time of Founding/Joining our Group	Date of Appointment as our Senior Management	Responsibilities
Dr. Wu Di (吳迪).	47	Chairperson of the Board, chief executive officer and executive Director	December 2017	December 12, 2017	Being responsible for the overall management of business operations, strategies and corporate development of our Group
Ms. Zhang Qi (張琦).	39	Executive Director and chief financial officer	December 2017	December 12, 2017	Being responsible for overseeing the financial operations of our Group
Mr. Qin Shuo (秦碩).	32	Executive Director and chief operating officer	January 2019	January 1, 2019	Being responsible for product planning, sales activities and marketing activities of our Group

For the biographical details of Dr. Wu Di, Ms. Zhang Qi and Mr. Qin Shuo, see “— Board of Directors — Executive Directors” in this section.

GENERAL

None of the Directors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

None of the Directors or members of the senior management of our Company is related to any other Directors and members of the senior management of our Company.

Save as disclosed above, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he/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.

DIRECTORS AND SENIOR MANAGEMENT

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he/she (i) obtained the legal advice referred to under Rule 3.09D of the Listing Rules in September 2025, and (ii) understands his/her obligations as a director of a [REDACTED] under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the proposed independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has 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 of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

JOINT COMPANY SECRETARIES

Ms. Wang Yuanxia (王遠霞) joined our Group in April 2024 as the compliance officer, responsible for risk control related matters, including internal audit, internal control and legal affairs. In September 2025, Ms. Wang was appointed as our joint company secretary.

Ms. Wang has more than 15 years of experience in risk control and management. From October 2008 to June 2010, Ms. Wang worked at Beijing Saniwei Investment Management Advisory Co., Ltd. (北京薩尼威投資管理顧問公司) as a consultant, responsible for strategic advisory services. From July 2010 to February 2024, she worked at Beijing Hanjian Heshan Pipeline Co., Ltd (北京韓建河山管業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603616), where she last served as the head of legal affairs and was responsible for legal matters, internal control and internal audit.

Ms. Wang obtained her bachelor’s degree in law and economics from Minzu University of China (中央民族大學) in the PRC in July 2007. Ms. Wang further obtained her legal profession qualification from the Ministry of Justice of the PRC (中華人民共和國司法部) in February 2009. Besides, she obtained her qualification as an intermediate auditor, recognized by the National Audit Office of the PRC (中華人民共和國審計署) in April 2015.

Ms. Cheng Yan Yan (鄭欣欣) was appointed as our joint company secretary in April 2026. She has six years of experience in company secretarial services for companies listed in Hong Kong and trust administration services. She currently works at Entity Solutions of Computershare Hong Kong Development Limited.

Ms. Cheng obtained her bachelor’s degree in business administration from Hong Kong Shue Yan University. She further obtained her master’s degree in corporate governance from The Hong Kong Polytechnic 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

Audit Committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code, with effect from the [REDACTED]. The Audit Committee consists of three Directors, namely Ms. Ma Yuanyuan, Mr. Debierre Félix and Mr. Ho Shun Wah Montgomery. Ms. Ma Yuanyuan has the appropriate professional

DIRECTORS AND SENIOR MANAGEMENT

qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. Ms. Ma Yuanyuan serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include but are not limited to: (a) proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors, and evaluating their performance; (b) examining the financial information of our Company and reviewing its financial reports and statements; and (c) examining the Company’s financial reporting system, risk management, and internal control system, overseeing their rationality, efficiency, and implementation, and making recommendations to our Board.

Remuneration Committee

We have established a remuneration committee with written terms of reference in compliance with paragraph E.1 of the Corporate Governance Code, with effect from the [REDACTED]. The Remuneration Committee consists of three Directors, namely Mr. Ho Shun Wah Montgomery, Ms. Ma Yuanyuan and Dr. Wu. Mr. Ho Shun Wah Montgomery serves as the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include but are not limited to: (a) making recommendations to our Board on our policy and structure for all Directors’ and senior managements’ remuneration, and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) monitoring the implementation of our remuneration system; and (c) making recommendations on the remuneration packages of our Directors and senior management.

Nomination Committee

We have established a nomination committee with written terms of reference in compliance with paragraph B.3 of the Corporate Governance Code, with effect from the [REDACTED]. The Nomination Committee consists of three Directors, namely Dr. Wu, Mr. Ho Shun Wah Montgomery and Ms. Ma Yuanyuan. Dr. Wu serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include but are not limited to (a) conducting extensive searches and providing our Board with suitable candidates for Directors, the chief executive officer, and other members of senior management; (b) reviewing at least annually the structure, size, and composition of our Board (including skills, knowledge, and experience), assisting in maintaining a board skills matrix, and making recommendations on proposed changes to align with the Company’s corporate strategy; (c) researching and developing standards and procedures for the election of Board members, the chief executive officer, and senior management, and making recommendations to our Board; (d) assessing the independence of independent non-executive Directors; and (e) supporting our regular evaluation of Board performance.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive compensation in the form of salaries, other emoluments, bonuses, share-based compensation expenses, pension costs, and welfare, medical and other benefits. For information on remuneration of Directors and the five highest paid individuals of the Group during the Track Record Period, see notes 13 and 14 to the Accountant’s Report.

Under the current compensation arrangement, we estimate the total remuneration before taxation to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB6.27 million.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any of our subsidiaries. During the same period, none of our Directors waived any

DIRECTORS AND SENIOR MANAGEMENT

remuneration. Save as disclosed in notes 13 and 14 to the Accountant’s Report, 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 during the Track Record Period.

CORPORATE GOVERNANCE

Pursuant to Code Provision C.2.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairperson and the chief executive officer should be separate and should not be performed by the same individual. We do not have a separate chairperson and chief executive officer and Dr. Wu currently performs these two roles. The Board believes that vesting the roles of both chairperson and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we [have adopted] the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the board diversity policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural and educational background, and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, accounting and corporate governance in addition to industry experience. We have three independent non-executive Directors with different industry backgrounds, representing one-third of the members of our Board. Our Company has evaluated the structure, size and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operations.

Besides, we particularly recognize the importance of gender diversity. We have taken, and will continue to take, steps to promote gender diversity at all levels of our Company, including but without limitation to our Board and senior management levels. Going forward, we will continue to work to enhance gender diversity of our Board when selecting and recommending suitable candidates for Board appointments. We aim to maintain at least one female representation in the Board and the current composition of the Board satisfies this target gender ratio. Our Company also intends to promote gender diversity at the mid to senior level so that our Company can maintain a balanced gender ratio at different levels. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [REDACTED], our Nomination Committee will examine the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISER

We have appointed Rainbow Capital (HK) Limited as our Compliance Adviser pursuant to Rule 3A.19 of the Listing Rules, with a term commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Our Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws.

Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Adviser will advise our Company, among others, in the following circumstances: (a) before the publication of any regulatory announcement, circular, or financial report; (b) when a transaction that might constitute a notifiable or connected transaction is contemplated, including share issues, sales or transfers of treasury shares, and share repurchases; (c) when we propose to use the [REDACTED] from the [REDACTED] in a manner different from that detailed in this Document, or when our business activities, developments, or results deviate from any forecast, estimate, or other information in this Document; and (d) when the [REDACTED] makes an inquiry to our Company regarding unusual movements in the [REDACTED] or [REDACTED] of its [REDACTED], or any other matters in accordance with Rule 13.10 of the Listing Rules.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

OUR SINGLE LARGEST SHAREHOLDERS

As of the Latest Practicable Date, our Single Largest Shareholders, comprising Dr. Wu and Simple Mindset, were entitled to exercise approximately 23.59% of the voting rights of our Company, including:

- (a) approximately 9.77% of the voting rights attached to the Shares held by Simple Mindset, a company wholly owned by Dr. Wu; and
- (b) by virtue of the Voting Proxy Agreements and through Simple Mindset, approximately 13.81% of the voting rights attached to the Shares held by the Proxy Grantors, including approximately 2.37% of the voting rights attached to the Shares held by Million Kirin, (a company wholly owned by Ms. Zhang Qi (our executive Director and chief financial officer)), and approximately 11.44% of the voting rights attached to the Shares held by Future Sharing, (the employee shareholding incentive platform of our Company).

Immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan), our Single Largest Shareholders will be entitled to exercise approximately [REDACTED]% of the voting rights of our Company and will remain as a group of the single largest Shareholders.

RULE 8.10 OF THE LISTING RULES

Each of our Single Largest Shareholders has confirmed that he/it does not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE OF OUR BUSINESS

Having considered the following factors, our Directors are satisfied that we are able to carry out our business independently from our Single Largest Shareholders and their close associates upon and after the [REDACTED].

Management Independence

We are able to carry on our business independently from our Single Largest Shareholders from a management perspective. Upon [REDACTED], our Board consists of six Directors, including three executive Directors and three independent non-executive Directors.

- (a) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see “Directors and Senior Management” in this Document;
- (c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Shareholders, which would support our independent management. For details, see “— Corporate Governance Measures” in this section.

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

Operational Independence

We do not rely on our Single Largest Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Single Largest Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently from our Single Largest Shareholders and their close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group’s own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function. We have sufficient capital to operate our business independently, and have adequate internal resources and working capital to support our daily operations. We do not expect to rely on our Single Largest Shareholders and their close associates for financing after the [REDACTED] as we expect that our working capital will be funded by cash flows generated from operating activities, equity financing and bank loans, as well as the [REDACTED] from the [REDACTED].

In addition, we are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our Single Largest Shareholders or their close associates. As of the Latest Practicable Date, there was no outstanding loans or guarantees provided by our Single Largest Shareholders or their close associates. During the Track Record Period, we had also received the Pre-[REDACTED] Investments from third party investors. For details of the Pre-[REDACTED] Investments, see “History, Reorganization and Corporate Structure” in this Document.

Based on the above, our Directors believe that we do not place undue reliance on our Single Largest Shareholders upon [REDACTED].

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflicts of interests between our Group and our Single Largest Shareholders:

- where a Shareholders’ meeting is to be held for considering proposed transactions in which our Single Largest Shareholders or any of their respective associates has a material interest, our Single Largest Shareholders and/or their associates will not vote on the resolutions and shall not be counted in the quorum in the voting;
- our Group has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Single Largest Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;
- our Board consists of a balanced composition of executive Directors and independent non-executive Directors, with independent non-executive Directors representing over one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Single Largest Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company’s expenses; and
- we have appointed Rainbow Capital (HK) Limited as our Compliance Adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors’ duties and corporate governance, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.

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 Single Largest Shareholders, and to protect our minority Shareholders’ interests after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the [REDACTED], assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us pursuant to the provisions of [REDACTED] of the SFO, or, who are directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Substantial Shareholder	Capacity/Nature of Interest ⁽¹⁾	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the total issued share capital of our Company immediately following the completion of the [REDACTED]
Dr. Wu ⁽²⁾	Interest in controlled corporation; Beneficial owner	318,453,627	23.59%	[REDACTED]%
Simple Mindset ⁽²⁾	Beneficial owner	131,947,173	9.77%	[REDACTED]%
	Interest in controlled corporation	186,506,454	13.81%	[REDACTED]%
Future Sharing ⁽²⁾	Beneficial owner	154,506,454	11.44%	[REDACTED]%
ATGC Codebreak International Limited ⁽²⁾	Interest in controlled corporation	154,506,454	11.44%	[REDACTED]%
Futu Trustee Limited ⁽²⁾	Trustee	154,506,454	11.44%	[REDACTED]%
Tencent Mobility Limited ⁽³⁾	Beneficial owner	222,393,637	16.47%	[REDACTED]%
Tencent Holdings Limited ⁽³⁾	Interest in controlled corporation	254,164,137	18.82%	[REDACTED]%
Xin ZhiFeng (Wuhan) Private Equity Partnership (Limited Partnership) (“Xin ZhiFeng”) ⁽⁴⁾	Beneficial owner	152,100,000	11.26%	[REDACTED]%
Yuanjing (Wuhan) Investment Management Co., Ltd. (轅憬(武漢)投資管理有限公司) (“Yuanjing Wuhan”) ⁽⁴⁾	Interest in controlled corporation	152,100,000	11.26%	[REDACTED]%
Dongfeng Asset Management Co., Ltd. (東風資產管理有限公司) (“Dongfeng Asset”) ⁽⁴⁾	Interest in controlled corporation	152,100,000	11.26%	[REDACTED]%
Smart Pioneer Holdings Limited (智鋒控股有限公司) (“Smart Pioneer”) ⁽⁵⁾	Beneficial owner	121,974,309	9.03%	[REDACTED]%
New China Agriculture LP ⁽⁵⁾	Interest in controlled corporations	121,974,039	9.03%	[REDACTED]%
New China Agriculture GP ⁽⁵⁾	Interest in controlled corporations	121,974,039	9.03%	[REDACTED]%
New China Capital International Limited ⁽⁵⁾	Interest in controlled corporations	121,974,039	9.03%	[REDACTED]%
New China Asset Management (Hong Kong) Limited ⁽⁵⁾	Interest in controlled corporations	121,974,039	9.03%	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder	Capacity/Nature of Interest ⁽¹⁾	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the total issued share capital of our Company immediately following the completion of the [REDACTED]
New China Asset Management Corporation Limited ⁽⁵⁾	Interest in controlled corporations	121,974,039	9.03%	[REDACTED]%
New China Life Insurance Company Ltd. ⁽⁵⁾	Interest in controlled corporations	121,974,039	9.03%	[REDACTED]%
GBA Equity Fund II LPF ⁽⁶⁾	Beneficial owner	109,548,116	8.11%	[REDACTED]%
GBA GP Limited ⁽⁶⁾	Interest in controlled corporation	163,540,694	12.11%	[REDACTED]%
Greater Bay Area Homeland Investments Limited (大灣區共同家園投資有限公司) (“GBAHL”) ⁽⁶⁾	Interest in controlled corporation	195,143,693	14.45%	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) Simple Mindset is a company wholly owned by Dr. Wu. As such, Dr. Wu is deemed to be interested in the 131,947,173 Shares held by Simple Mindset. Besides, Dr. Wu was entitled to receive up to 54,008,076 Shares pursuant to the share awards granted to him under the Pre-[REDACTED] Share Award Scheme as of the Latest Practicable Date, subject to the terms and conditions of these share awards. Such 54,008,076 Shares were held by Future Sharing as of the same date.

Further, Dr. Wu and Simple Mindset are deemed to be interested in 186,506,454 Shares held by Future Sharing and Million Kirin as a result of the Voting Proxy Agreements, pursuant to which, among others, Future Sharing and Million Kirin agreed to appoint Simple Mindset with full power to exercise all of their rights in relation to the Shares held by Future Sharing and Million Kirin, including exercising their voting rights at all meetings of the members of the Company.

Future Sharing is a wholly owned by ATGC Codebreak International Limited, which is wholly owned by Futu Trustee Limited, an independent professional trustee appointed to administer the trust for the benefits of employees who have been granted share awards under the Pre-[REDACTED] Share Award Scheme. As such, ATGC Codebreak International Limited and Futu Trustee Limited are deemed to be interested in the 154,506,454 Shares held by Future Sharing.
- (3) Tencent Mobility Limited is a company incorporated under the laws of Hong Kong with limited liability, and is a wholly-owned subsidiary of Tencent Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock codes: 700 (HKD counter) and 80700 (RMB counter)). Tencent Mobility Limited is principally engaged in investment holding activities.

Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)) (“Suzhou Paiyi”) is a limited partnership established in the PRC and managed by its general partner, Suzhou Yaoyi Enterprise Management Co., Ltd. (蘇州垚益企業管理有限公司), which is wholly owned by Shenzhen Zeyi Consultancy Co., Ltd. (深圳市澤益諮詢有限公司). Suzhou Paiyi had two limited partners, namely, Suzhou Tencent Phase I Investment Fund Partnership (Limited Partnership) (蘇州騰訊一期跟投基金合夥企業(有限合夥)), which held approximately 65.00% partnership interest, and Beijing Tencent Phase I Investment Fund (Limited Partnership) (北京騰訊一期跟投基金(有限合夥)) which held approximately 34.95% partnership interest.
- (4) Xin ZhiFeng is a limited partnership established under the laws of the PRC. Its general partner is Yuanjing Wuhan, which is in turn wholly owned by Dongfeng Asset, which is in turn wholly owned by the SASAC. Xin ZhiFeng is held as to 0.03% by Yuanjing Wuhan and as to 99.97% by its limited partner, Dongfeng Asset. As such, Yuanjing Wuhan and Dongfeng Asset are deemed to be interested in the 152,100,000 Shares held by Xin ZhiFeng.
- (5) Smart Pioneer is a wholly owned subsidiary of New China Agriculture LP, whose general partner is New China Agriculture GP, wholly owned by New China Capital International Limited. New China Capital International Limited is owned by New China Asset Management (Hong Kong) Limited, Profound Brilliant Star Limited and Charoen Pokphand Financial Holdings Limited at 40%, 30% and 30% equity interest, respectively. New China Asset Management (Hong Kong) Limited is in turn wholly owned by New China Asset Management Corporation Limited and New China Life Insurance Company Ltd. (a company listed on the Stock Exchange (stock code: 1336)) at 40% and 60%. New China Asset Management Corporation Limited is owned as to approximately 99.4% by New China Life Insurance Company Ltd.. As such, New

SUBSTANTIAL SHAREHOLDERS

China Agriculture LP, New China Agriculture GP, New China Capital International Limited, New China Asset Management (Hong Kong) Limited, New China Asset Management Corporation Limited and New China Life Insurance Company Ltd. are deemed to be interested in the 121,974,309 Shares held by Smart Pioneer.

- (6) The general partner of GBA Equity Fund I LPF and GBA Equity Fund II LPF is GBA GP Limited, which is ultimately wholly-owned by GBAHIL. As such, GBAHIL is deemed to be interested in the 53,992,578 Shares and 109,548,116 Shares held by GBA Equity Fund I LPF and GBA Equity Fund II LPF, respectively.

Poly Platinum Enterprises Limited (“**Poly Platinum**”) is wholly controlled by Greater Bay Area Homeland Development Fund LP (“**GBA Fund**”). The general partner of GBA Fund is Greater Bay Area Homeland Development Fund (GP) Limited, which is ultimately wholly owned by GBAHIL. As such, GBAHIL is deemed to be interested in the 23,461,334 Shares held by Poly Platinum.

GBA Robotics SP is a segregated portfolio of Dawanqu SPC. Its management shareholder is Celestial Billion Limited, which is indirectly wholly owned by GBAHIL. As such, GBAHIL is deemed to be interested in the 8,141,665 Shares held by Dawanqu SPC (acting for the account of GBA Robotics SP).

Save as disclosed above and in the paragraph headed “Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders” in Appendix IV to this Document, our Directors are not aware of any person who will, immediately following completion of the [REDACTED], assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan, have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the [REDACTED] pursuant to the provisions of [REDACTED] of the SFO, or, who are directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of our Company or other members of the Group.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately following the completion of the [REDACTED].

As of the Latest Practicable Date, our authorized share capital was US\$50,000 divided into 50,000,000,000 shares, with a par value of US\$0.000001 each, of which (i) 49,320,344,367 shares are designated as ordinary Shares with a par value US\$0.000001 each; (ii) 152,100,000 shares are designated as Series A-1 Preferred Shares with a par value US\$0.000001 each; (iii) 211,668,664 shares are designated as Series A-2 Preferred Shares with a par value US\$0.000001 each; (iv) 217,169,280 shares are designated as Series B Preferred Shares with a par value US\$0.000001 each and (v) 98,717,689 shares are designated as Series B-1 Preferred Shares with a par value US\$0.000001 each.

As of the Latest Practicable Date, our issued share capital consisted of (i) 689,882,742 ordinary Shares; (ii) 152,100,000 Series A-1 Preferred Shares; (iii) 211,668,664 Series A-2 Preferred Shares; (iv) 217,169,280 Series B Preferred Shares and (v) 79,381,234 Series B-1 Preferred Shares.

All of the Preferred Shares will be converted into ordinary Shares on a one-to-one basis by way of re-designation and reclassification with effect upon completion of the [REDACTED].

Assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan, the share capital of our Company immediately after the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares (US\$)	Approximate percentage of issued share capital (%)
Shares in issue	1,350,201,920	1,350.20192	[REDACTED]
Shares to be issued under the [REDACTED].	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	100.00

Assuming the [REDACTED] is exercised in full and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan, the share capital of our Company upon completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares (US\$)	Approximate percentage of issued share capital (%)
Shares in issue	1,350,201,920	1,350.20192	[REDACTED]
Shares to be issued under the [REDACTED].	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	100.00

SHARE CAPITAL

ASSUMPTIONS

The above tables assume the [REDACTED] becomes unconditional, completion of the [REDACTED], and that all of the Preferred Shares are converted into Shares on a one-to-one basis upon [REDACTED].

RANKING

The [REDACTED] are shares in the share capital of our Company and rank equally with all Shares currently in issue or to be issued and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this Document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of the Articles of Association, our Company may from time to time by ordinary resolution of Shareholders (i) increase its share capital; (ii) consolidate and divide its share capital into Shares of larger amount; (iii) divide its Shares into several classes; (iv) cancel any Shares which have not been taken or agreed to be taken; (v) make provision for the allotment and issue of Shares which do not carry any voting rights; (vi) change the currency of denomination of its share capital; and/or (vii) reduce its share premium account in any manner authorized, and subject to any conditions prescribed by law. In addition, our Company may, subject to the provisions of the Cayman Companies Act, reduce its share capital or capital redemption reserve by its Shareholders passing a special resolution. See Appendix III to this Document for further details.

SHARE INCENTIVE SCHEMES

The Company has adopted the Pre-[REDACTED] Share Award Scheme and [has adopted] the Post-[REDACTED] Equity Incentive Plan. See “Statutory and General Information — D. Share Incentive Schemes” in Appendix IV to this Document.

GENERAL MANDATE TO (I) ISSUE SHARES AND (II) SELL AND/OR TRANSFER TREASURY SHARES

Subject to the [REDACTED] becoming unconditional, our Directors were granted a general mandate to (i) allot, issue and deal with any Shares or securities convertible into Shares, and (ii) sell and/or transfer Shares out of treasury that are held as treasury shares of not more than the sum of:

- 20% of the total number of Shares in issue immediately following completion of the [REDACTED] (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED] (ii) the additional Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan, and (iii) treasury shares, if any); and
- the aggregate nominal value of Shares repurchased by the Company under the authority referred to in the paragraph headed “— General Mandate to Repurchase Shares” in this section.

This general mandate to issue Shares and sell and/or transfer treasury shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders at a general meeting, either unconditionally or subject to conditions; or

SHARE CAPITAL

- the expiration of the period within which our Company’s next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or
- the date on which it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting.

GENERAL MANDATE TO REPURCHASE SHARES

Subject the [REDACTED] becoming unconditional, our Directors have been granted a general unconditional mandate, to exercise all the powers of our Company to repurchase our own securities with nominal value of up to 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED], (ii) the additional Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan, and (iii) treasury shares, if any).

The repurchase mandate only relates to repurchases made on the [REDACTED], or on any other [REDACTED] on which our Shares are [REDACTED] (and which are recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the paragraph headed “Statutory and General Information — A. Further Information about our Group — 5. Repurchases of Our Own Securities” in Appendix IV to this Document.

This general mandate to repurchase Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders at a general meeting, either unconditionally or subject to conditions; or
- the expiration of the period within which our Company’s next annual general meeting is required by Articles of Association or any other applicable laws to be held; or
- the date on which it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting.

See “Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Our Shareholders” in Appendix IV to this Document for further details of the repurchase mandate.

FINANCIAL INFORMATION

You should read the following discussion and analysis together with our consolidated financial statements included in the Accountants’ Report in Appendix I to this Document, together with the accompanying notes. Our consolidated financial statements were prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties. Our actual performance and results may differ materially from our expectations and predictions as a result of certain factors, including those set out in the sections entitled “Forward-Looking Statements,” “Risk Factors,” and elsewhere in this Document. In addition, certain industry issues also affect our financial condition and results of operations, as described in “Industry Overview.”

OVERVIEW

We are a global provider of robotics solutions and associated enabling technologies that enhance human potential by building digital models for the real world and bringing autonomous transition to essential workflows in agriculture and livestock farming, construction, and facility management industries and beyond. Our integrated, proprietary hardware and software systems free the workforce from repetitive and menial tasks, empowering them to dedicate time and effort toward tasks that demanding human insight, careful exercise of judgement, and valuing creativity. Over the years, we have continued to advance our commitment to creating accessible robotics solutions and transforming the way people live and work for the better.

Our solutions, ranging from steering and construction control systems to scanners and robotic mowers, focus on addressing the most critical and widespread pain points faced by participants of our target industries. By offering affordable, technologically competitive, standardized solutions that address the common, often practical challenges within an industry, we help our end users achieve efficiency and enhance job satisfaction while driving significant growth in our business. Following substantial growth since our inception, we are now an established global player in the agricultural robotics solutions market. In the global agricultural robotics solutions market, we became the third largest provider of agricultural auto-steering system kits and the second largest provider of retrofit agricultural auto-steering system kits globally in terms of shipment, with market shares of approximately 9.7% and 17.5% in 2025, respectively. Since our inception, our continuum of innovations has propelled us to achieve rapid growth, establishing us as the youngest company among the top five industry players. In terms of revenue, we became the sixth largest provider of agricultural auto-steering system kits and the fourth largest provider of retrofit agricultural auto-steering system kits globally, with market shares of approximately 3.4% and 6.6% in 2025, respectively.

BASIS OF PREPARATION

Our Historical Financial Information has been prepared based on accounting policies which conform with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the historical financial information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the historical financial information include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance. Our Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

FINANCIAL INFORMATION

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe the following are key factors that have affected and will continue to affect our business, results of operations and financial condition:

Demand for Our Solutions Driven by the Development of the Global Robotics Solutions Industry

The global demand for automation, particularly through robotics solutions, is a primary driver of our performance. As traditional operational models face limitations, such as labor dependency, rising costs, and the need for flexibility to support high-volume activities, robotics technologies have emerged as a transformative solution. Robotics solutions are increasingly chosen by businesses as a more flexible alternative for automation, supporting rapid industry growth and expanded adoption across sectors, including emerging subindustries such as the real world modeling market, agricultural and livestock farming robotics solutions market, and construction robotics solutions market. According to F&S, in the global agricultural robotics solutions market, we ranked sixth in terms of revenue of agricultural auto-steering system kits and fourth in terms of revenue of retrofit agricultural auto-steering system kits, with market shares of approximately 3.4% and 6.6% in 2025, respectively. We are strategically positioned in this high-growth market, offering robotics solutions that enhance operational efficiency, reduce manual labor reliance, and support flexible deployment across industries.

To maximize the benefits of this expanding market, we intend to continue to innovate, refining our solutions to deliver best-in-class performance, flexibility, and scalability. Our global presence and extensive portfolio allow us to respond rapidly to industry trends and to meet and exceed the needs of businesses across diverse sectors, including those in agriculture, infrastructure development, and simulation-based planning. By aligning with this growing global demand, we believe our rising penetration rate in the robotics industry reinforces our position as a market leader, enabling us to establish long-term partnerships with customers and drive our sustained growth.

Our ability to design and develop new robotic solutions and services and to address respective demands in various scenarios, including agriculture and livestock farming, construction, and facility management

Since we are subject to change in customers’ demand from time to time, our ability to design and develop new products and AI-related services and to address their respective demands is crucial to our success. Our industry is characterized by rapidly evolving technology. We believe that our future success will depend on our ability to enhance our current products and services and to introduce new products and services that keep pace with this rapidly evolving technology. As such, our success depends on our ability to integrate new technology into our products and services, create new products and services and adapt to changing demands of our customers in a timely manner.

As a result, we may need to invest significant resources in R&D to maintain our market position, keep pace with technological changes and compete effectively. In 2023, 2024 and 2025, our R&D expenses amounted to RMB269.6 million, RMB232.1 million and RMB231.0 million, respectively. Such R&D cost represented approximately 50.9%, 40.7% and 31.2% of our total revenue in the same years, respectively. Our failure to improve our products and services, offer new products and services and adapt to changing demands in a timely and cost-effective manner could materially and adversely affect our business, financial condition and results of operations.

FINANCIAL INFORMATION

Building Strong Relationships with Key Customers and Growing Our Customer Base

At the core of our growth strategy is our commitment to reinforcing relationships with existing global customers while continuously broadening our customer base. By aligning closely with their evolving needs, we have cultivated long-standing partnerships with these key customers, driving significant business through repeat orders and large-scale deployments.

We leverage our comprehensive robotics solutions portfolio to meet varied operational needs for customers across different scenarios. This breadth in capabilities provides numerous opportunities for upselling and cross-selling, fostering customer loyalty and increasing revenue. Our strategic partnerships with major customers further establish ourselves as a trusted provider in the market, while our reputation for reliability and innovation attracts new end customers across additional regions and verticals.

To sustain growth, we are actively expanding into underpenetrated markets and to capture emerging opportunities in new end customer segments. This dual approach — deepening existing relationships while securing new end customers — enables us to capture a larger share of the rapidly expanding robotics solutions market and enhance our competitive position globally.

Our Ability to Manage Our Costs and Expenses and Achieve Operational Efficiency

Our ability to achieve profitability and sustainable growth depends in part on our management of cost of revenue. In 2023, 2024 and 2025, our cost of revenue was RMB245.8 million, RMB202.4 million and RMB253.1 million, respectively, accounting for 46.4%, 35.5% and 34.2% of our revenue for the same years, respectively. Our cost of revenue primarily consists of cost of raw materials cost, production costs and staff costs. Changes in any major component of our cost of revenue and our overall cost structure could have an impact on our gross profit and gross profit margin. For instance, our cost of materials accounted for 80.6%, 84.2% and 89.7% of our total cost of sales in 2023, 2024 and 2025, respectively. The procurement costs for such raw materials may fluctuate due to a number of factors beyond our control, such as supply chain disruptions and inflation, and we are susceptible to significant changes in the availability, price and standard of critical raw materials. We have implemented risk management measures against such potential disruptions to our supply chain. In addition, our cost of sales and gross margin may, from time to time, be affected by the write-down of obsolete or slow-moving inventories. Going forward, as we further scale up our production capabilities to empower our product matrix and business expansion, we expect to achieve higher cost efficiency through the economies of scale and technology upgrades.

Our business and results of operations 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 selling and distribution expenses and research and development expenses may continue to increase and account for a significant portion of our total operating expenses.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Some of our accounting policies require us to apply estimates, assumptions and complex judgments related to accounting items. These estimates, assumptions and judgments have a significant impact on our financial position and results of operations. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

Our material accounting policies estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in the Notes 3 in the Accountants’ Report in Appendix I to this document.

FINANCIAL INFORMATION

PRINCIPAL COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Year ended December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Revenue	529,614	569,837	739,918
Cost of revenue	(245,777)	(202,386)	(253,068)
Gross profit	283,837	367,451	486,850
Other income	8,141	24,488	11,818
Selling and distribution expenses	(166,521)	(159,361)	(204,175)
Administrative expenses	(93,049)	(72,411)	(51,234)
Other gains/(losses), net	6,074	(24)	(962)
Research and development expenses	(269,561)	(232,058)	(230,960)
Finance costs	(5,422)	(11,011)	(10,959)
Fair value change of financial assets at fair value through profit or loss	(1,682)	(14,142)	(20,772)
Fair value changes of preferred shares	(185,529)	(239,145)	(241,461)
Fair value changes of Warrants	(4,782)	(9,235)	(2,627)
(Impairment losses) reversal of impairment under expected credit loss model, net	(43,141)	15,091	562
Impairment of investment properties	(3,610)	0	0
Share of result of a joint venture	0	436	(472)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Loss before tax	(475,245)	(329,921)	(281,732)
Income tax credit/(expense)	4,184	(3,587)	642
Loss for the year	(471,061)	(333,508)	(281,090)

Non-IFRS Measures

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we use adjusted net profit or loss (Non-IFRS measure) as non-IFRS measures, which are not required by, or presented in accordance with, IFRS.

We define adjusted net profit or loss (Non-IFRS measure) as loss for the year adjusted by adding back (i) share-based compensations expenses, which are non-cash and non-operating in nature; (ii) fair value change of financial assets at fair value through profit or loss, which are non-cash and non-operating in nature; (iii) fair value changes of preferred shares non-recurring and non-cash in nature; and (iv) fair value changes of warrants, which are non-cash in nature. We believe that Non-IFRS measures facilitate the comparisons of operating performance and provide useful information to **[REDACTED]** and others in understanding and evaluating our operating performance in the same manner as it helps our management. However, our presentation of Non-IFRS measures for the years may not be comparable to similarly titled measures presented by other companies. The use of Non-IFRS measures has limitations as an analytical tool, and **[REDACTED]** should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

FINANCIAL INFORMATION

The following table reconciles Non-IFRS measures for the years presented with the nearest measures prepared in accordance with IFRS Accounting Standards.

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Loss for the year	(471,061)	(333,508)	(281,090)
Share-based compensations expenses	10,420	13,798	8,988
Fair value change of financial assets at fair value through profit or loss	1,682	14,142	20,772
Fair value changes of preferred shares	185,529	239,145	241,461
Fair value changes of warrants	4,782	9,235	2,627
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted profit/(loss) for the year (Non-IFRS measure)	(268,648)	(57,188)	10,098

Revenue

By Segment

During the Track Record Period, we generated our revenue primarily from sales of various types of robotic products, covering agriculture and livestock farming, facility management and construction, and provision of software solutions such as Trion and farming management system. For provision of software solutions, we charged customers either a subscription fee for using our applications over a period of time, or a one-off fee for granting access to specific applications. Our revenue experienced an overall increase during the Track Record Period, driven by overall growth in the sales of our robotics products.

The following table sets forth a breakdown of our revenue by segment, in absolute amounts and as percentages of total revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	(RMB in thousands except for percentages)					
Agriculture and livestock						
farming	470,348	88.8%	443,177	77.8%	497,536	67.2%
Product	419,145	79.1%	394,586	69.2%	436,004	58.9%
Components	51,203	9.7%	48,591	8.5%	61,532	8.3%
Construction	41,027	7.7%	82,807	14.6%	118,890	16.1%
Product	36,016	6.8%	75,062	13.2%	107,295	14.5%
Components	5,011	0.9%	7,745	1.4%	11,594	1.6%
Facility management	12,610	2.4%	32,174	5.6%	89,696	12.1%
Product	11,250	2.1%	30,430	5.3%	88,868	12.0%
Components	1,360	0.3%	1,744	0.3%	828	0.1%
Software	5,629	1.1%	11,679	2.0%	33,796	4.6%
Total	529,614	100.0%	569,837	100.0%	739,918	100.0%

FINANCIAL INFORMATION

By Geographical Market

During the Track Record Period, we derived the majority of our revenue from Europe and Asia. The following table sets forth a breakdown of our revenue by geographies, in absolute amounts and as percentages of total revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>(RMB in thousands except for percentages)</i>					
Europe	220,807	41.7%	301,076	52.8%	396,973	53.7%
Poland	19,847	3.7%	37,917	6.7%	66,214	8.9%
Austria	20,197	3.8%	16,848	3.0%	43,209	5.8%
Other countries	180,763	34.2%	246,311	43.1%	287,550	39.0%
Asia	245,857	46.4%	187,537	32.9%	223,749	30.2%
Mainland China	165,005	31.2%	121,651	21.3%	119,546	16.2%
Japan	15,435	2.9%	23,791	4.2%	33,334	4.4%
Other countries	65,417	12.3%	42,095	7.4%	70,869	9.6%
Americas	51,016	9.6%	66,777	11.8%	87,593	11.8%
Mexico	20,118	3.8%	29,656	5.2%	26,696	3.6%
United States	16,418	3.1%	10,047	1.8%	23,321	3.1%
Other countries	14,480	2.7%	27,074	4.8%	37,576	5.1%
ROW	11,934	2.3%	14,447	2.5%	31,603	4.3%
Total	529,614	100.0%	569,837	100.0%	739,918	100.0%

Note: Information about the Group’s revenue from external customers is presented based on the location of the Group’s direct contractual customers. Where sales are made to distributors, such geographical information reflects the location of those distributors, which may differ from the location of the ultimate end customers or the jurisdictions in which the products are ultimately sold or used.

Sales Volume and Average Selling Price

By Segment

The following table sets forth a breakdown of average selling prices and sales volumes by segment and major product categories for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	<i>(RMB per unit)</i>		<i>(RMB per unit)</i>		<i>(RMB per unit)</i>	
Agriculture and livestock farming .	1,104,927	425.7	1,386,828	319.6	1,557,114	319.5
Product	43,017	9,743.7	39,896	9,890.3	57,968	7,521.5
Components	1,061,910	48.2	1,346,932	36.1	1,499,146	41.0
Construction	13,613	3,013.8	23,944	3,458.4	74,605	1,593.6
Product	2,046	17,603.2	4,632	16,205.0	9,935	10,799.7
Components	11,567	433.2	19,312	401.1	64,670	179.3
Facility management	7,434	1,696.2	86,229	373.1	117,974	760.3
Product	734	15,326.5	6,231	4,883.6	4,160	21,362.4
Components	6,700	203.0	79,998	21.8	113,814	7.3
Software	1,809	3,111.6	12,348	945.8	40,111	842.6

FINANCIAL INFORMATION

By Geographical Market

The following table sets forth a breakdown of average selling prices and sales volumes by geographical areas for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
		(RMB per unit)		(RMB per unit)		(RMB per unit)
Europe	42,665	5,175.4	62,729	4,799.6	77,495	5,122.6
Asia	1,066,297	230.6	1,432,304	130.9	1,694,232	132.1
Americas	16,236	3,142.2	11,853	5,633.7	12,967	6,755.1
ROW	2,585	4,615.9	2,462	5,868.0	5,109	6,185.7

Note: The revenue breakdown by geographical areas is presented based on the location of our direct contractual customers. In terms of revenue generated from distributors, the geographical classification reflects the location of the distributors, which may differ from the location of the end customers or the jurisdictions in which the products are ultimately sold or used.

During the Track Record Period, we had a overall decrease in average selling price, primarily due to the continuous increase in sales volume outpaced our increase in revenue and our strategic effort to expand market penetration and optimize product mix.

Cost of Revenue

By Nature

Our cost of revenue consists of raw material costs, production costs, and staff costs. The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and as percentages of total cost of revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
		(RMB in thousands except for percentages)				
Raw material costs	198,057	80.6%	170,437	84.2%	227,110	89.7%
Electronic components and electrical components	44,231	18.0%	34,240	16.9%	57,501	22.7%
Structural components	124,702	50.8%	104,075	51.4%	132,618	52.4%
Others	29,124	11.8%	32,122	15.9%	36,991	14.6%
Production costs	38,369	15.6%	26,686	13.2%	18,355	7.3%
Staff costs	9,351	3.8%	5,263	2.6%	7,603	3.0%
Total	245,777	100.0%	202,386	100.0%	253,068	100.0%

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By Segment

The following table sets forth a breakdown of our cost of revenue by segment, in absolute amounts and as percentages of total cost of revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
<i>(RMB in thousands except for percentages)</i>						
Agriculture and livestock						
farming	225,560	91.8%	162,647	80.4%	183,198	72.4%
Construction	12,017	4.9%	22,294	11.0%	36,275	14.3%
Facility management	8,200	3.3%	17,445	8.6%	33,595	13.3%
Software	—	—	—	—	—	—
Total	245,777	100.0%	202,386	100.0%	253,068	100.0%

Gross Profit and Gross Profit Margin

By Segment

The following table sets forth a breakdown of our gross profit and gross profit margin by segment for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Gross profit</i>	<i>Gross profit margin</i>	<i>Gross profit</i>	<i>Gross profit margin</i>	<i>Gross profit</i>	<i>Gross profit margin</i>
<i>(RMB in thousands except for percentages)</i>						
Agriculture and livestock						
farming	244,788	52.0%	280,530	63.3%	314,338	63.2%
Construction.	29,010	70.7%	60,513	73.1%	82,615	69.5%
Facility management	4,410	35.0%	14,729	45.8%	56,101	62.5%
Software	5,629	100.0%	11,679	100.0%	33,796	100.0%
Total	283,837	53.6%	367,451	64.5%	486,850	65.8%

During the Track Record Period, our gross profit margin increased from 53.6% in 2023 to 64.5% in 2024 and further increased to 65.8% in 2025 primarily due to our continued efforts to optimize our product mix where we strategically focus on products of high gross profit margin.

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Other Income

Our other income primarily consists of: (i) government grants, representing asset-related grants, such as housing subsidies, and expense-related grants, including subsidies for attracting foreign investment, patent applications, talent recruitment, and qualifications such as High and New Technology Enterprise and Technology-based Small and Medium-sized Enterprise recognition; and (ii) bank interest income.

The following table sets forth a breakdown of our other income for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Government grants			
— related to assets	29	29	29
— related to expense items	5,775	21,162	3,292
Interest income	1,356	2,111	7,882
Rental income	850	567	—
Others	131	619	615
Total	8,141	24,488	11,818

Research and Development Expenses

Our research and development expenses consist of employee benefits expenses, material and associated costs, and office expenses. During the Track Record Period, our research and development expenses amounted to RMB269.6 million, RMB232.1 million and RMB231.0 million, respectively, representing 50.9%, 40.7% and 31.2% of our revenue, respectively. The overall decrease in our research and development expenses was primarily due to the continuous improvement of our R&D efficiency.

The following table sets forth a breakdown of our research and development expenses, in absolute amounts and as percentages of total research and development expenses, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	(RMB in thousands except for percentages)					
Employee Benefits Expenses	226,780	84.1%	199,090	85.8%	190,113	82.3%
Office expenses	19,243	7.1%	18,150	7.8%	21,430	9.3%
Material and associated costs	23,117	8.6%	14,679	6.3%	18,582	8.0%
Others	421	0.2%	139	0.1%	835	0.4%
Total	269,561	100.0%	232,058	100.0%	230,960	100.0%

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Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of employee benefits expenses, traveling expenses, promotion expenses, and logistics expenses.

The following table sets forth a breakdown of our selling and distribution expenses, in absolute amounts and as percentages of total selling and distribution expenses, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>(RMB in thousands except for percentages)</i>					
Employee benefits expenses	102,033	61.3%	95,418	59.9%	112,135	54.9%
Logistics expenses	21,167	12.7%	27,782	17.4%	40,735	20.0%
Promotion expenses	24,372	14.6%	19,016	11.9%	24,702	12.1%
Traveling expenses	15,384	9.2%	12,171	7.6%	16,579	8.1%
Others	3,565	2.2%	4,974	3.2%	10,024	4.9%
Total	166,521	100.0%	159,361	100.0%	204,175	100.0%

Administrative Expenses

Our administrative expenses primarily consist of employee benefits expenses, office expenses and professional fees.

The following table sets forth a breakdown of our administrative expenses, in absolute amounts and as percentages of total administrative expenses, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>(RMB in thousands except for percentages)</i>					
Employee benefits expenses	48,004	51.6%	42,652	58.9%	29,200	57.0%
Office expenses	26,373	28.3%	18,612	25.7%	10,268	20.0%
Professional fees	11,897	12.8%	6,812	9.4%	5,174	10.1%
Others	6,775	7.3%	4,335	6.0%	6,592	12.9%
Total	93,049	100.0%	72,411	100.0%	51,234	100.0%

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Other Gains or Losses, Net

Our other gains and losses, net, primarily consist of (i) gains or losses on disposal of property, plant and equipment; (ii) gains or losses on modification of leases; (iii) net exchange differences; and (iv) gains or losses on financial guarantee, representing financial guarantee arrangements associated with distributor-related credit facilities.

The following table sets forth a breakdown of our other gains and losses, net, for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Gains/(losses) on disposal and write-off of property, plant and equipment	407	(377)	(2,396)
Loss on modification of leases	(736)	(327)	—
Exchange (losses)/gains, net	(2,802)	314	2,800
Gains on financial guarantee	5,192	392	—
Waiver of payable due to a supplier	3,053	—	—
Input value-added tax receivable written-off	—	—	(1,292)
Others	960	(26)	(74)
Total	6,074	(24)	(962)

Finance Costs

Our finance costs consist of (i) interest on borrowings; (ii) interest on supplier chain financing, representing interest incurred under supplier financing arrangements with an established bank and its affiliated platform; (iii) interest on obligation arising from NCI put option; and (iv) interest on lease liabilities. The following table sets forth a breakdown of our finance costs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Interest expenses on borrowings	1,956	4,356	4,090
Interest expenses on supplier chain financing	—	287	20
Interest expenses on obligation arising from NCI put option	1,126	5,030	6,000
Interest expenses on lease liabilities	2,340	1,338	849
Total	5,422	11,011	10,959

Income Tax Credit/(Expense)

Our Income tax credit/(expense) represents deferred tax. We are subject to income tax on an entity basis on assessable profits arising in or derived from the tax jurisdictions in which members of our Group are domiciled and operate.

Mainland China

In Mainland China, pursuant to the EIT Law and Implementation Regulation of the EIT Law, the tax rate of our Company and our subsidiaries in Mainland China was 25% during the Track Record Period. Certain of our subsidiaries in Mainland China enjoyed preferential tax treatments, mainly

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including a tax rate of 15% due to preferential tax policies for being approved as a “High and New Technology Enterprise.” In addition, we have made our best estimate for the additional tax deduction in relation to our R&D activities to be claimed for certain of our subsidiaries in ascertaining assessable profits during the Track Record Period.

Cayman Islands

Under the current laws of the Cayman Islands, the Company and its subsidiaries incorporated in the Cayman Islands are not subject to tax on income or capital gains.

Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HKD2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HKD2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HKD2 million.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 29.8% from RMB569.8 million in 2024 to RMB739.9 million in 2025, primarily due to an increase in revenue generated from all of our segments.

Agriculture and livestock farming

Our revenue generated from agriculture and livestock farming increased by 12.3% from RMB443.2 million in 2024 to RMB497.5 million in 2025, primarily due to an increase in our sales volumes of products from 39,896 units in 2024 to 57,968 units in 2025, driven by rising market demand partly resulting from our increasing penetration of our existing distributor network.

Construction

Our revenue generated from construction increased by 43.6% from RMB82.8 million in 2024 to RMB118.9 million in 2025, primarily due to an increase in our sales volumes from 23,944 units in 2024 to 74,605 units in 2025, driven by rising market demand, leveraging the operational know-hows of our core agriculture and livestock farming business.

Facility management

Our revenue generated from facility management increased significantly from RMB32.2 million in 2024 to RMB89.7 million in 2025, primarily due to an increase in our sales volumes from 86,229 units in 2024 to 117,974 units in 2025, driven by rising market demand, leveraging the operational know-hows of our core agriculture and livestock farming business.

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Software

Our revenue generated from software increased significantly from RMB11.7 million in 2024 to RMB33.8 million in 2025, primarily due to an increase in our sales volumes from 12,348 units in 2024 to 40,111 units in 2025, attributable to an increasing adoption of our robotics products that drives the purchase of our associated software solutions.

Cost of Revenue

Our cost of revenue increased by 25.0% from RMB202.4 million in 2024 to RMB253.1 million in 2025, which was generally in line with our increase in revenue.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 32.5% from RMB367.5 million in 2024 to RMB486.9 million in 2025. Our gross profit margin increased from 64.5% to 65.8% for the same years, primarily as a result of our continued efforts to optimize our product mix where we strategically focus on products of high gross profit margin.

Agriculture and livestock farming

Our gross profit generated from agriculture and livestock farming increased by 12.1% from RMB280.5 million in 2024 to RMB314.3 million in 2025. Our gross profit margin for agriculture and livestock farming remained relatively stable at 63.3% and 63.2% for the same years.

Construction

Our gross profit generated from construction increased by 36.5% from RMB60.5 million in 2024 to RMB82.6 million in 2025. Our gross profit margin for construction decreased from 73.1% to 69.5% for the same years, mainly due to shifts in sales and marketing strategies and our continued efforts to optimize our product mix.

Facility management

Our gross profit generated from facility management increased significantly from RMB14.7 million in 2024 to RMB56.1 million in 2025. Our gross profit margin for facility management increased from 45.8% to 62.5% for the same years, as we leverage the operational know-hows of our core agriculture and livestock farming business.

Software

Our gross profit generated from software increased significantly from RMB11.7 million in 2024 to RMB33.8 million in 2025. Our gross profit margin for software remained relatively stable at 100.0% in 2024 and 2025, respectively.

Other Income

Our other income decreased by 51.7% from RMB24.5 million in 2024 to RMB11.8 million in 2025, primarily due to a decrease in government grants, partially offset by an increase in bank interest income.

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Research and Development Expenses

Our research and development expenses remained relatively stable from RMB232.1 million in 2024 to RMB231.0 million in 2025.

Selling and Distribution Expenses

Our selling and marketing expenses increased by 28.1% from RMB159.4 million in 2024 to RMB204.2 million in 2025 primarily due to an increase of employee benefits expenses as a result of sales team expansion.

Administrative Expenses

Our administrative expenses decreased by 29.2% from RMB72.4 million in 2024 to RMB51.2 million in 2025, primarily due to a decrease in employee benefits expenses as a result of management structure optimization.

Other Losses, Net

Our net other losses increased significantly from RMB24.0 thousand in 2024 to RMB1.0 million in 2025, primarily due to the loss on disposal of property, plant and equipment.

Finance Costs

Our finance costs remained relatively stable at RMB11.0 million in 2024 and 2025.

Fair value changes of preferred shares

Our fair value changes of preferred shares remained relatively stable at RMB239.1 million in 2024 and RMB241.5 million in 2025.

Fair value changes of warrants

Our fair value changes of warrants decreased significantly from a loss of RMB9.2 million in 2024 to a loss of RMB2.6 million in 2025, primarily due to the exercise or cancellation of all outstanding warrants by August 2025, following which no warrants remained outstanding as at 31 December 2025.

Fair value change of financial assets at fair value through profit or loss

Our fair value change of financial assets at fair value through profit or loss increased significantly from a loss of RMB14.1 million in 2024 to a loss of RMB20.8 million in 2025, primarily due to a decrease in the valuation of the investees company.

Reversal of impairment under expected credit loss model, net

Our reversal of impairment under expected credit loss model, net decreased significantly from RMB15.1 million in 2024 to RMB0.6 million in 2025, primarily due to a decrease in trade receivables as a result of our proactive collection efforts.

Income Tax (Expenses)/Credit

We recorded income tax expense of RMB3.6 million in 2024 and income tax credit of RMB0.6 million in 2025, primarily due to the impact of deferred income tax.

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Net Loss

As a result of the foregoing, our loss for the year decreased by 15.7% from RMB333.5 million in 2024 to RMB281.1 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 7.6% from RMB529.6 million in 2023 to RMB569.8 million in 2024, primarily due to an increase in our revenue generated from construction products.

Agriculture and livestock farming

Our revenue generated from agriculture and livestock farming remained relatively stable at RMB470.3 million and RMB443.2 million in 2023 and 2024, respectively, primarily as a result of our continued efforts to optimize our product mix where we strategically focus on products of high gross profit margin.

Construction

Our revenue generated from construction equipment increased significantly from RMB41.0 million in 2023 to RMB82.8 million in 2024, primarily due to an increase in our sales volumes from 13,613 units in 2023 to 23,944 units in 2024, driven by rising market demand leveraging the operational know-hows of our core agriculture and livestock farming business.

Facility management

Our revenue generated from facility management increased significantly from RMB12.6 million in 2023 to RMB32.2 million in 2024, primarily due to an increase in our sales volumes from 7,434 units in 2023 to 86,229 units in 2024, driven by rising market demand leveraging the operational know-hows of our core agriculture and livestock farming business.

Software

Our revenue generated from software increased significantly from RMB5.6 million in 2023 to RMB11.7 million in 2024, primarily due to an increase in our sales volumes from 1,809 units in 2023 to 12,348 units in 2024, attributable to an increasing adoption of our robotics products that drives the purchase of our associated software solutions.

Cost of Revenue

Our cost of revenue decreased by 17.7% from RMB245.8 million in 2023 to RMB202.4 million in 2024, primarily due to as a result of our continued efforts to optimize our product mix where we strategically focus on products of high gross profit margin.

Gross Profit and Gross Profit Margin

Our gross profit increased by 29.5% from RMB283.8 million in 2023 to RMB367.5 million in 2024, while our gross profit margin increased from 53.6% in 2023 to 64.5% in 2024, primarily due to our continued efforts to optimize our product mix where we strategically focus on products of high gross profit margin.

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Agriculture and livestock farming

Our gross profit generated from agriculture and livestock farming increase by 14.6% from RMB244.8 million in 2023 to and RMB280.5 million in 2024, respectively. Our gross profit margin for agriculture and livestock farming increased from 52.0% in 2023 to 63.3% in 2024, primarily as a result of our continued efforts to optimize our product mix where we strategically focus on products of high gross profit margin.

Construction

Our gross profit generated from construction increased significantly from RMB29.0 million in 2023 to RMB60.5 million in 2024. Our gross profit margin for construction remained relatively stable from 70.7% in 2023 to 73.1% in 2024.

Facility management

Our gross profit generated from facility management increased significantly from RMB4.4 million in 2023 to RMB14.7 million in 2024. Our gross profit margin for facility management increased from 35.0% in 2023 to 45.8% in 2024, primarily as we leverage the operational know-hows of our core agriculture and livestock farming business.

Software

Our gross profit generated from software increased significantly from RMB5.6 million in 2023 to RMB11.7 million in 2024. Our gross profit margin for software remained relatively stable at 100.0% in 2023 and 2024, respectively.

Other Income

Our other income increased significantly from RMB8.1 million in 2023 to RMB24.5 million in 2024, primarily due to an increase in government grants.

Research and Development Expenses

Our research and development expenses decreased by 13.9% from RMB269.6 million in 2023 to RMB232.1 million in 2024, primarily due to a decrease in employee benefit expenses as a result of our optimized staff structure leveraging our collaboration hub.

Selling and Distribution Expenses

Our selling and marketing expenses remained relatively stable from RMB166.5 million in 2023 to RMB159.4 million in 2024.

Administrative Expenses

Our administrative expenses decreased by 22.2% from RMB93.0 million in 2023 to RMB72.4 million in 2024, primarily due to a decrease in office expenses as a result of the optimization of our working arrangement.

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Other Gains and Losses, Net

We recorded net other gains of RMB6.1 million in 2023 and net other losses of RMB24.0 thousand in 2024, primarily due to we recorded exchange gains in 2024 as compared to exchange losses in 2023, as a result of fluctuations in foreign exchange rates.

Finance Costs

Our finance costs increased significantly from RMB5.4 million in 2023 to RMB11.0 million in 2024, primarily due to increases in interest expense on borrowings and interest expenses on obligation arising from NCI put option. For details of the NCI put option, please see Note 38 to the Accountants’ Report in Appendix I to this Document.

Fair value changes of preferred shares

Our fair value changes of preferred shares increased by 28.9% from a loss of RMB185.5 million in 2023 to a loss of RMB239.1 million in 2024, primarily as a result of the increase in the valuation of our Group in light of our future prospects.

Fair value changes of warrants

Our fair value changes of warrants increased by 93.1% from a loss RMB4.8 million in 2023 to a loss of RMB9.2 million in 2024, primarily as a result of the increase in the valuation of our Group in light of our future prospects.

Fair value change of financial assets at fair value through profit or loss

Our fair value change of financial assets at fair value through profit or loss increased significantly from a loss of RMB1.7 million in 2023 to a loss RMB14.1 million in 2024, primarily due to a decrease in valuation of the underlying company.

(Impairment losses) reversal of impairment under expected credit loss model, net

We recorded impairment losses under expected credit loss model, net of RMB43.1 million in 2023 and reversal of impairment under expected credit loss model, net of RMB15.1 million in 2024, primarily due to (i) recovery of certain trade receivables with longer credit periods as a result of our further collection efforts; and (ii) the prudent sales procedures adopted in 2023.

Income Tax Credit/(Expenses)

We recorded income tax credit of RMB4.2 million in 2023 and income tax expense of RMB3.6 million in 2024, primarily due to the impact of deferred income tax.

Net Profit/Loss

As a result of the foregoing, our loss for the year decreased by 29.2% from RMB471.1 million in 2023 to RMB333.5 million in 2024.

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DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our consolidated financial statements included in Appendix I to this Document.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Total non-current assets	152,484	111,831	75,421
Total current assets	596,495	564,253	780,127
Total assets	748,979	676,084	855,548
Total non-current liabilities	1,519,176	117,490	6,054
Total current liabilities	374,594	2,024,094	2,583,109
Total liabilities	1,893,770	2,141,584	2,589,163
Net current assets (liabilities)	221,901	(1,459,841)	(1,802,982)
Net liabilities	(1,144,791)	(1,465,500)	(1,733,615)
Total deficit	(1,144,791)	(1,465,500)	(1,733,615)

Net Current Liabilities

The following table sets forth our current assets, current liabilities and net current liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
		(RMB in thousands)		(unaudited)
Current Assets				
Inventories	133,770	114,630	185,965	189,470
Trade and bills receivables	109,884	115,362	130,760	124,489
Prepayments, deposits and other receivables	70,430	56,837	87,149	89,975
Amounts due from related parties	52,017	27,174	25,769	27,160
Restricted bank deposits	21,732	125,255	106,178	28,558
Cash and cash equivalents	208,662	124,995	244,306	295,641
Total current assets	596,495	564,253	780,127	755,293
Current Liabilities				
Trade and bills payables	101,571	61,810	119,238	126,518
Bills payables under supplier chain financing	—	46,197	48,994	50,955
Other payables and accruals	78,127	54,927	58,316	46,721
Lease liabilities	16,407	11,630	9,124	12,052
Amounts due to related parties	50,127	26,842	26,910	27,684
Contract liabilities	47,227	36,408	37,599	44,045
Borrowings	75,961	132,347	137,000	110,000
Financial guarantee contracts liabilities	392	—	—	—
Preferred shares	—	1,639,916	2,033,772	2,033,772
Financial liabilities arising from warrants	4,782	14,017	—	—
Obligation arising from put option	—	—	112,156	114,156
Total current liabilities	374,594	2,024,094	2,583,109	2,565,903
Net current assets/(liabilities)	221,901	(1,459,841)	(1,802,982)	(1,810,610)

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Our net current liabilities remained relatively stable at RMB1,810.6 million and RMB1,803.0 million as of April 30, 2026 and December 31, 2025, respectively.

We had net current liabilities of RMB1,803.0 million as of December 31, 2025, which represented an increase of RMB343.1 million from our net current liabilities of RMB1,459.8 million as of December 31, 2024. This increase was primarily due to (i) an increase in preferred shares of RMB393.9 million as a result of the increase in the valuation of our Group in light of our future prospects; and (ii) an increase in payment obligation arising from put option of RMB112.2 million. This was partially offset by an increase in cash and cash equivalents of RMB119.3 million.

We recorded net current liabilities of RMB1,459.8 million as of December 31, 2024 and net current assets of RMB221.9 million as of December 31, 2023, primarily due to (i) reclassification of preferred shares from non-current liabilities to current liabilities; and (ii) an increase in borrowings of RMB56.4 million. This was partially offset by an increase in restricted bank deposits of RMB103.5 million.

To improve our liquidity position, we have taken several measures. We are actively working with banks to expand our facilities, and we face no immediate redemption pressure from instruments such as preferred shares or warrants.

Inventories

Our inventories primarily comprise (i) raw materials, which primarily consist of electronic components, electrical components and structural components, (ii) finished goods, which primarily consist of auto-steering kits and lawn mower robot, and (iii) semi-finished goods, which primarily consist of control box, inertial navigation host assembly, auto-steering accessory kits. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Raw materials	80,312	84,362	113,125
Semi-finished goods	18,116	19,092	17,109
Finished goods	73,511	63,180	102,983
	171,939	166,634	233,217
Less: allowance for inventories	(38,169)	(52,004)	(47,252)
Total	133,770	114,630	185,965

Our inventories decreased from RMB133.8 million as of December 31, 2023 to RMB114.6 million as of December 31, 2024, primarily due to our strategic optimization of product portfolio. Our inventories increased from RMB114.6 million as of December 31, 2024 to RMB186.0 million as of December 31, 2025, primarily due to an increase in raw material and finished goods in anticipation of upcoming market demand.

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The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	110,669	86,810	160,647
One to two years	18,372	21,258	14,843
Two to three years	3,320	6,395	7,012
Over three years	1,409	167	3,463
Total	133,770	114,630	185,965

The following table sets forth our average inventory turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Average inventory turnover days ⁽¹⁾	203	224	217

Note:

- (1) Average inventory turnover days equal the average of the opening and closing inventory balances of the year indicated divided by the cost of revenue of the same year and multiplied by 365 days for a full-year period.

Our inventory turnover days increased from 203 days in 2023 to 224 days in 2024 in light of the continued expansion of our business as well as our anticipation of upcoming market demand. Our inventory turnover days decrease to 217 days in 2025, primarily due to the optimization of our product portfolio. Our Directors believe that sufficient allowance has been made for the inventories of our Company, taking into account factors such as inventory aging, market price fluctuations, technological advancements, and changes in product demand that may affect inventory value. As of April 30, 2026, RMB17.9 million, or 47.6%, of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

As of April 30, 2026, RMB64.7 million, or 27.7%, of our inventories as of December 31, 2025 had been sold or utilized.

Trade and Bills Receivables

Our trade and bills receivables are primarily amounts due from our customers in our ordinary course of business less allowance for expected credit loss (“ECL”). The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables from third parties	160,603	151,706	169,640
Bill receivables	—	319	55
Less: allowance for ECL	(50,719)	(36,663)	(38,935)
Total	109,884	115,362	130,760

Our trade and bills receivables remained relatively stable at RMB109.9 million, RMB115.4 million and RMB130.8 million as of December 31, 2023, 2024, and 2025.

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The following table sets forth an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 3 months	54,960	67,199	86,855
3 to 6 months	17,726	7,737	7,142
6 months to 1 year	20,316	26,787	13,381
Over 1 year	16,882	13,320	23,327
Total	109,884	115,043	130,705

The following table sets forth the turnover days of our trade receivables for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Average trade receivables turnover days ⁽¹⁾ . . .	80	72	61

Note:

- (1) Average trade receivables turnover days equal the average of the opening and closing balances of carrying amount of trade receivables of the year indicated divided by the revenue of the same year and multiplied by 365 days for a full-year period.

Our trade receivables turnover days decrease from 80 days in 2023 to 72 days in 2024, and decreased to 61 days in 2025, primarily due to our prudent sales procedures.

As of April 30, 2026, RMB76.8 million, or 58.8%, of our trade and bills receivables as of December 31, 2025 had been subsequently settled.

As of the Latest Practicable Date, RMB18.6 million, or 50.7%, of our trade and bills receivables aged over 6 months as of December 31, 2025 had been subsequently settled.

As of December 31, 2023, 2024 and 2025, overdue receivables from distributors amounted to RMB125.8 million, RMB117.1 million and RMB60.4 million, respectively.

During the Track Record Period, we proactively made collection efforts with our customers, including (i) closely monitoring the status of our trade receivables, (ii) holding periodic meetings to discuss the status of trade receivables, (iii) timely communicating with relevant parties and reminding them of payments through various channels and (iv) taking legal actions when necessary to recover outstanding receivables.

The prolonged settlement was primarily due to (i) customers whose payment obligations are contractually scheduled upon the achievement of specific milestones, which results in settlement cycles extending beyond six months while remaining within the agreed credit terms, and (ii) mutually agreed extensions of credit periods with certain long-term customers through supplemental agreements.

Considering that we have already taken into account the likelihood of future repayments based on customers’ credit risk assessments, and as subsequent collections confirmed the recoverability of such receivables, we believe that there is no recoverability issue of trade receivables, and that sufficient provision has been made.

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Trade and Bills Payables

Our trade and notes payables primarily consist of amounts payable to our suppliers in the ordinary course of business.

The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade payables	63,645	32,797	70,875
Bills payables	37,926	29,013	48,363
Total	101,571	61,810	119,238

Our trade and bills payables decreased from RMB101.6 million as of December 31, 2023, RMB61.8 million as of December 31, 2024, primarily due to a decrease in bills payables resulting from our continued efforts to settle outstanding payables. Our trade and bills payables increased to RMB119.2 million as of December 31, 2025, primarily due to the favorable payment terms granted to our existing distributors in light of our long-term relationships.

The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 3 months	46,056	21,552	35,988
3 to 6 months	8,902	3,792	10,084
6 to 12 months	2,554	1,457	12,925
Over 12 months	6,133	5,996	11,878
Total	63,645	32,797	70,875

The following table sets forth the average turnover days of our trade and bills payables and bills payables under supplier chain financing for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Average trade payables turnover days ⁽¹⁾	188	189	199

Note:

- (1) Average trade and bills payables turnover days equal the average of the opening and closing balances of carrying amount of trade and bills payables and bills payables under supplier chain financing balances of the year indicated divided by the cost of revenue of the same year and multiplied by 365 days for a full-year period.

Our trade and bills payables turnover days increased from 188 days in 2023 to 189 days in 2024 and and further increased to 199 days in 2025, primarily due to the favorable payment terms granted to our existing distributors in light of our long-term relationships.

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As of April 30, 2026, RMB64.5 million, or 54.1%, of our trade and bills payables as of December 31, 2025 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals primarily consist of purchase consideration payable for financial assets at fair value through other comprehensive income, which primarily consist of (i) salary and welfare payables, which primarily consist of wages, (ii) other tax payables, which primarily consist of tax-related amounts arising from customer prepayments, and (iii) accrued expenses, which primarily consist of general operating accruals.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Salary and welfare payables	37,580	32,057	38,237
Accrued expenses	4,591	7,096	1,146
Accrued service fee	5,537	2,136	1,322
Other tax payables	25,349	7,224	6,938
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accrued share issue costs	—	—	704
Others	5,070	6,414	7,231
Total	78,127	54,927	58,316

Our other payables and accruals decreased from RMB78.1 million as of December 31, 2023 to RMB54.9 million as of December 31, 2024 primarily due to timely settlement of our other payables and accruals. Our other payables and accruals remained relatively stable at RMB58.3 million as of December 31, 2025.

Contract liabilities

Our contract liabilities primarily consist of advance payments received from our customers in our ordinary course of business. Our contract liabilities decreased from RMB47.2 million as of December 31, 2023 to RMB36.4 million as of December 31, 2024 and increased to RMB37.6 million as of December 31, 2025, primarily due to differences in the payment date and the product delivery date.

Property, Plant and Equipment

Our property, plant and equipment primarily consist of (i) machinery and other equipment, (ii) computer and other equipment, and (iii) leasehold improvement. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Machinery and other equipment	20,851	12,798	9,827
Computer and other equipment	9,903	9,347	7,963
Construction in progress	52	—	—
Motor vehicles	562	400	273
Leasehold improvement	4,432	1,964	358
Properties	—	—	11,420
Total	35,800	24,509	29,841

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Our property, plant and equipment decreased from RMB35.8 million as of December 31, 2023 to RMB24.5 million as of December 31, 2024, primarily attributable to the decrease in machinery and other equipment resulting from a decrease in machinery and other equipment attributable to the strategic optimization of our product portfolio. Our property, plant and equipment increased to RMB29.8 million as of December 31, 2025, primarily due to an increase of RMB11.4 million in properties.

Right-of-use assets

Our right-of-use assets primarily relate to our leased production facilities, offices and warehouses. Our right-of-use assets decreased from RMB31.3 million as of December 31, 2023 to RMB21.2 million as of December 31, 2024 and further decreased to RMB13.2 million as of December 31, 2025, primarily attributable to the optimization of our working arrangement.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

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

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Net cash used in/from operating activities . . .	(170,063)	(27,568)	92,641
Net cash used in/from investing activities . . .	(34,085)	(98,441)	19,642
Net cash from financing activities	185,386	43,339	2,351
Net decrease/increase in cash and cash equivalents	(18,762)	(82,670)	114,634
Cash and cash equivalents at beginning of the year	227,076	208,662	124,995
Cash and cash equivalents at end of the year	208,662	124,995	244,306

Net Cash Flow Used in/from Operating Activities

In 2025, we had net cash from operating activities of RMB92.6 million, primarily attributable to (i) fair value changes of preferred shares of RMB241.5 million; and (ii) increase in trade payables of RMB175.4 million. The foregoing was partially offset by (i) increase in inventories of RMB82.2 million; and (ii) increase in prepayments, deposits and other receivables of RMB21.5 million.

In 2024, we had net cash used in operating activities of RMB27.6 million, primarily attributable to (i) increase in trade payables of RMB49.4 million; (ii) increase in amounts due from related parties of RMB25.2 million; and (iii) decrease in other payables and accruals of RMB23.2 million. The foregoing was partially offset by (i) fair value changes of preferred shares of RMB239.1 million; and (ii) depreciation of right-of-use assets of RMB17.7 million.

In 2023, we had net cash used in operating activities of RMB170.1 million, primarily attributable to decrease in trade payables of RMB53.6 million. The foregoing was partially offset by (i) impairment loss under expected credit loss model, net of RMB43.1 million; and (ii) fair value changes of preference shares of RMB185.5 million.

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Net Cash Flow Used in/from Investing Activities

In 2025, we had net cash generated from investing activities of RMB19.6 million, primarily attributable to withdrawal of restricted bank deposits of RMB144.4 million. The foregoing was partially offset by placement of restricted bank deposit of RMB125.3 million.

In 2024, we had net cash used in investing activities of RMB98.4 million, primarily attributable to (i) placement of restricted bank deposit of RMB131.8 million and (ii) purchases of property and equipment of RMB8.3 million. The foregoing was partially offset proceed from disposal of property, plant and equipment of RMB11.3 million.

In 2023, we had net cash used in investing activities of RMB34.1 million, primarily attributable to withdrawal of restricted bank deposits of RMB78.8 million. The foregoing was partially offset by purchase of property, plant and equipment of RMB13.9 million.

Net Cash Flow from Financing Activities

In 2025, we had net cash from financing activities of RMB2.4 million, primarily attributable to (i) new borrowings raised of RMB170.3 million; and (ii) exercise of warrants of RMB135.8 million. The foregoing was partially offset by repayment of borrowings of RMB165.7 million.

In 2024, we had net cash generated from financing activities of RMB43.3 million, primarily attributable to (i) new borrowings raised of RMB133.0 million; and (ii) capital contribution from non-controlling interest of RMB50.0 million. The foregoing was partially offset by repayment of borrowings of RMB86.6 million.

In 2023, we had net cash generated from financing activities of RMB185.4 million, primarily attributable to (i) net proceeds from issuance of preferred shares of RMB132.8 million; and (ii) new borrowings raised of RMB90.9 million. The foregoing was partially offset by (i) repayment of borrowings of RMB61.0 million; and (ii) principal portion of lease payments of RMB23.1 million.

INDEBTEDNESS

During the Track Record Period, our indebtedness included borrowings and lease liabilities. As of April 30, 2026, being the indebtedness date for the purpose of the indebtedness statement, we had a total indebtedness of RMB134.7 million.

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The following table sets forth the balance and breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Non-current				
Borrowing	10,000	—	—	—
Lease liabilities	17,473	10,772	5,521	12,613
Current				
Borrowing	75,961	132,347	137,000	110,000
Lease liabilities	16,407	11,630	9,124	12,052
Total	119,841	154,749	151,645	134,665

Except for our indebtedness as disclosed above as of December 31, 2023, 2024 and December 31, 2025, and April 30, 2026, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits which were either guaranteed or unguaranteed, secured or unsecured. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any unusual 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.

Borrowings

Our current and non-current borrowings primarily comprise secured and unsecured bank loans. Our current and non-current bank borrowings increased from RMB86.0 million as of December 31, 2023 to RMB132.3 million as of December 31, 2024, and further increased to RMB137.0 million as of December 31, 2025. Our bank borrowings decreased to RMB110.0 million as of April 30, 2026. Our borrowings are primarily denominated in Renminbi. The effective interest rate on our bank loans ranged from 2.5% to 4.8% during the Track Record Period. See Note 33 to the Accountants’ Report in Appendix I to this Document for details. As of April 30, 2026, we had unutilized bank facilities of RMB76.0 million.

Lease Liabilities

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our total lease liabilities, including current and non-current portions, amounted to RMB33.9 million, RMB22.4 million, RMB14.6 million and RMB24.7 million, respectively, mainly comprise propertie, and offices relating to R&D, manufacturing facilities and offices. See Note 18 to the Accountants’ Report in Appendix I to this Document for details.

CONTINGENT LIABILITIES

As of December 31, 2025, we did not have any material contingent liabilities.

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CAPITAL EXPENDITURES

Our capital expenditures primarily comprise expenditures for the (i) purchase of property, plant and equipment, and (ii) purchase of other intangible assets. The following table sets forth our capital expenditures for the years indicated:

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Purchases of Property, plant and equipment . .	13,927	8,327	4,814
Purchase of intangible asset	574	—	—
Total	14,501	8,327	4,814

We expect to finance our capital expenditures through financial resources currently available to us, cash generated from operations and the net [REDACTED] to be received from the [REDACTED]. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, our results of operations and financial condition, our business plans, market conditions and various other factors. See also “Future Plans and Use of [REDACTED] — Use of [REDACTED]” for details.

CAPITAL COMMITMENTS

We had no material capital commitment as of December 31, 2023 and 2024 and 2025.

KEY FINANCIAL RATIOS

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

	Year ended/As of December 31,		
	2023	2024	2025
Gross profit margin	53.6%	64.5%	65.8%
Net profit/(loss) margin.	(88.9%)	(58.5%)	(38.0%)
Adjusted net profit/(loss) margin (Non-IFRS measure) ⁽¹⁾	(50.7%)	(10.0%)	1.4%
Gearing ratio ⁽²⁾	73.5%	70.3%	67.5%
Turnover growth ⁽³⁾	5.1%	7.6%	29.8%

Notes:

- (1) Adjusted net profit /(loss) margin (Non-IFRS measure) is calculated by dividing adjusted net profit/loss (non-IFRS measure) by revenue for the year multiplied by 100%. See “— Non-IFRS Measures”
- (2) Gearing ratio is calculated as total liabilities less preferred shares, warrants, and NCI put option and divided by total equity plus preferred shares, warrants, NCI put option, fair value changes of preferred shares, and fair value changes of warrants, multiplied by 100%.
- (3) Turnover growth is calculated as the change in turnover from the prior year divided by the prior year turnover multiplied by 100%.

Gross Profit Margin

For a detailed analysis of our gross profit margin, see “— Year-to-Year Comparison of Results of Operations.”

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Net profit/(loss) margin

For a detailed analysis of our net profit/(loss) margin, see “— Year-to-Year Comparison of Results of Operations.”

Adjusted net profit/(loss) margin (Non-IFRS measure)

See “— Non-IFRS Measures” for a discussion of the factors affecting our adjusted net profit/(loss) margin (Non-IFRS measure) during the Track Record Period.

Gearing ratio

Our gearing ratio remained relatively stable at 73.5% and 70.3% as of December 31, 2023 and 2024. Our gearing ratio decrease from 70.3% as of December 31, 2024 to 67.5% as of December 31, 2025, reflecting the optimization of our capital structure.

Turnover growth

For a detailed analysis of our turnover growth, see “— Year-to-Year Comparison of Results of Operations.”

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our related party transactions, see note 38 of the Accountants’ Report included in Appendix I to this document. It is the view of our Directors that each of the related party transactions set out in Note 38 of the Accountants’ Report in Appendix I to this document (i) were conducted on arm’s length basis and on normal commercial terms, which are considered fair, reasonable and in the interest of our Shareholders as a whole; and (ii) do not distort our financial results during the Track Record Period or make our historical results not reflective of our future performance.

As of December 31, 2025, all our outstanding balances due from related parties of non-trade nature have been fully settled. Any related party transactions after the [REDACTED] will be conducted in compliance with the applicable Listing Rules.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

FINANCIAL RISK MANAGEMENT

Our activities expose us to a variety of financial risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk. We have established Administrative Measures for External Investments to enhance investment efficiency and manage risks. We prepare an annual investment plan that sets out our strategic priorities, key projects, investment methods, estimated returns, and funding sources. All investment plans are subject to internal approval procedures, with our finance department responsible for overseeing implementation and making necessary adjustments. We also adopt a project initiation system and follow a structured investment decision-making process to ensure that each investment aligns with our strategic objectives and risk control framework. Where applicable, investment decisions are subject to the approval of the Board. For details of our financial risks and our risk management measures, see note 40.2 of the Accountants’ Report included in Appendix I to this document.

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DIVIDENDS AND DIVIDEND POLICY

No dividends had been paid or declared by us during the Track Record Period.

Currently, we do not have a formal dividend policy or a fixed dividend payout ratio. Any future declarations and payments of dividends will be at the discretion of our Directors, subject to certain restrictions under Cayman Islands law, and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. As advised by our legal advisor as to the Cayman Islands law, notwithstanding that our Company may have accumulated losses, our Directors may declare dividend (a) out of profits of our Company if our Company has sufficient profits, realized or unrealized, unless such is contrary to the accounting principles adopted by our Company or (b) out of the share premium of our Company if, in each case, following the date on which the dividend is proposed to be paid, our Company is able to pay its debts as they fall due in the ordinary course of business. In determining whether to declare a dividend, our Board will need to be satisfied that the declaration of dividend is in the best interest of our Company and may make provision for losses.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. The PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits as the statutory common reserve fund until the cumulative amount of the statutory common reserve fund reaches 50% or more of such enterprises’ registered capital, if any, to fund its statutory common reserves, which are not available for distribution as cash dividends.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion, and the Joint Sponsors concur, that, taking into account the financial resources available to our Group, including the estimated net [REDACTED] from the [REDACTED] and the expected cash flows generated from operating activities, we have sufficient working capital for our present requirements and for the next 12 months from the date of this Document.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company did not have any distributable reserves.

[REDACTED]

Our [REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED] and the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED], we estimate that our [REDACTED] will be approximately RMB[REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED], including (i) [REDACTED] expenses of approximately RMB[REDACTED], and (ii) [REDACTED] expenses of approximately RMB[REDACTED], comprising (a) sponsor fee of approximately RMB[REDACTED], (b) fees and expenses of legal advisors and reporting accountant of approximately RMB[REDACTED], and (c) other fees and expenses of approximately RMB[REDACTED]. During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED], of which approximately RMB[REDACTED] was charged to the consolidated statements of profit or loss. We expect to further incur [REDACTED] of approximately RMB[REDACTED] upon completion of the [REDACTED], out of which approximately RMB[REDACTED] is expected to be charged to our consolidated

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statements of profit or loss and approximately RMB[REDACTED] is expected to be deducted from equity. The [REDACTED] above are the best estimate as of the Latest Practicable Date and for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See Unaudited [REDACTED] Financial Information in Appendix II to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure required under Rules 13.13 to 13.19 of the Listing Rules upon the [REDACTED] of the Shares on the [REDACTED].

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of the years reported on in the Accountants’ Report set out in Appendix I to this Document, and there had been no event since December 31, 2025, that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this Document.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For further details of our future plans, see “Business — Our Strategies.”

USE OF [REDACTED]

We estimate that the aggregate net [REDACTED] to our Company from the [REDACTED] after deducting [REDACTED] and other estimated expenses in connection with the [REDACTED] to be paid and payable by us taking into account any additional [REDACTED] and assuming that the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share) will be approximately HK\$[REDACTED].

In line with our strategies, we intend to use the net [REDACTED] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

	Year ending December 31,				Approximate % of the total
	2026	2027	2028	Total	
				(HK\$ in million)	
Broaden product matrix to pursue market potential	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]%
Continue to enhance R&D capabilities strengthening our core technologies and product offerings	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]%
Global penetration and market reach . .	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]%
Working capital and other general corporate purposes	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]%
Total	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]	100 %

- **Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to broaden product matrix to pursue market potential. In particular:**
 - Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to broaden product matrix within precision agriculture industry. We will enrich our current product portfolio and develop a broader range of offerings to meet the growing and diverse needs of our customers, aiming to cover different customer segments and price tiers. Additionally, we will continuously upgrade the functionality of existing products based on industry pain points to enhance their competitiveness and customer satisfaction with a clear roadmap to enhance operational accuracy, strengthen system stability, improve ease of use, and broaden compatibility. For example, we will upgrade our precision input solution by expanding its adaptability across diverse agricultural scenarios; and
 - Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to promote product development and boost market penetration in the construction and facility management industries, we will continuously enhance the functionality of existing products to expand applicability across diverse customer scenarios and strengthen user adoption. For construction solutions, we will upgrade our scanner solution by incorporating higher-performance core components, including LiDAR sensors with improved precision and range, color camera modules with enhanced resolution and imaging quality, and inertial navigation IMUs with greater

FUTURE PLANS AND USE OF [REDACTED]

accuracy. For facility management solutions, we will advance our mower solution by broadening its multi-scenario operating capabilities through a wider range of attachments and enhanced algorithm support, enabling multi-functional operations. This will allow us to broaden our customer base and boost market penetration.

- **Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to continue to enhance R&D capabilities strengthening our core technologies and product offerings. In particular:**
 - Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to enhance R&D capabilities, with a focus on investment on continuous innovation and optimization of core technologies, including advanced navigation and perception, sensor fusion, autonomous control algorithms, integrated hardware-software platforms, robotic mechanical design, and SaaS-based solutions for intelligent operations management. To this end, with approximately 90 new hires each year, covering professionals with Bachelor’s and Master’s degrees or above, possessing solid industry experience across algorithms, hardware and structural engineering, software development, testing, product and project management, we intend to hire additional R&D personnel in the next three to five years. This will reinforce our technological leadership in fields such as precision agriculture, construction, and commercial service robotics; and
 - Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to facilitate the industrial transformation and application of our R&D achievements, support close collaboration with partners, and accelerate the deployment of core modular spatial perception technologies and automation solutions across real-world scenarios in multiple industries. This will enhance the market competitiveness of our product portfolio and improve customers’ sustainable return on investment.
- **Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to global penetration and market reach. In particular:**
 - Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to expand our global sales network and broaden our international customer base. We are primarily targeting developed markets such as Europe, Japan, and North America, which offer significant growth potential due to labor shortages, aging populations, and strong purchasing power. We will continue to invest in building local supply chains and strengthening partnerships with distributors. Additionally, we plan to hire 60 to 100 local sales and marketing, customer service personnel, and technical support consultants, with bachelor or above degrees in existing markets each year over the next three to five years, to ensure timely delivery, maintenance, and after-sales service for our customers; and
 - Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) to strengthen our brand presence in international markets, connecting with potential customers and partners while establishing a well-recognized brand identity. Our initiatives include enhancing product promotion on overseas social media platforms and increasing the number of international showrooms, giving existing and prospective customers the opportunity to gain deeper insights into our products.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately HK\$[REDACTED] (or approximately [REDACTED]% of the net [REDACTED]) will be used for working capital and other general corporate purposes.

If the [REDACTED] is exercised in full, the net [REDACTED] of the [REDACTED] would increase to approximately HK\$[REDACTED] (based on the mid-point [REDACTED] of HK\$[REDACTED] per Share). We intend to apply the additional net [REDACTED] to the above uses in the proportions stated above.

The allocation of the [REDACTED] used for the above will be adjusted in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the estimated [REDACTED]. If the [REDACTED] is fixed at HK\$[REDACTED] per Share, being the high end of the stated [REDACTED], our net [REDACTED] will (i) assuming the [REDACTED] is not exercised, be increased by approximately HK\$[REDACTED], or (ii) assuming the [REDACTED] is exercised in full, be increased by approximately HK\$[REDACTED]. In such circumstances, we currently intend to use such additional [REDACTED] to increase the net [REDACTED] applied for the same purposes as set out above on a pro rata basis. If the [REDACTED] is fixed at HK\$[REDACTED] per Share, being the low end of the stated [REDACTED], our net [REDACTED] will (i) assuming the [REDACTED] is not exercised, be decreased by approximately HK\$[REDACTED], or (ii) assuming the [REDACTED] is exercised in full, be increased by approximately HK\$[REDACTED]. In such circumstances, we currently intend to reduce the net [REDACTED] applied for the same purposes as set out above on a pro rata basis.

To the extent that our net [REDACTED] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

To the extent that the net [REDACTED] of the [REDACTED] are not immediately applied to the above purposes, we will only place the net [REDACTED] from the [REDACTED] in short-term interest-bearing accounts at licensed banks or authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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ACCOUNTANT’S REPORT

The following is the text of a report set out on pages I-1 to I-78, received from the Company’s reporting accountant, [•], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[Logo]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF FJD INC. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND MORGAN STANLEY ASIA LIMITED

Introduction

We report on the historical financial information of FJD Inc. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-78, which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025, the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2025 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-78 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “**Document**”) in connection with the initial [REDACTED] of shares of the Company on [REDACTED].

Directors’ responsibility for the Historical Financial Information

The directors of the Company (the “**Directors**”) 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 3 to the Historical Financial Information, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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’ judgment, 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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 3 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

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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 Group’s financial position as at 31 December 2023, 2024 and 2025, of the Company’s financial position as at 31 December 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 3 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 30 to the Historical Financial Information which states that no dividend was declared or paid by the Company or its subsidiaries in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[DATE]

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HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the IFRS Accounting Standards as issued by International Accounting Standards Board (the “**IASB**”) and were audited by us in accordance with International Standards on Auditing issued by International Auditing and Assurance Standards Board (“**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Revenue	5	529,614	569,837	739,918
Cost of revenue		(245,777)	(202,386)	(253,068)
Gross profit		283,837	367,451	486,850
Other income	6	8,141	24,488	11,818
Selling and distribution expenses		(166,521)	(159,361)	(204,175)
Administrative expenses		(93,049)	(72,411)	(51,234)
Other gains/(losses), net	7	6,074	(24)	(962)
Research and development expenses		(269,561)	(232,058)	(230,960)
Finance costs	8	(5,422)	(11,011)	(10,959)
Fair value change of financial assets at fair value through profit or loss (“FVTPL”)	41.4	(1,682)	(14,142)	(20,772)
Fair value changes of preferred shares	41.4	(185,529)	(239,145)	(241,461)
Fair value changes of warrants	41.4	(4,782)	(9,235)	(2,627)
(Impairment losses) reversal of impairment under expected credit loss model, net	9	(43,141)	15,091	562
Impairment of investment properties	19	(3,610)	—	—
Share of result of a joint venture		—	436	(472)
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Loss before tax	11	(475,245)	(329,921)	(281,732)
Income tax credit/(expense)	10	4,184	(3,587)	642
Loss for the year		(471,061)	(333,508)	(281,090)
Other comprehensive income/(expense) <i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations		350	(999)	3,987
Total comprehensive expense for the year		(470,711)	(334,507)	(277,103)
(Loss)/profit for the year attributable to:				
Owners of the Company		(469,371)	(333,785)	(281,997)
Non-controlling interests		(1,690)	277	907
		(471,061)	(333,508)	(281,090)
Total comprehensive (expense)/income the year attributable to:				
Owners of the Company		(469,021)	(334,784)	(278,010)
Non-controlling interests		(1,690)	277	907
		(470,711)	(334,507)	(277,103)
Loss per share		RMB	RMB	RMB
Basic	15	(0.90)	(0.62)	(0.53)
Diluted	15	(0.91)	(0.62)	(0.53)

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ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS	<i>Notes</i>			
Property, plant and equipment	17	35,800	24,509	29,841
Investment properties	19	12,665	12,043	—
Right-of-use assets	18(a)	31,253	21,180	13,196
Intangible assets	20	9,451	8,041	6,670
Interest in a joint venture	16	—	472	—
Financial assets at FVTPL	21	48,318	34,176	13,404
Deferred tax assets	10	14,997	11,410	12,310
		<u>152,484</u>	<u>111,831</u>	<u>75,421</u>
CURRENT ASSETS				
Inventories	25	133,770	114,630	185,965
Trade and bills receivables	22	109,884	115,362	130,760
Prepayments, deposits and other receivables	23	70,430	56,837	87,149
Amounts due from related parties	24	52,017	27,174	25,769
Restricted bank deposits	26(a)	21,732	125,255	106,178
Cash and cash equivalents	26(b)	208,662	124,995	244,306
		<u>596,495</u>	<u>564,253</u>	<u>780,127</u>
CURRENT LIABILITIES				
Trade and bills payables	31	101,571	61,810	119,238
Bills payables under supplier chain financing	32	—	46,197	48,994
Other payables and accruals	34	78,127	54,927	58,316
Lease liabilities	18(b)	16,407	11,630	9,124
Amounts due to related parties	36	50,127	26,842	26,910
Contract liabilities	5	47,227	36,408	37,599
Borrowings	33	75,961	132,347	137,000
Financial guarantee contracts liabilities	35	392	—	—
Financial liabilities arising from warrants	37	4,782	14,017	—
Preferred shares	37	—	1,639,916	2,033,772
Obligation arising from put option	38	—	—	112,156
		<u>374,594</u>	<u>2,024,094</u>	<u>2,583,109</u>
NET CURRENT ASSETS/(LIABILITIES).		<u>221,901</u>	<u>(1,459,841)</u>	<u>(1,802,982)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>374,385</u>	<u>(1,348,010)</u>	<u>(1,727,561)</u>
NON-CURRENT LIABILITIES				
Lease liabilities	18(b)	17,473	10,772	5,521
Obligation arising from put option	38	101,126	106,156	—
Borrowings	33	10,000	—	—
Deferred income		591	562	533
Preferred shares	37	1,389,986	—	—
		<u>1,519,176</u>	<u>117,490</u>	<u>6,054</u>
NET LIABILITIES		<u>(1,144,791)</u>	<u>(1,465,500)</u>	<u>(1,733,615)</u>
CAPITAL AND RESERVES				
Share capital	27	8	8	8
Reserves		<u>(1,243,109)</u>	<u>(1,564,095)</u>	<u>(1,833,117)</u>
Equity attributable to owners of the Company		<u>(1,243,101)</u>	<u>(1,564,087)</u>	<u>(1,833,109)</u>
Non-controlling interests		98,310	98,587	99,494
TOTAL DEFICIT		<u>(1,144,791)</u>	<u>(1,465,500)</u>	<u>(1,733,615)</u>

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ACCOUNTANT’S REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
		2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Investments in subsidiaries	43	1,274,182	1,287,980	1,296,968
Amounts due from subsidiaries	24	353,959	475,497	473,071
		<u>1,628,141</u>	<u>1,763,477</u>	<u>1,770,039</u>
CURRENT ASSETS				
Prepayments, deposits and other receivables	23	—	—	5,380
Restricted bank deposits	26(a)	—	—	25
Cash and cash equivalents.	26(b)	117,965	10,791	129,792
		<u>117,965</u>	<u>10,791</u>	<u>135,197</u>
CURRENT LIABILITIES				
Other payables and accruals	34	—	—	3,442
Amounts due to subsidiaries	36	—	—	4,663
Preferred shares	37	—	1,639,916	2,033,772
Financial liabilities arising from warrants . .	37	4,782	14,017	—
		<u>4,782</u>	<u>1,653,933</u>	<u>2,041,877</u>
NET CURRENT ASSETS/(LIABILITIES).		<u>113,183</u>	<u>(1,643,142)</u>	<u>(1,906,680)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,741,324</u>	<u>120,335</u>	<u>(136,641)</u>
NON-CURRENT LIABILITY				
Preferred shares	37	1,389,986	—	—
NET ASSET/ (LIABILITIES)		<u>351,338</u>	<u>120,335</u>	<u>(136,641)</u>
CAPITAL AND RESERVES				
Share capital	27	8	8	8
Reserves	28	351,330	120,327	(136,649)
TOTAL EQUITY/(DEFICIT).		<u>351,338</u>	<u>120,335</u>	<u>(136,641)</u>

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							Non- controlling interests	Total
	Share capital	Share premium	Translation reserve	Share-based payment reserve	Other reserves (Note)	Accumulated losses	Sub-total		
	RMB'000 (note 27)	RMB'000	RMB'000	RMB'000 (note 29)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	8	—	(2,787)	172,998	353,550	(1,208,269)	(684,500)	—	(684,500)
Loss for the year	—	—	—	—	—	(469,371)	(469,371)	(1,690)	(471,061)
Other comprehensive income for the year	—	—	350	—	—	—	350	—	350
Total comprehensive income/(expense) for the year	—	—	350	—	—	(469,371)	(469,021)	(1,690)	(470,711)
Issuance of shares by a subsidiary (note 38)	—	—	—	—	—	—	—	100,000	100,000
Recognition of obligation arising from put options by non-controlling interests (note 38)	—	—	—	—	(100,000)	—	(100,000)	—	(100,000)
Recognition of share-based payment expenses	—	—	—	10,420	—	—	10,420	—	10,420
At 31 December 2023 and 1 January 2024	8	—	(2,437)	183,418	253,550	(1,677,640)	(1,243,101)	98,310	(1,144,791)
(Loss)/profit for the year	—	—	—	—	—	(333,785)	(333,785)	277	(333,508)
Other comprehensive expense for the year	—	—	(999)	—	—	—	(999)	—	(999)
Total comprehensive (expense)/income for the year	—	—	(999)	—	—	(333,785)	(334,784)	277	(334,507)
Recognition of share-based payment expenses	—	—	—	13,798	—	—	13,798	—	13,798
At 31 December 2024 and 1 January 2025	8	—	(3,436)	197,216	253,550	(2,011,425)	(1,564,087)	98,587	(1,465,500)
(Loss)/profit for the year	—	—	—	—	—	(281,997)	(281,997)	907	(281,090)
Other comprehensive income for the year	—	—	3,987	—	—	—	3,987	—	3,987
Total comprehensive income/(expense) for the year	—	—	3,987	—	—	(281,997)	(278,010)	907	(277,103)
Recognition of share-based payment expenses	—	—	—	8,988	—	—	8,988	—	8,988
At 31 December 2025	8	—	551	206,204	253,550	(2,293,422)	(1,833,109)	99,494	(1,733,615)

Note:

The other reserves as of 1 January 2023 of approximately RMB353,550,000 mainly comprise difference between the cost of the ordinary shares and the fair value of the preferred shares recognised upon the conversion of certain ordinary shares into Series B preferred shares on an one-to-one conversion basis in prior year.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
OPERATING ACTIVITIES			
Loss before tax	(475,245)	(329,921)	(281,732)
Adjustments for:			
Depreciation of property, plant and equipment	14,799	7,873	7,893
Amortisation of intangible assets	1,633	1,410	1,335
Depreciation of investment properties	801	622	311
Depreciation of right-of-use assets	21,967	17,669	14,193
(Gain)/loss on disposal and write-off of property, plant and equipment	(407)	377	2,396
Loss of modification of lease	736	327	—
Finance costs	5,422	11,011	10,959
Interest income	(1,356)	(2,111)	(7,882)
Loss on write-off of intangible assets	23	—	36
Impairment of investment properties	3,610	—	—
Change in deferred income	(30)	(29)	(29)
Change in financial guarantee contracts liabilities	(22,165)	748	—
Fair value changes of financial assets at FVTPL	1,682	14,142	20,772
Fair value changes of preferred shares	185,529	239,145	241,461
Fair value changes of warrants	4,782	9,235	2,627
Impairment loss (reversal of impairment) under expected credit loss model, net	43,141	(15,091)	(562)
Write-down of inventories, net	15,034	14,180	10,895
Share-based payment expenses	10,420	13,798	8,988
Foreign exchange losses/(gains), net	853	(1,572)	(3,844)
Share of result of a joint venture	—	(436)	472
Operating cash flows before movements in working capital	(188,771)	(18,623)	28,289
(Increase)/decrease in trade and bills receivables	(12,128)	7,837	(12,429)
Decrease/(increase) in prepayments, deposits and other receivables	18,507	13,489	(21,482)
(Increase)/decrease in inventories	(7,079)	2,805	(82,230)
Decrease/(increase) in amounts due from related parties	2,129	(25,154)	1,405
(Decrease)/increase in trade and bills payables	(53,577)	49,383	175,400
Increase/(decrease) in other payables and accruals	4,632	(23,201)	2,687
Increase/(decrease) in contract liabilities	18,253	(10,819)	1,191
Increase/(decrease) in amounts due to related parties	47,971	(23,285)	68
Cash (used in)/generated from operations	(170,063)	(27,568)	92,899
Income taxes paid	—	—	(258)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(170,063)	(27,568)	92,641

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ACCOUNTANT’S REPORT

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
INVESTING ACTIVITIES			
Placement of restricted bank deposits	(68,072)	(131,814)	(125,297)
Withdrawal of restricted bank deposits	78,827	28,291	144,374
Interest received	1,356	2,111	4,402
Capital injection in an associate	—	(36)	—
Purchase of intangible asset	(574)	—	—
Purchase of financial assets at FVTPL	(35,000)	—	—
Purchases of property, plant and equipment	(13,927)	(8,327)	(4,814)
Placement of deposits for financial guarantee contracts	—	(3)	—
Refund of deposits for financial guarantee contracts	478	—	—
Proceed from disposal of property, plant and equipment	2,827	11,337	977
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(34,085)	(98,441)	19,642
FINANCING ACTIVITIES			
Principal portion of lease payments	(23,056)	(18,852)	(14,708)
Interest paid	(4,296)	(5,981)	(4,959)
Net proceeds from issuance of preferred shares	132,789	10,785	—
Issuance of shares by a subsidiary	50,000	—	—
Exercise of warrants	—	—	135,751
Payment for deferred share issue costs	—	—	(3,608)
Repayment from a non-controlling shareholder	—	50,000	—
Repayment of bills payable under supplier chain financing	—	(38,970)	(114,700)
New borrowings raised	90,900	132,968	170,268
Repayment of borrowings	(60,951)	(86,611)	(165,693)
NET CASH FROM FINANCING ACTIVITIES	185,386	43,339	2,351
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(18,762)	(82,670)	114,634
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	227,076	208,662	124,995
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	348	(997)	4,677
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	208,662	124,995	244,306

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ACCOUNTANT’S REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 7 June 2021. The respective address of registered office and the principal place of business of the Company are set out in the section headed “Corporate Information” in the Document.

The Company acts as an investment holding company, and the principal activities of its subsidiaries are design, development and production of robotic solutions and the associated technologies in various industries, including agriculture and livestock farming, construction and facility management.

No statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in the jurisdiction where there are no statutory audit requirements.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

New and amendments to IFRS Accounting Standards in issue but not yet effective

In the current year, the Group has not early applied the following new and amendments to IFRS Accounting Standards issued by the IASB that have been issued but are not yet effective:

Standards/Amendments	Contents	Effective for annual periods beginning on or after
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation	January 1, 2027
	Currency	
IFRS 20	Regulatory Assets and Regulatory Liabilities	January 1, 2029

Except for the new IFRS Accounting Standard below, the management of the Company anticipate that the application of all the other new and amendments to IFRS Accounting Standards above will have no material impact on the financial statements of the Company and its subsidiaries in the foreseeable future.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 “Presentation of Financial Statements”. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the

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notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 “Changes in Accounting Policies, Estimates and Errors” and IFRS 7 “Financial instruments: Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027 with early application permitted. The Directors anticipate that the application of IFRS 18 is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in future consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statement of profit or loss, even though the IFRS 18 will have no material impact on the financial position and performance of the Group given it will not impact the recognition or measurement of items in the consolidated financial statements.

3. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The Historical Financial Information has been consistently prepared based on the accounting policies which conform with IFRS Accounting Standards as issued by the IASB throughout the Track Record Period. In addition, the Historical Financial Information include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

Going concern assessment

As at 31 December 2025, the Group had net current liabilities of RMB1,802,982,000, net liabilities of RMB1,733,615,000 and accumulated losses of RMB2,293,422,000. According to the Memorandum and Articles of Association of the Company and the shareholder resolutions agreed by the holders of preferred shares and the Company on 29 May 2026, the redemption right of preferred shares has been suspended until 31 December 2027, details of which are disclosed in Note 37. The Directors are of the opinion that the preferred shares with carrying amount of RMB2,033,772,000 as at 31 December 2025 will not have cash flow impact to the Group in the next twelve months from the date of this report.

[Taking into account the Group’s net operating cash inflow of RMB92,641,000 for the year ended 31 December 2025, the Group’s cash and cash equivalent of RMB244,306,000 as at 31 December 2025 and the Group’s cash flow projection for the next twelve months from the date of this report, the Directors believe that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from the date of the report. Accordingly, the Directors consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.]

Material accounting policy information

3.1 Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and

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- has the ability to use its power to affect its returns.

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 listed above.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets upon liquidation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3.2 Revenue from contracts with customers

Information about the Group’s accounting policies related to revenue from contracts with customers is provided in Note 5.

3.3 Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 “Leases” at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes the amount of the initial measurement of the lease liability.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 “Financial Instruments” and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Rental income which are not derived from the Group’s ordinary course of business are presented as other income.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

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3.4 Foreign currency translation

The Group’s presentation currency is 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.

In preparing the financial statements of each individual entity, transactions in currencies other than the functional currency of that entity (“**foreign currencies**”) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group’s foreign operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

3.5 Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

Pension obligations

The employees of the Group which operates in Mainland China 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.

3.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the condition attaching to them and that the grants will be received.

Government grants related to income that are receivables 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. Such grants are presented under “other income”.

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3.7 *Share-based payments*

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of awarded shares that will eventually vest, with a corresponding increase in equity (share-based payment reserve).

3.8 *Taxation*

Income tax expense represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable loss for the year. Taxable loss differs from loss before tax because of income or expense that is taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

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Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised directly in equity, in which case, the current and deferred tax are also recognised directly in equity, respectively.

3.9 Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.10 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

If an investment property becomes owner-occupied due to a change in use, evidenced by the commencement of owner-occupation, the carrying amount of the investment property at the date of the change in use shall be regarded as the deemed cost for subsequent accounting of the owner-occupied property.

An investment is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3.11 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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3.12 Impairment on property, plant and equipment, investment properties, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, investment properties, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate assets belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit of the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realised value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

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3.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

3.15 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 “Revenue from Contracts with Customers”. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(a) Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in “fair value changes of financial assets at fair value through profit or loss”.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss model on financial assets (including trade and bills receivables, deposits, other receivables, amounts due from related parties, restricted bank deposits, cash and cash equivalents), which are subject to impairment under IFRS 9. The amount of expected credit loss (“**ECL**”) is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant assets. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

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For all other assets, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of the financial guarantee contracts liabilities, the Group considers changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

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For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flow but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(b) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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Financial liabilities at amortised cost

Financial liabilities including trade and bills payables, bills payables under supplier chain financing, amounts due to related parties, other payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Preferred shares

The preferred shares are initially recognised at fair value. The Group does not account for the embedded derivatives separately from the host contract and designates each of preferred shares as financial liabilities at FVTPL as a whole with fair value change recognised in “fair value changes of preferred shares” in profit or loss.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability’s credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Obligation arising from put option

A contract that contains an obligation to purchase the equity instruments of the Group’s subsidiary for cash or other financial assets gives rise to a financial liability to be determined based on the present value of the redemption amount. At initial recognition, the Group recognises a gross obligation as a financial liability equal to the present value of the redemption amount, with a corresponding debit in equity. The financial liability is subsequently measured at amortised cost with accretion of interest thereon recognised over time and charged to profit or loss as “finance costs”.

Derivative financial instruments

Warrants for subscription of preferred shares are initially recognised at fair value at the date when the warrants are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

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Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on amortised cost of the instruments. These foreign exchange gains and losses are recognised in the “Other gains/(losses), net” line item in profit or loss (Note 7).

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.16 Research and development costs

All research costs are charged to the statement of profit or loss and other comprehensive income as incurred. Where no internally generated intangible assets can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Estimation of the fair value of the preferred shares

The preferred shares issued by the Company are not traded in an active market and the respective fair value is determined using valuation techniques. The Group applied the discounted cash flow method to determine the underlying equity value of the Company and adopted liquidation value and redemption value to determine the fair value of the preferred shares. The details of key assumptions and key inputs are included in Note 37. The fair value of preferred shares were RMB1,389,986,000, RMB1,639,916,000 and RMB2,033,772,000 as at 31 December 2023, 2024 and 2025 respectively. The

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fair value changes of preferred shares loss of RMB185,529,000, RMB239,145,000 and RMB241,461,000, were recognised in profit or loss for the years ended 31 December 2023, 2024 and 2025, respectively.

Provision of ECL for trade receivables

Credit-impaired trade receivables are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group’s historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information including forecast of gross domestic product ratio, forecast of consumer price index and other relevant factors are considered. The provision of ECL is sensitive to changes in estimates. The carrying amounts of trade receivables, net of allowance of ECL, were RMB109,884,000, RMB115,043,000 and RMB130,705,000 as at 31 December 2023, 2024 and 2025 respectively. The impairment under ECL model of trade receivables comprising impairment of RMB24,340,000, reversal of impairment of RMB14,056,000, and impairment of RMB502,000, were recognised in profit or loss for the years ended 31 December 2023, 2024 and 2025, respectively.

Impairment of inventories

Adjustments are recorded to write down the cost of inventories to the estimated net realisable value due to slow-moving merchandise and damaged goods, which is dependent upon factors such as historical and forecasted consumer demand, and promotional environment. The carrying amounts of inventories were RMB133,770,000, RMB114,630,000 and RMB185,965,000 as at 31 December 2023, 2024 and 2025 respectively. The write-down of inventories of RMB15,034,000, RMB14,180,000, and RMB10,895,000 were recognised in profit or loss for the years ended 31 December 2023, 2024 and 2025, respectively.

Estimated impairment of non-current assets (other than interest in a joint venture, financial assets at FVTPL and deferred tax assets)

Non-current assets (other than interest in a joint venture, financial assets at FVTPL and deferred tax assets) are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate, or income approach for investment properties. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2023, 2024 and 2025, the carrying amounts of property, plant and equipment were RMB35,800,000, RMB24,509,000 and RMB29,841,000, respectively; the carrying amounts of right-of-use assets were RMB31,253,000, RMB21,180,000 and RMB13,196,000, respectively; and the

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carrying amounts of intangible assets were RMB9,451,000, RMB8,041,000 and RMB6,670,000, respectively. After performing the impairment assessment on these assets, it was determined that no impairment was recognised for the Track Record Period.

As at 31 December 2023 and 2024, the carrying amounts of investment properties subject to impairment assessment were RMB12,665,000 and RMB12,043,000 respectively, after taking into account the impairment losses charged during the years end 31 December 2023 and 2024 of RMB3,610,000 and nil respectively. Details of the impairment of investment properties are disclosed in Note 19.

5. REVENUE AND SEGMENT INFORMATION AND CONTRACT LIABILITIES

(a) Revenue

(i) *Disaggregation of revenue from contracts with customers*

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<i>Sales of products recognised at a point in time:</i>			
Agriculture and livestock farming equipment .	470,348	443,177	497,536
Construction equipment.	41,027	82,807	118,890
Facility management equipment.	12,610	32,174	89,696
Software	5,629	11,679	33,796
Total	<u>529,614</u>	<u>569,837</u>	<u>739,918</u>

(ii) *Performance obligations for contracts with customers and revenue recognition policy*

Revenue from sales of products

The Group primarily provides agricultural and livestock farming equipment, construction equipment, facility management equipment and software to distributors.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods underlying the particular performance obligation is transferred to the customer.

Revenue is recognised at a point in time when the customer obtains control of the distinct good.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

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At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

For contracts which provide a customer with a right to return the products if the products are damaged, the expected method is used to estimate the products that will not be returned because this method best predicts the amount of variable considerations to which the Group will be entitled. The requirement in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For products that are expected to be returned for a refund, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of revenue) is also recognised for the Group’s right to recover products from a customer.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All the contracts with customers of the Group are for periods of one year or less. A permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(b) Segment information

Information reported to the Group’s chief operating decision maker (“CODM”), being the chief executive officer (“CEO”) of the Group, for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services rendered, which is also consistent with the basis of organisation of the Group.

The Group’s operating and reportable segments under IFRS 8 “Operating Segments” are as follows:

- (i) Agriculture and livestock farming equipment
- (ii) Construction equipment
- (iii) Facility management equipment
- (iv) Software

The CODM makes decisions according to gross profit of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purpose of resources allocation and performance assessment. Therefore, only segment revenue and segment gross profit are presented.

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	Agriculture and livestock farming equipment	Construction equipment	Facility management equipment	Software	Year ended 31 December 2023 Consolidated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue	470,348	41,027	12,610	5,629	529,614
Segment expense	(225,560)	(12,017)	(8,200)	—	(245,777)
Segment gross profit	<u>244,788</u>	<u>29,010</u>	<u>4,410</u>	<u>5,629</u>	283,837
Unallocated corporate expenses					(569,808)
Other unallocated income . .					8,141
Fair value changes of preferred shares					(185,529)
Fair value of financial assets at FVTPL					(1,682)
Fair value changes of warrants					(4,782)
Finance costs					<u>(5,422)</u>
Loss before tax					<u>(475,245)</u>

	Agriculture and livestock farming equipment	Construction equipment	Facility management equipment	Software	Year ended 31 December 2024 Consolidated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue	443,177	82,807	32,174	11,679	569,837
Segment expense	(162,647)	(22,294)	(17,445)	—	(202,386)
Segment gross profit	<u>280,530</u>	<u>60,513</u>	<u>14,729</u>	<u>11,679</u>	367,451
Unallocated corporate expenses					(448,763)
Other unallocated income . .					24,488
Fair value changes of preferred shares					(239,145)
Fair value of financial assets at FVTPL					(14,142)
Fair value changes of warrants					(9,235)
Share of result of a joint venture					436
Finance costs					<u>(11,011)</u>
Loss before tax					<u>(329,921)</u>

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	Agriculture and livestock farming equipment	Construction equipment	Facility management equipment	Software	Year ended 31 December 2025 Consolidated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue	497,536	118,890	89,696	33,796	739,918
Segment expense	(183,198)	(36,275)	(33,595)	—	(253,068)
Segment gross profit	<u>314,338</u>	<u>82,615</u>	<u>56,101</u>	<u>33,796</u>	486,850
Unallocated corporate expenses					(504,109)
Other unallocated income . .					11,818
Fair value changes of preferred shares					(241,461)
Fair value of financial assets at FVTPL					(20,772)
Fair value changes of warrants					(2,627)
Share of result of a joint venture					(472)
Finance costs					<u>(10,959)</u>
Loss before tax					<u>(281,732)</u>

The accounting policies of the operating segments are the same as the Group’s accounting policies. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Geographic information

Information about the Group’s revenue from external customers is presented based on the location of customers. The Group’s customers are located in the following geographical areas, even though they are managed on a worldwide basis.

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Europe	220,807	301,076	396,973
Asia	245,857	187,537	223,749
The Americas	51,016	66,777	87,593
Rest of the world	11,934	14,447	31,603
Total	<u>529,614</u>	<u>569,837</u>	<u>739,918</u>

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During the years ended 31 December 2023, 2024 and 2025, based on location of customers, revenue generated from the countries of the corresponding years contributing over 10% of the total revenue are as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
People Republic of China (“PRC”)	171,435	129,874	138,925
Germany	N/A	66,863	N/A

Non-current assets excluding interest in a joint venture, financial instruments, and deferred tax assets, based on location of assets, are as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC.	78,979	58,379	43,051
Sweden	10,190	7,394	5,564
Singapore.	—	—	1,092
Total	89,169	65,773	49,707

Information about major customers

During the Track Record Period, no revenue from a single customer contributed over 10% of the total revenue for each reporting period.

(c) Contract liabilities

The Group collected payments in advances from customers primarily for sales of products. The Group has recognised the following liabilities related to contracts with customers under “contract liabilities”:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities	47,227	36,408	37,599

As at 1 January 2023, contract liabilities amounted to around RMB28,974,000. The Directors considered that the entire balance of contract liabilities as at 31 December 2023, 2024 and 2025 would be realised within one year based on the Group’s earliest obligation to deliver products to the customers and are classified as current liabilities.

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The following table shows the amount of the revenue recognised during the Track Record Period relates to carried-forward contract liabilities at the beginning of the year:

	For the year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	28,974	47,227	36,408

6. OTHER INCOME

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest income	1,356	2,111	7,882
Government grants (<i>Note</i>)			
— related to assets	29	29	29
— related to expense items	5,775	21,162	3,292
Rental income	850	567	—
Others	131	619	615
Total	8,141	24,488	11,818

Note: The government grants were mainly incentives provided by local government authorities in Hong Kong and Mainland China, including various forms of government financial incentives, to reward the Group’s contribution for the research and development of technology. There were no unfulfilled conditions or contingencies relating to these government grants at the end of each reporting period.

7. OTHER GAINS/(LOSSES), NET

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Exchange (losses)/gains, net	(2,802)	314	2,800
Gains on financial guarantee	5,192	392	—
Loss on modification of leases	(736)	(327)	—
Gains/(losses) on disposal and write-off of property, plant and equipment	407	(377)	(2,396)
Waiver of payable due to a supplier	3,053	—	—
Input value-added tax receivable written-off	—	—	(1,292)
Others	960	(26)	(74)
Total	6,074	(24)	(962)

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8. FINANCE COSTS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest expenses on obligation arising from NCI put option	1,126	5,030	6,000
Interest expenses on borrowings	1,956	4,356	4,090
Interest expenses on lease liabilities.	2,340	1,338	849
Interest expenses on supplier chain financing	—	287	20
Total	<u>5,422</u>	<u>11,011</u>	<u>10,959</u>

9. (IMPAIRMENT LOSSES) REVERSAL OF IMPAIRMENT UNDER EXPECTED CREDIT LOSS MODEL, NET

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Impairment losses recognised, net of reversal, on:			
— trade receivables.	(24,340)	14,056	(502)
— other receivables	(1,828)	(105)	(82)
— financial guarantee contracts liabilities	(16,973)	1,140	1,146
Total	<u>(43,141)</u>	<u>15,091</u>	<u>562</u>

Details of impairment assessment are set out in Note 41.2.

10. INCOME TAX CREDIT/(EXPENSE) AND DEFERRED TAX ASSETS

Income tax

Cayman Islands

Under the current laws of the Cayman Islands, the Company, which is incorporated in the Cayman Islands, is not subject to tax on income or capital gains.

British Virgin Islands (“BVI”)

Under the current laws of the BVI, entities incorporated in the BVI are not subject to tax on their income or capital gains.

Sweden

Pursuant to the Corporate Tax Act, the Group’s Swedish subsidiary is subject to a statutory corporate income tax rate of 20.6%, applied to global income for entities resident in Sweden.

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Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong dollars (“**HKD**”) 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD 2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HKD 2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HKD 2 million.

Mainland China

Pursuant to the Enterprise Income Tax Law of the PRC and its Implementation Regulations, the PRC subsidiaries of the Group are subject to a statutory enterprise income tax rate of 25%, while certain subsidiaries meeting the criteria for “High and New Technology Enterprise” (HNTE) status under the EIT Law effective from 1 January 2008 are entitled to a preferential tax rate of 15% for periods up to three years (renewable for additional three-year terms upon reapplication and qualification). As of 31 December 2023, 2024, and 2025, FJ Intelligent (Shenzhen) Limited, FJ Intelligent Technology Limited, FJ Intelligent Software Technology (Nanjing) Limited, and FJ Intelligent Technology Academy (Changzhou) Limited maintained valid HNTE statuses, except for FJ Intelligent Technology Limited which did not renew its HNTE status in November 2023, resulting in its applicable tax rate reverted to 25% for the 2023 financial year before regaining HNTE status in October 2024 and the preferential 15% rate in November 2024. The subsidiaries’ HNTE qualifications remain subject to periodic reassessment by tax authorities.

During the Track Record Period, several subsidiaries in PRC were qualified as small and micro enterprises under the PRC EIT regime, which enjoy an enterprise income tax rate of 5%.

Withholding tax on undistributed dividends

Under the EIT Law, a 10% withholding tax applies to dividends distributed by a foreign-invested enterprise (“**FIE**”) in Mainland China to its immediate non-PRC resident holding company, provided such holding company has no establishment or place of business in Mainland China, or the dividends are not connected to such establishment. However, pursuant to the August 2006 Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income. Dividends paid by a Mainland FIE to its Hong Kong-resident immediate holding company are subject to withholding tax capped at 5%, provided the foreign investor directly holds at least 25% of the FIE’s shares. As the Company did not declare, distribute, or plan to distribute dividends in foreseeable future, no withholding tax was incurred or recorded on PRC subsidiary profits.

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current income tax expense:			
PRC EIT.	—	—	—
Oversea taxation	—	—	(258)
Deferred income tax credit (expense).	4,184	(3,587)	900
Total	<u>4,184</u>	<u>(3,587)</u>	<u>642</u>

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The income tax credit/(expense) for the years can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before tax	(475,245)	(329,921)	(281,732)
Tax at the domestic income tax rate of 25% . .	(118,811)	(82,480)	(70,433)
Tax effects of:			
Share of results of a joint venture	—	(109)	118
Expenses not deductible for tax purpose . . .	78,596	150,628	151,143
Income not taxable for tax purpose	(56,976)	(77,945)	(102,192)
Super deduction for research and development expenses	(33,769)	(28,367)	(33,890)
Tax losses not recognised	118,952	49,430	55,887
Deductible temporary differences not recognised	12,629	7,314	4,670
Utilisation of deductible temporary differences previously not recognised . . .	(4,044)	(6,952)	(6,434)
Tax-exempt entities	1,334	(1,389)	4,526
Different tax rates of subsidiaries operating in other jurisdictions	(2,095)	(6,543)	(4,037)
Total income tax (credit)/expense	(4,184)	3,587	(642)

Deferred tax

The Group

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset.

The following is the deferred tax assets (liabilities) recognised and movements thereon during the Track Record Period:

	Tax losses	ECL provision	Inventory provision	Right-of-use assets	Lease liability	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023 . . .	4,464	1,359	3,158	(5,496)	5,865	1,463	10,813
Credited/(charged) to profit or loss	6,222	1,699	(2,895)	1,802	(1,873)	(771)	4,184
As at 31 December 2023 .	10,686	3,058	263	(3,694)	3,992	692	14,997
(Charged)/credited to profit or loss	(4,817)	225	49	1,363	(1,522)	1,115	(3,587)
As at 31 December 2024 .	5,869	3,283	312	(2,331)	2,470	1,807	11,410
Credited/(charged) to profit or loss	569	919	976	1,066	(1,143)	(1,487)	900
As at 31 December 2025 .	6,438	4,202	1,288	(1,265)	1,327	320	12,310

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Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	1,593,946	1,791,665	2,015,215
Deductible temporary differences.	81,906	83,351	76,296
	<u>1,675,852</u>	<u>1,875,016</u>	<u>2,091,511</u>

As at 31 December 2023, 2024 and 2025, the Group has unused tax losses of approximately RMB1,665,186,000, RMB1,830,794,000, RMB2,058,140,000 available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB71,240,000, RMB39,129,000 and RMB42,925,000 of such losses. No deferred tax asset has been recognised in respect of the remaining approximately RMB1,593,946,000, RMB1,791,665,000 and RMB2,015,215,000 due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB1,525,343,000, RMB1,707,009,000 and RMB1,924,291,000 with expiry dates as disclosed in the following table. Other losses may be carried forward indefinitely.

	2023/12/31	2024/12/31	2025/12/31
	RMB'000	RMB'000	RMB'000
2024	482	—	—
2025	3,268	3,268	—
2026	1,063	1,063	1,063
2027	49,049	49,049	49,049
2028	161,185	161,185	161,185
2029	202,623	229,850	229,850
2030	308,157	308,157	365,684
2031	214,791	214,791	214,791
2032	303,574	303,574	303,574
2033	281,151	281,151	281,151
2034	—	154,921	154,921
2035	—	—	163,023
	<u>1,525,343</u>	<u>1,707,009</u>	<u>1,924,291</u>

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11. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories sold	230,743	188,206	242,173
Write down of inventory, net (included in cost of revenue)	15,034	14,180	10,895
Employee benefit expenses (<i>Note 12</i>).	383,719	346,046	353,315
Depreciation of property, plant and equipment.	14,799	7,873	7,893
Depreciation of investment properties	801	622	311
Amortisation of intangible assets	1,633	1,410	1,335
Depreciation of right-of-use assets	21,967	17,669	14,193
Auditor’s remuneration	843	420	420
	<u> </u>	<u> </u>	<u> </u>

12. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and bonuses	292,910	258,359	268,780
Share-based payments	10,420	13,798	8,988
Welfare, medical and other benefits	80,389	73,889	75,547
Total	<u>383,719</u>	<u>346,046</u>	<u>353,315</u>

The employee benefit expenses include the remuneration of directors as disclosed in Note 13 during the Track Record Period.

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13. DIRECTORS’ EMOLUMENTS

Directors’ remuneration for the Track Record Period, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

(a) The remuneration of directors is set out below:

For the year ended 31 December 2023						
Names	Salaries and other emoluments	Bonuses	Share-based compensation expenses	Pension costs — defined contribution plans	Welfare, medical and other benefits	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<i>Executive director and CEO:</i>						
Mr. Wu Di ¹	2,686	—	—	63	78	2,827
<i>Executive director and CFO:</i>						
Ms. Zhang Qi ²	1,730	—	—	16	—	1,746
<i>Executive director:</i>						
Mr. Qin Shuo ³	755	100	2,097	63	97	3,112
<i>Non-executive directors:</i>						
Mr. Gao Shangyu ⁴	—	—	—	—	—	—
Mr. Lyu Feng ⁵	—	—	—	—	—	—
Mr. Lyu Yapeng ⁶	—	—	—	—	—	—
Mr. Diao Guangyun ⁷	—	—	—	—	—	—
Mr. Ding Shaobin ⁸	—	—	—	—	—	—
Mr. Yin Cong ⁹	—	—	—	—	—	—
Total	5,171	100	2,097	142	175	7,685
For the year ended 31 December 2024						
Names	Salaries and other emoluments	Bonuses	Share-based compensation expenses	Pension costs — defined contribution plans	Welfare, medical and other benefits	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<i>Executive director and CEO:</i>						
Mr. Wu Di ¹	2,713	—	—	70	71	2,854
<i>Executive director and CFO:</i>						
Ms. Zhang Qi ²	1,751	—	—	16	—	1,767
<i>Executive director:</i>						
Mr. Qin Shuo ³	809	100	3,220	70	93	4,292
<i>Non-executive directors:</i>						
Mr. Diao Guangyun ⁷	—	—	—	—	—	—
Mr. Ding Shaobin ⁸	—	—	—	—	—	—
Mr. Yin Cong ⁹	—	—	—	—	—	—
Mr. Bian Lishan ¹⁰	—	—	—	—	—	—
Total	5,273	100	3,220	156	164	8,913

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For the year ended 31 December 2025

Names	Salaries and other emoluments	Bonuses	Share-based compensation expenses	Pension costs — defined contribution plans	Welfare, medical and other benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director and CEO:</i>						
Mr. Wu Di ¹	2,690	—	—	46	36	2,772
<i>Executive director and CFO:</i>						
Ms. Zhang Qi ²	1,757	—	—	16	—	1,773
<i>Executive director:</i>						
Mr. Qin Shuo ³	1,028	100	2,030	57	62	3,277
<i>Non-executive directors:</i>						
Mr. Diao Guangyun ⁷	—	—	—	—	—	—
Mr. Yin Cong ⁹	—	—	—	—	—	—
Mr. Bian Lishan ¹⁰	—	—	—	—	—	—
Mr. Huang Zeyu ¹¹	—	—	—	—	—	—
Total	5,475	100	2,030	119	98	7,822

Notes:

1. Appointed as executive director and CEO since July 2021. The emoluments disclosed above include those for services rendered by Mr. Wu Di as the CEO of the Group.
2. Appointed as executive director and CFO since July 2021. The emoluments disclosed above include those for services rendered by Ms. Zhang Qi as the CFO of the Group.
3. Appointed as executive director since September 2021. Mr. Qin Shuo was entitled to bonus payment which are determined based on certain key financial performance of the Group.
4. Appointed as non-executive director since September 2021 and resigned in October 2023.
5. Appointed as non-executive director since September 2021 and resigned in October 2023.
6. Appointed as non-executive director since September 2021 and resigned in December 2023.
7. Appointed as non-executive director since October 2023 and resigned in May 2025.
8. Appointed as non-executive director since October 2023 and resigned in September 2024.
9. Appointed as non-executive director since December 2023 and resigned in September 2025.
10. Appointed as non-executive director since September 2024 and resigned in September 2025.
11. Appointed as non-executive director since May 2025 and resigned in September 2025.

The executive directors’ emoluments shown above were for their services in connection with the management of the affairs of the Group.

Mr. Wu Di and Ms. Zhang Qi are also the CEO and CFO of the Group, respectively, their emoluments disclosed above include those for services rendered by them as the CEO and CFO, respectively.

During the Track Record Period, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the director has waived or agreed to waive any emoluments during the Track Record Period.

No independent non-executive directors were appointed by the Company during the Track Record Period.

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14. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees include three, three, three directors for the years ended 31 December 2023, 2024 and 2025, respectively, whose remuneration during the Track Record Period is set out in Note 13. The emoluments payable to the remaining two, two, two individuals for the years ended 31 December 2023, 2024 and 2025, respectively, who are neither a director nor the CEO of the Company, during the Track Record Period, were as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and other emoluments	1,772	1,928	2,038
Bonuses	70	173	178
Share-based payment expenses	1,271	1,878	1,321
Pension costs-defined contribution plans	118	133	140
Welfare, medical and other benefits	210	208	213
Total	3,441	4,320	3,890

The number of the five highest paid employees including the directors whose emoluments fell within the following bands:

	Number of individuals		
	Year ended 31 December		
	2023	2024	2025
	<i>No. of employees</i>	<i>No. of employees</i>	<i>No. of employees</i>
Emolument bands (<i>in HKD</i>)			
HKD1,500,001 to HKD2,000,000	2	2	2
HKD2,000,001 to HKD2,500,000	1	—	—
HKD2,500,001 to HKD3,000,000	—	1	1
HKD3,000,001 to HKD3,500,000	2	1	1
HKD3,500,001 to HKD4,000,000	—	—	1
HKD4,500,001 to HKD5,000,000	—	1	—
Total	5	5	5

During the Track Record Period, no emoluments were paid by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for the loss of office.

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15. LOSS PER SHARE

The calculation of the loss per share attributable to owners of the Company is based on the following data:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Numerator:			
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	(469,371)	(333,785)	(281,997)
Add: Adjustments for obligation arising from put options by non-controlling interests	(564)	—	—
Loss for the purpose of calculating diluted loss per share	<u>(469,935)</u>	<u>(333,785)</u>	<u>(281,997)</u>
	Year ended 31 December		
	2023	2024	2025
Denominator:			
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share (<i>thousand shares</i>) . .	<u>518,975</u>	<u>535,376</u>	<u>535,376</u>
Basic loss per share attributable to owners of the Company (<i>RMB per share</i>).	<u>(0.90)</u>	<u>(0.62)</u>	<u>(0.53)</u>
Diluted loss per share attributable to owners of the Company (<i>RMB per share</i>).	<u>(0.91)</u>	<u>(0.62)</u>	<u>(0.53)</u>

The computation of diluted loss per share for the years ended 31 December 2023, 2024 and 2025 do not assume the conversion of the Company’s outstanding preferred shares and the vesting of the share awards since their assumed exercise and vesting would result in a decrease in loss per share.

The computation of diluted loss per share for the years ended 31 December 2024 and 2025 do not assume the exercise of the put option held by non-controlling shareholder of a subsidiary since their assumed exercise would result in a decrease in loss per share.

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16. INTEREST IN A JOINT VENTURE

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of investment in a joint venture	—	36	36
Share of post-acquisition profit and comprehensive income, net of dividend received	—	436	(36)
	—	472	—

As at 31 December 2025, the Group has unrecognised share of losses of this joint venture amounting to approximately RMB842,000.

General information of the joint venture is as follow:

Name of entity	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued capital held by the Company			Principal activity
			As at 31 December 2023	As at 31 December 2024	As at 31 December 2025	
Lighthouse Inno-Lab Limited	Hong Kong	HK\$100,000	—	40%	40%	Product research and development

On 20 March 2024, the Group entered into agreement with an independent third party in relation to the investment in the joint venture. Pursuant to the agreement, the major business decisions of the joint venture require the unanimous consent of both parties.

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17. PROPERTY, PLANT AND EQUIPMENT

	Properties	Machinery and equipment	Computer and other equipment	Leasehold Improvement	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost							
As at 1 January 2023	—	34,359	21,799	10,128	1,160	27	67,473
Additions	—	5,439	2,524	4,775	97	1,092	13,927
Disposals	—	(3,994)	(944)	—	(51)	(28)	(5,017)
Transfer	—	1,039	—	—	—	(1,039)	—
Exchange realignment	—	117	67	—	—	—	184
As at 31 December 2023	—	36,960	23,446	14,903	1,206	52	76,567
Additions	—	4,111	3,434	393	6	383	8,327
Disposals and written-off	—	(15,298)	(1,233)	(1,525)	(82)	(52)	(18,190)
Transfer	—	383	—	—	—	(383)	—
Exchange realignment	—	(139)	(81)	—	—	—	(220)
As at 31 December 2024	—	26,017	25,566	13,771	1,130	—	66,484
Additions	—	2,816	1,725	255	18	—	4,814
Disposals and written-off	—	(6,202)	(1,097)	(2,556)	(373)	—	(10,228)
Transfer from investment properties	11,732	—	—	—	—	—	11,732
Exchange realignment	—	219	166	—	—	—	385
As at 31 December 2025	11,732	22,850	26,360	11,470	775	—	73,187
Depreciation and impairment							
As at 1 January 2023	—	14,233	9,276	4,432	469	—	28,410
Provided for the year	—	3,977	4,597	6,039	186	—	14,799
Disposals	—	(2,203)	(383)	—	(11)	—	(2,597)
Exchange realignment	—	102	53	—	—	—	155
As at 31 December 2023	—	16,109	13,543	10,471	644	—	40,767
Provided for the year	—	2,376	3,582	1,806	109	—	7,873
Disposals and written-off	—	(5,142)	(841)	(470)	(23)	—	(6,476)
Exchange realignment	—	(124)	(65)	—	—	—	(189)
As at 31 December 2024	—	13,219	16,219	11,807	730	—	41,975
Provided for the year	312	4,326	2,799	356	100	—	7,893
Disposals and written-off	—	(4,721)	(755)	(1,051)	(328)	—	(6,855)
Exchange realignment	—	199	134	—	—	—	333
As at 31 December 2025	312	13,023	18,397	11,112	502	—	43,346
Carrying values							
As at 31 December 2023	—	20,851	9,903	4,432	562	52	35,800
As at 31 December 2024	—	12,798	9,347	1,964	400	—	24,509
As at 31 December 2025	11,420	9,827	7,963	358	273	—	29,841

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The above items of property, plant and equipment except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Property	4%
Machinery and equipment	8.33% to 20%
Computer and other equipment	20%
Motor vehicles	12.5% to 33.33%
Leasehold improvement	The term of the lease

Properties with carrying value of RMB11,420,000 were pledged as securities for bank facilities of RMB20,000,000 as at 31 December 2025.

Note: On 1 July 2025, all investment properties of the Group have been transferred to property, plant and equipment upon commencement of owner-occupation.

18. LEASES

The Group leases certain of its offices and warehouses under operating lease arrangements, which are negotiated for terms ranging from 1 to 9 years.

(a) Right-of-use assets

The carrying amounts of the Group’s right-of-use assets and the movements during the Track Record Period are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year.	42,938	31,253	21,180
Additions	14,276	15,455	5,837
Reduction and modifications (<i>Note</i>)	(4,620)	(7,151)	—
Depreciation charge	(21,967)	(17,669)	(14,193)
Exchange realignment	626	(708)	372
Carrying amount at the end of the year	31,253	21,180	13,196

Note: The reduction and modifications of right-of-use assets during the years ended 31 December 2023 and 2024 mainly arose from early termination and modification of lease contracts under negotiation, that were mutually agreed with lessor to amend or early terminate the lease, with losses of RMB736,000 and RMB327,000 recognised in the profit or loss during the years end 31 December 2023 and 2024, respectively.

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(b) Lease liabilities

The carrying amounts of the Group’s lease liabilities and the movements during the Track Record Period are as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Carrying amount at the beginning of the year	45,837	33,880	22,402
New leases	14,276	15,455	5,837
Accretion of interest recognised	2,340	1,338	849
Payments	(25,396)	(20,190)	(15,557)
Reduction and modifications	(3,884)	(6,824)	—
Exchange realignment	707	(1,257)	1,114
Carrying amount at the end of the year	33,880	22,402	14,645
Present value of lease liabilities payable:			
— within one year	16,407	11,630	9,124
— between 1 and 2 years	9,061	6,555	3,788
— between 2 and 5 years	8,412	4,217	1,733
— over 5 years	—	—	—
	33,880	22,402	14,645
Analysed as:			
Non-current	17,473	10,772	5,521
Current	16,407	11,630	9,124

The lease liabilities were measured at the present value of the lease payments that are not yet paid using incremental borrowing rates. The weighted average discount rates applied by the Group were 4.75%, 4.5% and 4.5% per annum as at 31 December 2023, 2024 and 2025, respectively.

19. INVESTMENT PROPERTIES

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cost			
At the beginning of the year	20,078	20,078	20,078
Transfer to property, plant and equipment	—	—	(20,078)
At the end of the year	20,078	20,078	—
Accumulated depreciation and impairment			
At the beginning of the year	3,002	7,413	8,035
Impairment	3,610	—	—
Charge for the year	801	622	311
Transfer to property, plant and equipment	—	—	(8,346)
At the end of the year	7,413	8,035	—
Net book value			
At the end of the year	12,665	12,043	—

The office units are depreciated on a straight-line basic over a period of 25 years.

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All investment properties were pledged as securities for bank facilities granted to the Group as at 31 December 2023 and 2024 (Notes 33 and 46). The relevant borrowings have been fully repaid in 2023 and the facilities of RMB20,000,000 is available as at 31 December 2023 and 2024.

The fair value of the investment properties as at 31 December 2023 and 2024, as set out below, was determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The discount rate is determined by reference to the yields derived from analysing the sales transitions of similar commercial properties in Wuhan and adjust to take into account the market expectation from property investors to reflect factors specific to the Group’s investment properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

As at 31 December 2023, an amount of RMB3,610,000 impairment was provided due to downturn of real estate market and rental market in Wuhan.

Details of the Group’s investment properties and information about the fair value hierarchy as at the end of each reporting period are as follows:

Office units located in Wuhan	As at December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount.	12,665	12,043	—
Fair value at Level 3 hierarchy	12,665	11,633	—

The fair value of investment properties was determined by the Directors.

20. INTANGIBLE ASSETS

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cost			
At the beginning of the year	14,631	15,165	15,165
Additions	574	—	—
Written-off	(40)	—	(195)
At the end of the year.	15,165	15,165	14,970
Accumulated depreciation			
At the beginning of the year	4,098	5,714	7,124
Charge for the year.	1,633	1,410	1,335
Written-off	(17)	—	(159)
At the end of the year.	5,714	7,124	8,300
Net book value			
At the end of the year.	9,451	8,041	6,670

The intangible assets represent software that are amortised on a straight-line basis at 10% to 20% per annum.

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21. FINANCIAL ASSETS AT FVTPL

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity investment in an unlisted entity at fair value	48,318	34,176	13,404

Equity investment in an unlisted entity at fair value

The Group invested in an unlisted entity, which represented approximately 2.01% equity interest in the entity. The unlisted entity is controlled by a shareholder of the Group. The Group’s strategy of holding this investment is for long-term purposes and realising its performance potential in the long run. The Group does not control nor has significant influence in the unlisted entity and measures the investment at FVTPL. Details of fair value of the financial assets are set out in Note 41.4.

22. TRADE AND BILLS RECEIVABLES

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables from third parties	160,603	151,706	169,640
Less: allowance for ECL	(50,719)	(36,663)	(38,935)
	109,884	115,043	130,705
Bill receivables	—	319	55
	109,884	115,362	130,760

As at 1 January 2023, trade and bills receivables from contracts with customers, net of allowance for credit losses, amounted to approximately RMB121 million.

The Group grants the credit period ranging from 90 days to 180 days to its trade customers.

The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on the revenue recognition date for trade receivables at the end of each reporting period:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	54,960	67,199	86,855
3 to 6 months	17,726	7,737	7,142
6 months to 1 year	20,316	26,787	13,381
Over 1 year	16,882	13,320	23,327
	109,884	115,043	130,705

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As at 31 December 2023, 2024 and 2025, included in the Group’s trade receivables balance were debtors with aggregate carrying amount of RMB37,848,000, RMB42,508,000 and RMB28,960,000, respectively, which were past due but not credit-impaired as at each reporting date. Out of the past due balances, RMB26,719,000, RMB38,930,000 and RMB24,325,000 have been past due 90 days or more and is not considered as in default after considering the creditworthiness and past payment history of these debtors. The Group did not hold any collateral over these balances. Details of impairment assessment of trade receivables are set out in Note 41.2.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Recoverable value-added tax and prepaid taxes	38,534	28,563	40,167
Prepayment and prepaid expense	14,789	11,397	19,122
Rental and other deposits	6,264	4,801	5,544
Fund held by payment platform	2,648	3,335	4,497
Advance to employees	907	657	488
Deferred share issue cost	—	—	4,312
Interest receivables	—	—	3,480
Others	7,906	8,880	10,417
	71,048	57,633	88,027
Less: allowance for credit losses	(618)	(796)	(878)
	<u>70,430</u>	<u>56,837</u>	<u>87,149</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest receivables	—	—	1,068
Deferred share issue cost	—	—	4,312
	<u>—</u>	<u>—</u>	<u>5,380</u>

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24. AMOUNTS DUE FROM RELATED PARTIES/SUBSIDIARIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due from related parties:			
Trade in nature			
Entities controlled by a shareholder of the Group	1,195	21,060	23,022
A joint venture of the Group	—	3,312	1,922
Entity that has joint control over the joint venture of the Group	—	1,977	—
	<u>1,195</u>	<u>26,349</u>	<u>24,944</u>
Non-trade in nature (Note)			
A shareholder of the Company	50,000	—	—
Entity controlled by a shareholder of the Group	822	825	825
	<u>50,822</u>	<u>825</u>	<u>825</u>
	<u>52,017</u>	<u>27,174</u>	<u>25,769</u>

Note: The amounts are unsecured, interest free and repayable on demand. [As represented by the Directors, the non-trade amounts due from related parties will be settled prior to the [REDACTED] of the Company’s share on [REDACTED].]

As at 1 January 2023, trade and non-trade in nature amounts due from related parties amounted to approximately RMB3,324,000 and RMB1,300,000, respectively.

The maximum outstanding balances that are of non-trade in nature during the years ended 31 December 2023, 2024 and 2025 were RMB50,822,000, RMB50,822,000 and RMB825,000, respectively.

The following is an ageing analysis of amounts due from related parties which are trade in nature presented based on the revenue recognition date at the end of each reporting period.

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	—	16,291	3,041
3 to 6 months	—	8,037	4,261
6 months to 1 year	—	—	14,482
Over 1 year	1,195	2,021	3,160
Total	<u>1,195</u>	<u>26,349</u>	<u>24,944</u>

The normal credit term grants to the related parties is 3 to 6 months. RMB1,195,000, RMB10,058,000 and RMB20,034,000 are past due as at 31 December 2023, 2024 and 2025. Out of the past due balances, RMB1,195,000, RMB2,021,000 and RMB15,406,000 have been past due for more than 90 days and are not considered as in default after considering the past payment history of the related parties. The Group did not hold any collateral over these balances.

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due from subsidiaries			
Non-trade in nature (<i>Note</i>)	353,959	475,497	473,071

Note: The amounts due from subsidiaries are unsecured, interest free and repayable on demand. These balances are expected to be realised after 12 months from the end of each reporting period.

25. INVENTORIES

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	80,312	84,362	113,125
Semi-finished goods	18,116	19,092	17,109
Finished goods	73,511	63,180	102,983
	171,939	166,634	233,217
Less: allowance for inventories	(38,169)	(52,004)	(47,252)
Total	133,770	114,630	185,965

26. CASH AND BANK BALANCES

26(a) Restricted bank deposits

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Restricted bank deposits	21,373	124,353	104,594
Others	359	902	1,584
Total	21,732	125,255	106,178

The restricted bank deposits represented deposits pledged to secure general banking or letter of guarantee facilities granted to the Group (Notes 33 and 46).

Restricted bank deposits denominated in foreign currencies of the respective entities within the Group are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
United States dollar (“USD”)	—	107,826	70,288

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Restricted bank deposits	—	—	25

26(b) Cash and cash equivalents

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	208,662	124,995	244,306

Cash and cash equivalents denominated in foreign currencies of the respective entities within the Group are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
USD	135,622	37,472	156,648
Euro (“EUR”)	21,707	32,755	27,989
Swedish Krona (“SEK”)	—	2	2
Australian Dollar (“AUD”)	635	2,557	1,215
HKD	924	3,644	2,122
Others	1,512	2,692	7,189
	160,400	79,122	195,165

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	117,965	10,791	129,792

Cash and cash equivalents denominated in foreign currency of the Company are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
USD	117,940	10,766	129,792

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27. SHARE CAPITAL

The Company

	Number of shares	Share capital <i>RMB'000</i>
Ordinary shares of US\$0.000001 each		
Authorised		
As at 1 January 2023	49,419,062,056	300
Converted to Series B-1 preferred shares	(37,655,201)	—
As at 31 December 2023 and 1 January 2024	49,381,406,855	300
Converted to Series B-1 preferred shares	(3,053,124)	—
As at 31 December 2024 and 1 January 2025	49,378,353,731	300
Converted to Series B-1 Preferred Shares	(58,009,364)	—
As at 31 December 2025	49,320,344,367	300
Issued and fully paid		
At 1 January 2023, 31 December 2023, 2024 and 2025.	689,882,742	8

As at 1 January 2023, 31 December 2023, 2024 and 2025, 173,040,193, 154,506,454, 154,506,454 and 154,506,454 ordinary shares were held by Future Sharing International Limited, the employee shareholding incentive platform of the Company and accounted for as treasury shares of the Company, respectively.

28. RESERVES

The Company

	Share-based payment reserve	Other reserve	Retained earnings/ (Accumulated losses)	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	172,998	356,483	7,181	536,662
Loss and total comprehensive expense for the year.	—	—	(195,752)	(195,752)
Recognition of share-based payment expenses.	10,420	—	—	10,420
As at 31 December 2023.	183,418	356,483	(188,571)	351,330
Loss and total comprehensive expense for the year.	—	—	(244,801)	(244,801)
Recognition of share-based payment expenses.	13,798	—	—	13,798
As at 31 December 2024.	197,216	356,483	(433,372)	120,327
Loss and total comprehensive expense for the year.	—	—	(265,964)	(265,964)
Recognition of share-based payment expenses.	8,988	—	—	8,988
As at 31 December 2025.	206,204	356,483	(699,336)	(136,649)

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29. LONG-TERM INCENTIVE SCHEME

Pre-[REDACTED] Share Award Scheme

During the Track Record Period, certain employees of the Group are eligible for the Pre-[REDACTED] Share Award Scheme, which adopted by the Company on 30 December 2021.

The number of shares award granted to employees and remained outstanding under the Pre-[REDACTED] Share Award Scheme to employees were 23,312,203 shares, 20,040,174 shares and 91,614,905 shares as at 31 December 2023, 2024 and 2025, respectively, representing 1.79%, 1.53% and 6.75% of the total number of ordinary and preferred shares of the Group in issue at that date respectively.

(i) Purpose

The purpose of the Pre-[REDACTED] Share Award Scheme is to recognise the contributions by certain employees and to incentivise them to continue their employment within the Group, and to attract suitable candidates for the future development of the Group.

(ii) Eligible grantees

The eligible Grantees of the Pre-[REDACTED] Share Award Scheme include any employee (including but not limited to any executive director) of the Group.

(iii) Total number of shares

The number of shares underlying the Share Awards granted or to be granted under the Pre-[REDACTED] Share Award Scheme shall not exceed 154,506,454 shares at the date of adoption of the Pre-[REDACTED] Share Award Scheme.

(iv) Term

Subject to any early termination as may be determined by the Board, the Pre-[REDACTED] Share Award Scheme is valid and effective for a term of 10 years, commencing on the adoption date of the Pre-[REDACTED] Share Award Scheme.

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Details of the movements within the Pre-[REDACTED] Share Award Scheme of the Company for the years ended 31 December 2023, 2024 and 2025 are set out below:

For the year ended 31 December 2023

	Year of grant	Year of vesting	Fair value per share at grant date	Outstanding as at 1.1.2023	Awarded during the year	Vested during the year	Forfeited during the year	Outstanding as at 31.12.2023
Director	2021	2023	RMB0.79	1,050,000	—	(1,050,000)	—	—
Director	2021	2024	RMB0.79	1,050,000	—	—	—	1,050,000
Employees	2021	2023	RMB0.79	4,435,500	—	(3,535,500)	(900,000)	—
Employees	2021	2024	RMB0.79	4,345,500	—	—	(990,000)	3,355,500
Employees	2021	2025	RMB0.79	45,000	—	—	—	45,000
Employees	2021	2026	RMB0.79	45,000	—	—	—	45,000
Employees	2022	2023	RMB0.80	2,703,924	—	(2,703,924)	—	—
Employees	2022	2024	RMB0.80	2,149,747	—	—	(307,500)	1,842,247
Employees	2022	2025	RMB0.80	2,149,747	—	—	(307,500)	1,842,247
Employees	2022	2026	RMB0.80	487,209	—	—	(7,500)	479,709
Director	2023	2024	RMB1.00	—	750,000	—	—	750,000
Director	2023	2025	RMB1.00	—	750,000	—	—	750,000
Director	2023	2026	RMB1.00	—	750,000	—	—	750,000
Director	2023	2027	RMB1.00	—	750,000	—	—	750,000
Employees	2023	2023	RMB1.00	—	62,739	(62,739)	—	—
Employees	2023	2024	RMB1.00	—	2,993,125	—	—	2,993,125
Employees	2023	2025	RMB1.00	—	2,993,125	—	—	2,993,125
Employees	2023	2026	RMB1.00	—	3,003,125	—	—	3,003,125
Employees	2023	2027	RMB1.00	—	2,663,125	—	—	2,663,125
				<u>18,461,627</u>	<u>14,715,239</u>	<u>(7,352,163)</u>	<u>(2,512,500)</u>	<u>23,312,203</u>

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For the year ended 31 December 2024

	Year of grant	Year of vesting	Fair value per share at grant date	Outstanding as at 1.1.2024	Awarded during the year	Vested during the year	Forfeited during the year	Outstanding as at 31.12.2024
Director	2021	2024	RMB0.79	1,050,000	—	(1,050,000)	—	—
Employees	2021	2024	RMB0.79	3,355,500	—	(2,258,500)	(1,097,000)	—
Employees	2021	2025	RMB0.79	45,000	—	—	(20,000)	25,000
Employees	2021	2026	RMB0.79	45,000	—	—	(20,000)	25,000
Employees	2022	2024	RMB0.80	1,842,247	—	(1,814,747)	(27,500)	—
Employees	2022	2025	RMB0.80	1,842,247	—	—	(105,030)	1,737,217
Employees	2022	2026	RMB0.80	479,709	—	—	(62,500)	417,209
Director	2023	2024	RMB1.00	750,000	—	(750,000)	—	—
Director	2023	2025	RMB1.00	750,000	—	—	—	750,000
Director	2023	2026	RMB1.00	750,000	—	—	—	750,000
Director	2023	2027	RMB1.00	750,000	—	—	—	750,000
Employees	2023	2024	RMB1.00	2,993,125	—	(2,993,125)	—	—
Employees	2023	2025	RMB1.00	2,993,125	—	—	(353,625)	2,639,500
Employees	2023	2026	RMB1.00	3,003,125	—	—	(353,625)	2,649,500
Employees	2023	2027	RMB1.00	2,663,125	—	—	(353,625)	2,309,500
Director	2024	2025	RMB2.23	—	500,000	—	—	500,000
Director	2024	2026	RMB2.23	—	500,000	—	—	500,000
Director	2024	2027	RMB2.23	—	500,000	—	—	500,000
Director	2024	2028	RMB2.23	—	500,000	—	—	500,000
Employees	2024	2025	RMB2.23	—	1,814,159	—	(317,347)	1,496,812
Employees	2024	2026	RMB2.23	—	1,814,159	—	(317,347)	1,496,812
Employees	2024	2027	RMB2.23	—	1,814,159	—	(317,347)	1,496,812
Employees	2024	2028	RMB2.23	—	1,814,159	—	(317,347)	1,496,812
				<u>23,312,203</u>	<u>9,256,636</u>	<u>(8,866,372)</u>	<u>(3,662,293)</u>	<u>20,040,174</u>

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For the year ended 31 December 2025

	Year of grant	Vesting year	Fair value of grant date	Outstanding as at 1.1.2025	Awarded during the year	Vested during the year	Forfeited during the year	Outstanding as at 31.12.2025
Employees	2021	2025	RMB0.79	25,000	—	(25,000)	—	—
Employees	2021	2026	RMB0.79	25,000	—	—	—	25,000
Employees	2022	2025	RMB0.80	1,737,217	—	(1,682,007)	(55,210)	—
Employees	2022	2026	RMB0.80	417,209	—	—	(72,727)	344,482
Director	2023	2025	RMB1.00	750,000	—	(750,000)	—	—
Director	2023	2026	RMB1.00	750,000	—	—	—	750,000
Director	2023	2027	RMB1.00	750,000	—	—	—	750,000
Employees	2023	2025	RMB1.00	2,639,500	—	(2,053,750)	(585,750)	—
Employees	2023	2026	RMB1.00	2,649,500	—	—	(1,010,500)	1,639,000
Employees	2023	2027	RMB1.00	2,309,500	—	—	(670,500)	1,639,000
Director	2024	2025	RMB2.23	500,000	—	(500,000)	—	—
Director	2024	2026	RMB2.23	500,000	—	—	—	500,000
Director	2024	2027	RMB2.23	500,000	—	—	—	500,000
Director	2024	2028	RMB2.23	500,000	—	—	—	500,000
Employees	2024	2025	RMB2.23	1,496,812	—	(1,406,029)	(90,783)	—
Employees	2024	2026	RMB2.23	1,496,812	—	—	(178,171)	1,318,641
Employees	2024	2027	RMB2.23	1,496,812	—	—	(178,171)	1,318,641
Employees	2024	2028	RMB2.23	1,496,812	—	—	(178,171)	1,318,641
Director	2025	2026	RMB2.64	—	100,000	—	—	100,000
Director	2025	2027	RMB2.64	—	100,000	—	—	100,000
Director	2025	2028	RMB2.64	—	100,000	—	—	100,000
Director	2025	2029	RMB2.64	—	100,000	—	—	100,000
Director	2025	2026	RMB3.58	—	14,752,019	—	—	14,752,019
Director	2025	2027	RMB3.58	—	14,752,019	—	—	14,752,019
Director	2025	2028	RMB3.58	—	14,752,019	—	—	14,752,019
Director	2025	2029	RMB3.58	—	14,752,019	—	—	14,752,019
Employees	2025	2026	RMB2.64	—	773,299	—	(65,193)	708,106
Employees	2025	2027	RMB2.64	—	773,299	—	(65,193)	708,106
Employees	2025	2028	RMB2.64	—	773,299	—	(65,193)	708,106
Employees	2025	2029	RMB2.64	—	773,299	—	(65,193)	708,106
Employees	2025	2026	RMB3.58	—	4,692,750	—	—	4,692,750
Employees	2025	2027	RMB3.58	—	4,692,750	—	—	4,692,750
Employees	2025	2028	RMB3.58	—	4,692,750	—	—	4,692,750
Employees	2025	2029	RMB3.58	—	4,692,750	—	—	4,692,750
				<u>20,040,174</u>	<u>81,272,272</u>	<u>(6,416,786)</u>	<u>(3,280,755)</u>	<u>91,614,905</u>

The fair value of the awarded shares at grant date was determined by Kroll (HK) Limited. The address of the valuer is Level 3, Three Pacific Place, 1 Queen’s Road East, Hong Kong, an independent value not connected with the Group. The valuer had used the cash flow projection to determine the fair value of the awarded shares of the Company as at the respective grant dates, which was to be expensed over the relevant vesting period. The weighted average fair value of shares granted during the years ended 31 December 2023, 2024 and 2025 were RMB1.00, RMB2.23 and RMB3.53 per share respectively.

Significant judgements on parameters used in the cash flow projection include risk-free rate, terminal growth rate and the estimate of cash inflows/outflows which included budgeted sales and gross margins based on management’s expectation of the market development.

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The Group recognises share-based payment expenses in the profit or loss based on awards ultimately expected to vest, after considering estimated forfeitures of the Group. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognised in the profit or loss over the remaining vesting period, with a corresponding adjustment to share-based payment reserve.

During the years ended 31 December 2023, 2024 and 2025, share based payments of RMB10,420,000, RMB13,798,000, and RMB8,988,000 were recognised by the Group.

30. DIVIDENDS

No dividends had been paid or declared by the Company or its subsidiaries for the Track Record Period nor has any dividend been proposed since the end of the Track Record Period.

31. TRADE AND BILLS PAYABLES

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	63,645	32,797	70,875
Bills payables (<i>Note</i>)	37,926	29,013	48,363
Total	101,571	61,810	119,238

The trade payables are non-interest-bearing and are normally settled within 6 months.

Note: These relate to trade payables in which the Group has issued bills to the relevant supplier for future settlement trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statements of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

An ageing analysis of the trade payables as at the end of each reporting period, based on the invoice date, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	46,056	21,552	35,988
3 to 6 months	8,902	3,792	10,084
6 to 12 months	2,554	1,457	12,925
Over 12 months	6,133	5,996	11,878
Total	63,645	32,797	70,875

32. BILLS PAYABLES UNDER SUPPLIER CHAIN FINANCING

The Group has entered into certain supplier finance arrangements with banks. Under these arrangements, the banks pay suppliers the amounts owed by the Group in advance of the original due dates at a discount offered by the suppliers. The Group’s obligations to suppliers are legally extinguished on settlement by the relevant banks. The Group then settles with the banks between 120–365 days after settlement by the banks with interest rate of 3.85% and nil per year in 2024 and 2025 respectively, which may be extended beyond the original due dates of respective invoices. The

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interest rates are consistent with the Group’s short-term borrowing rates. In the consolidated statements of cash flows, repayments to the banks are included within financing cash flows based on the nature of the arrangements of and payments to the suppliers by the banks of nil, RMB85,167,000, and RMB117,497,000 for the years ended 31 December 2023, 2024 and 2025 respectively are disclosed as non-cash transactions. For the Group’s obligation to suppliers without entering into supplier finance arrangements with bank, the Group normally settles with suppliers within 6 months as disclosed in Note 31.

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Bills payable under supplier chain financing .	—	46,197	48,994

33. BORROWINGS

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Secured and unguaranteed bank loans	—	50,000	67,000
Unsecured and unguaranteed bank loans	85,961	82,347	70,000
Total	85,961	132,347	137,000

Included in the secured bank loans stated above, RMB50,000,000 and RMB67,000,000 were secured by restricted bank deposits as at 31 December 2024 and 31 December 2025 respectively. The remaining loan amount of RMB85,961,000, RMB82,347,000 and RMB70,000,000 as at 31 December 2023, 2024 and 2025 respectively were neither unguaranteed nor unsecured.

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
The carrying amounts of the above borrowings are repayable:			
Within one year	75,961	132,347	137,000
Within a period of more than one year but not exceeding two years	10,000	—	—
	85,961	132,347	137,000
Less: Amounts due within one year shown under current liabilities	(75,961)	(132,347)	(137,000)
Amounts shown under non-current liabilities .	10,000	—	—

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The bank borrowings as 31 December 2023, 2024 and 2025 are all variable-rate borrowings. The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group’s borrowings are as follow:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Effective interest rate:			
Variable-rate borrowings (per annum)	3.4% to 4.8%	2.5% to 4.8%	2.5% to 4.5%

34. OTHER PAYABLES AND ACCRUALS

Accrued expenses and other payables consist of the following:

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salary and welfare payables	37,580	32,057	38,237
Accrued expenses	4,591	7,096	1,146
Accrued service fee	5,537	2,136	1,322
Other tax payables	25,349	7,224	6,938
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accrued share issue costs	—	—	704
Others	5,070	6,414	7,231
Total	78,127	54,927	58,316

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accrued share issue costs	—	—	704
	—	—	3,442

35. FINANCIAL GUARANTEE CONTRACTS LIABILITIES

During the years ended 31 December 2023, 2024 and 2025, the Group provided guarantees to certain independent third parties in respect of loans obtained from several banks and financial institutions with total loan amounts of approximately RMB156,682,000, RMB157,110,000 and nil respectively. The outstanding loan principal amounts as of 31 December 2023, 2024 and 2025 were approximately RMB13,786,000, RMB407,000 and nil, respectively.

The Group recognised the fair value of these guarantees at their initial dates, with amounts of approximately RMB1,568,000, RMB19,000 and nil recorded in other gains during the years ended 31 December 2023, 2024 and 2025, respectively (Note 7).

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As of 31 December 2023, 2024, and 2025 management performed impairment assessments. Changes in credit risk since initial recognition of the financial guarantee contracts were recognised in (impairment losses)/reversal of impairment under the expected credit loss model, net of reversals.

36. AMOUNTS DUE TO RELATED PARTIES/SUBSIDIARIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due to related parties:			
Trade in nature (Note 1)			
Entities controlled by a shareholder of the Group	48,964	25,762	26,054
Entity jointly controlled by a shareholder of the Group	64	64	64
	49,028	25,826	26,118
Non-trade in nature			
Directors of the Company	1,099	1,016	792
	50,127	26,842	26,910

Note 1: As at 31 December 2023, 2024 and 2025, the balances of refundable prepayment received from an entity controlled by the same shareholder of the Group for product sales were RMB47,992,000, RMB24,790,000 and RMB25,184,000 respectively.

The following is an ageing analysis of amounts due to related parties which are trade in nature presented based on the invoice date at the end of each reporting period.

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	—	—	—
3 to 6 months	102	—	—
6 to 12 months	20	—	—
Over 12 months	914	1,036	934
Total	1,036	1,036	934

The normal credit term granted by the related parties is 3 to 6 months.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due to subsidiaries:			
Non-trade in nature	—	—	4,663

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37. PREFERRED SHARES/FINANCIAL LIABILITIES ARISING FROM WARRANTS

Series A-1 preferred shares, Series A-2 preferred shares, Series B preferred shares and Series B-1 preferred shares

A summary of the Company’s preferred shares is as follows:

	Number of shares			
	Series A1 preferred shares of US\$0.000001 each	Series A2 preferred shares of US\$0.000001 each	Series B preferred shares of US\$0.000001 each	Series B-1 preferred shares of US\$0.000001 each
Authorised				
As at 1 January 2023	152,100,000	211,668,664	217,169,280	—
Converted from ordinary shares	—	—	—	37,655,201
As at 31 December 2023 and 1 January 2024 . . .	152,100,000	211,668,664	217,169,280	37,655,201
Converted from ordinary shares	—	—	—	3,053,124
As at 31 December 2024 and 1 January 2025 . . .	152,100,000	211,668,664	217,169,280	40,708,325
Converted from ordinary shares	—	—	—	58,009,364
As at 31 December 2025	152,100,000	211,668,664	217,169,280	98,717,689
Issued and fully paid				
As at 1 January 2023	152,100,000	211,668,664	217,169,280	—
Converted from ordinary shares	—	—	—	37,655,201
As at 31 December 2023 and 1 January 2024 . . .	152,100,000	211,668,664	217,169,280	37,655,201
Converted from ordinary shares	—	—	—	3,053,124
As at 31 December 2024 and 1 January 2025 . . .	152,100,000	211,668,664	217,169,280	40,708,325
Exercised of warrants	—	—	—	38,672,909
As at 31 December 2025	152,100,000	211,668,664	217,169,280	79,381,234

In November 2023, the Company entered into various share purchase agreements pursuant to which the Company allotted and issued a total of 37,655,201 Series B-1 preferred shares to a group of independent investors at US\$0.49 per share (approximate to RMB3.15 per share) and a total consideration of US\$18,500,000 (approximate to RMB132,789,000) was received by cash in 2023. Pursuant to the share purchase agreements, the Company also issued 30,531,244 warrants to each of two independent investors. The subscription price of each warrant for each new Series B-1 preferred shares is US\$0.49 per share.

In November 2024, the Company entered into an amended warrant agreement with one of the two independent investors, pursuant to which the number of Series B-1 preferred shares was entitled to subscribe for a number of shares reduced from 30,531,244 Series B-1 preferred shares to 27,478,120 Series B-1 preferred shares. The Company entered into a share purchase agreement pursuant to which the Company allotted and issued a total of 3,053,124 Series B-1 preferred shares to an independent investor at US\$0.49 per share (approximate to RMB3.53 per share) and a total consideration of US\$1,500,000 (approximate to RMB10,785,000) was received in cash in 2024.

During the year ended 31 December 2025, 38,672,909 number of warrants were exercised to subscribe Series B-1 preferred shares at an one-to-one ratio for a total consideration of US\$17,404,000 (approximately RMB135,751,000). The remaining 19,336,455 number of warrants remained unexercised were lapsed on 6 August 2025.

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As of 31 December 2023, 2024 and 2025, the outstanding warrants for subscription of Series B-1 preferred shares of the Company were 61,062,488, 58,009,364 and nil, respectively. The warrants issued by the Company are classified as financial liabilities as they do not meet the definition of equity instruments. The financial liabilities arising from warrants are initially recognised at fair value and subsequently measured at fair value through profit or loss with details set out below.

Pursuant to the Shareholders’ Agreement and the memorandum and articles of association of the Company, certain holders of the preferred shares were granted for certain rights including information and inspection rights, election of directors and observers, protection provisions and redemption rights.

Pursuant to the Shareholders’ Agreement, the preferred shares shareholders were granted the right to demand the Company to repurchase the preferred shares at pre-determined exit consideration upon the occurrence of certain triggering events, which include the shares of Company are not [REDACTED] in any recognised [REDACTED] before 31 December 2025. The exit consideration is calculated at the issue price of the preferred shares plus interest accrued at 12% per annum.

On 29 May 2026, according to the shareholder resolutions, the commencement of redemption right of the preferred shares has been suspended prior to the first filing of the [REDACTED] application and shall be automatically reinstated upon the earliest of the occurrence of any of the following redemption right restoring events: the Company’s [REDACTED] application has not been accepted, or has been dismissed, withdrawn, rejected, or has not been approved by the relevant securities regulatory authority or [REDACTED], or the Company’s [REDACTED] application has been withdrawn or, within six (6) months after the lapse of the previous application, has not been renewed, or the Company’s [REDACTED] has not been consummated by 31 December 2027.

The preferred shares shareholders were also granted the right to the conversion of its preferred shares into the Company’s ordinary shares subject to compliance with certain requirements.

Taking into account the preferential rights including the substantive redemption and liquidation features, the Directors consider these preferred shares do not carry rights that are substantially the same as the Company’s ordinary shares and accordingly these preferred shares are accounted for as financial liabilities measured at FVTPL under IFRS 9. Further information relating to the fair value measurement and movement of the balances during the Track Record Period are set out in Note 41.4.

The fair value of the preferred shares and financial liabilities arising from warrants at grant date was determined by Kroll (HK) Limited. The address of the valuer is Level 3, Three Pacific Place, 1 Queen’s Road East, Hong Kong, an independent value not connected with the Group. The valuer applied the discounted cash flow method to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of preferred shares and financial liabilities arising from warrants at the end of each reporting period. Key assumptions are set as below:

	As at 31 December		
	2023	2024	2025
Probability for liquidation	30%	15%	10%
Probability for redemption	30%	25%	10%
Probability for [REDACTED].	[REDACTED]%	[REDACTED]%	[REDACTED]%
Time to liquidation (year(s))	2.0	1.0	0.4
Expected volatility value.	34%	62%	52%
Discount for lack of marketability	N/A	14%	8%

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Discount rate was estimated by weighted average cost of capital as at each valuation date. The Group estimated the risk-free interest rate based on the yield of government bond with maturity matching the time to expiration as at the valuation date plus country risk spread. The discount for lack of marketability was estimated based on the option-pricing method. Under the option pricing method, the cost of put option, which can hedge the price change before the private held share can be sold, was considered as a basis to determine the lack of marketability discount. Volatility was estimated based on annualised standard deviation of daily stock price return of comparable companies for the period on respective valuation date and with similar span as time to expiration. In addition to the assumptions adopted above, the Company’s projections of future performance were also factored into the determination of the fair value of preferred shares on each valuation date.

38. OBLIGATION ARISING FROM PUT OPTION

During the year ended 31 December 2023, FJ Dynamics Technology Co., Ltd. (“**FJD Hubei**”), one of the Group’s subsidiary, entered into an agreement with a shareholder of the Company (the “**Non-Controlling Shareholder**”), in which the Non-Controlling Shareholder agreed to contribute RMB100,000,000 to FJD Hubei, in exchange for approximately 3.23% equity interest in FJD Hubei.

Pursuant to the agreement, the Non-Controlling Shareholder was granted the right to demand FJD Hubei to repurchase the shares in FJD Hubei if the shares of FJD Hubei or other group entities which hold equity interest in FJD Hubei whether directly or indirectly, are not [REDACTED] in any recognised [REDACTED] before 31 December 2028 or, FJD Inc. or any entity that, at the relevant time, serves as the ultimate overseas parent company of the Group upon upward consolidation (collectively referred to as the “**overseas [REDACTED] entity**”), intends to submit an application for [REDACTED] to any securities regulatory authority, whether domestic or overseas, prior to FJD Hubei’s [REDACTED], at a pre-determined exit consideration calculated at the principal of RMB100,000,000 plus interest accrued of 6% per annum. An obligation arising from the put option held by the Non-Controlling Shareholder was recognised in the consolidated statements of financial position of the Group with a corresponding debit in other reserves of the Group.

As the Company has submitted its [REDACTED] application in [REDACTED], it has triggered the put option of the Non-Controlling Shareholder and the amount has been classified as current liability since then.

39. RELATED PARTY TRANSACTIONS

Apart from the balances and transactions with related parties set out elsewhere in the Historical Financial Information, the Group entered into the following significant transactions with its related parties during the Track Record Period:

(a) Transactions with related parties

The following transactions were carried out between the Group and its related parties during the Track Record Period. In the opinion of the Directors, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

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	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of goods and services:			
A joint venture of the Group	—	6,723	8,068
Entity controlled by a shareholder of the Group	2,257	39,996	17,188
Entity that has joint control over the joint venture of the Group	—	—	629
Interest income:			
Entity controlled by the shareholder of the Group	4	3	1
Interest expenses:			
A shareholder of the Company	1,126	5,030	6,000

(b) Key management personnel remuneration

The key management personnel includes solely the Directors and the compensations paid to them are disclosed in Note 13.

40. COMMITMENTS

The Group had no material capital commitment as at 31 December 2023, 2024 and 2025.

41. FINANCIAL INSTRUMENTS

41.1 Financial instruments by categories

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at fair value:				
Financial assets at FVTPL	21	48,318	34,176	13,404
Financial assets at amortised cost		409,402	409,663	530,561
		<u>457,720</u>	<u>443,839</u>	<u>543,965</u>
Financial liabilities				
Financial liabilities at fair value:				
Preferred shares	37	1,389,986	1,639,916	2,033,772
Warrants		4,782	14,017	—
Financial guarantee contracts liabilities	35	392	—	—
Lease liabilities	18	33,880	22,402	14,645
Obligation arising from put option	38	101,126	106,156	112,156
Financial liabilities at amortised cost		204,865	258,052	320,099
		<u>1,735,031</u>	<u>2,040,543</u>	<u>2,480,672</u>

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		As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Financial assets	<i>Notes</i>			
Financial assets at amortised cost		471,924	486,288	603,956
Financial liabilities				
Financial liabilities at amortised cost		—	—	8,105
Financial liabilities at fair value:				
Preferred shares	37	1,389,986	1,639,916	2,033,772
Warrants	37	4,782	14,017	—
		1,394,768	1,653,933	2,041,877

41.2 Financial risk management

The Group’s activities expose it to a variety of financial risks, such as market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. Risk management is carried out by the Directors.

The Group’s major financial instruments include financial assets at FVTPL, trade and bills receivables, deposits and other receivables, restricted bank deposits, cash and cash equivalents, amounts due from/(to) related parties, preferred shares, borrowings, lease liabilities, financial guarantee contracts liabilities, obligation arising from put option, trade and bills payables, bills payables under supplier chain financing and other payables. Details of the financial instruments are disclosed in respective notes. The policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Company’s major financial instruments include amount due from subsidiaries, interest receivable, restricted bank deposits, cash and cash equivalents, other payable, amounts due to subsidiaries, preferred shares and warrants. Details of the financial instruments are disclosed in respective notes.

(a) *Market risk*

Foreign exchange risk management

The Group and the Company have foreign currency denominated monetary assets and monetary liabilities which expose the Group and the Company to foreign currency risk. The Group and the Company currently do not have a foreign currency hedging policy. Exposures to currency risk are monitored on an on-going basis and the Group and Company endeavour to keep the net exposures at an acceptable level.

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At the end of each reporting period, the significant carrying amounts of monetary assets and monetary liabilities, which are denominated in currencies other than functional currency of the group entity, are as follows:

The Group						
	Liabilities As at 31 December			Assets As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
USD.	878,316	980,293	1,218,965	177,315	178,868	263,326
EUR.	—	—	—	54,609	74,043	70,374
HK\$	—	—	—	12,013	16,689	10,431
SEK.	2,635	3,693	6,710	5,434	6,242	6,250

The Company						
	Liabilities As at 31 December			Assets As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
USD.	878,316	980,293	1,218,965	117,940	10,766	130,860

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase or decrease in the relevant foreign currencies against the functional of each group entity. 5% is the sensitivity rate used for management’s assessment of the possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their transaction at the period end for a 5% change in foreign currency rates.

If the relevant foreign currency strengthen by 5% against the functional currency of each group entity, loss for the year will increase/(decrease) by:

	The Group			The Company		
	Year ended 31 December			Year ended 31 December		
	2023	2024	2025	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
USD.	26,288	30,053	35,836	38,019	48,476	54,405
EUR	(2,048)	(2,777)	(2,639)	—	—	—
HK\$	(450)	(626)	(391)	—	—	—
SEK	(105)	(96)	17	—	—	—

If the relevant foreign currency weakens by 5% against the functional currency of each group entity, the effect on the loss for the year will be vice versa.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed rate instruments expose the Group to fair value interest risk.

The Group is exposed to cash flow interest rate risk in relation to cash and cash equivalents, restricted bank deposits, and borrowings. The Group is also exposed to fair value interest risk in relation to lease liabilities.

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The sensitivity analysis below has been determined based on the exposure to interest rates at the end of each reporting period during the Track Record Period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period during the Track Record Period were outstanding for the whole year.

If the interest rate had been 50 basis points higher/lower and all other variable were held constant, the Group’s post-tax loss for the years ended 31 December 2023, 2024 and 2025 would have been approximately RMB542,000, RMB442,000 and RMB801,000, respectively, lower/higher, mainly as a result of higher/lower interest income on floating-rate cash and cash equivalents, restricted bank deposits and borrowings.

The Company

If the interest rate had been 50 basis points higher/lower and all other variable were held constant, the Company’s post-tax loss for the years ended 31 December 2023, 2024 and 2025 would have been approximately RMB442,000, RMB40,000 and RMB487,000, respectively, lower/higher, mainly as a result of higher/lower interest income on floating-rate cash and cash equivalents.

Price risk

The Group is exposed to price risk in respect of its equity investments in a private company measured as financial assets at FVTPL, warrants and preferred shares measured as financial liabilities at FVTPL. The above financial instruments are exposed to price risk because of changes in market prices, where changes are caused by factors specific to the individual financial instruments or their issuers, or factors affecting all similar financial instruments traded in the market. The sensitivity analysis has been disclosed in Note 41.4.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group’s credit risk is mainly associated with cash and cash equivalents, restricted bank deposits, trade and bills receivables, other receivables, financial guarantee contracts and amounts due from related parties. The Company’s credit risk is mainly associated with amounts due from subsidiaries, interest receivables, restricted bank deposits and cash and cash equivalents. The carrying amounts of each class of the above financial assets represent the Group’s and the Company’s maximum exposure to credit risk in relation to financial assets.

The Group’s cash and cash equivalents and restricted bank deposits and the Company’s cash and cash equivalents are mainly deposited in state-owned or reputable financial institutions in Mainland China and reputable international financial institutions outside of Mainland China. There has been no recent history of default in relation to these financial institutions. The Group and the Company consider the instruments have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are insignificant during the Track Record Period.

In order to minimise credit risk, the Group has tasked its credit management team to develop and maintain the credit risk grading for the Group’s trade and bills receivables, other receivables, financial guarantee contracts and amounts due from related parties to categorise exposures according to their degree of risk of default. The credit management team uses publicly available financial information and the Group’s own trading records to rate its major customers and other debtors. The Group’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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The table below sets forth how the Group defines the credit risk grading of its counterparties and its accounting policies for recognition of ECL:

Categories	Group definition of categories	Basis for recognition of ECL	
		Trade receivables	Other receivable and other item (financial guarantee contracts liabilities)
Low risk	The counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL — not credit-impaired	
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit impaired	
Write-off	There is evidence indicating that debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Asset is written off	

On that basis, the loss allowance as at 31 December 2023, 2024 and 2025 was determined as follows for trade receivables that are not credit-impaired:

As at 31 December 2023

	Within 3 months	3 to 6 months	Over 6 months	Total
Provision matrix				
Lifetime ECL rate (not credit-impaired) .	0.54%	5.00%	38.27%	
Gross carrying amount (RMB’000)	55,257	18,659	60,264	134,180
Loss allowance (RMB’000)	(297)	(933)	(23,066)	(24,296)

As at 31 December 2024

	Within 3 months	3 to 6 months	Over 6 months	Total
Provision matrix				
Lifetime ECL rate (not credit-impaired) .	0.62%	5.00%	19.16%	
Gross carrying amount (RMB’000)	67,618	8,144	49,611	125,373
Loss allowance (RMB’000)	(419)	(407)	(9,504)	(10,330)

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As at 31 December 2025

	Within 3 months	3 to 6 months	Over 6 months	Total
Provision matrix				
Lifetime ECL rate (not credit-impaired) .	0.50%	5.00%	18.45%	
Gross carrying amount (RMB’000)	87,291	7,518	45,014	139,823
Loss allowance (RMB’000)	(436)	(376)	(8,306)	(9,118)

The table below shows the credit risk exposures of the Group’s major financial assets which are subject to ECL assessment:

The Group

	Notes	External credit Notes rating	Internal credit rating	12m or lifetime ECL	31 December 2023 Gross carrying amount RMB’000	31 December 2024 Gross carrying amount RMB’000	31 December 2025 Gross carrying amount RMB’000
Financial assets at amortised cost							
Trade receivables	22	N/A	Low risk/watch list	Lifetime ECL — not credit-impaired	95,301	103,959	108,895
			Doubtful	Lifetime ECL — not credit-impaired	38,879	21,414	30,928
			Loss	Lifetime ECL — credit-impaired	26,423	26,333	29,817
					160,603	151,706	169,640
Bills receivables	22	N/A	Low risk	12m ECL	—	319	55
Amounts due from related parties.	24		Low risk	Lifetime ECL — not credit-impaired	1,195	26,349	24,944
	24		Low risk	12m ECL	50,822	825	825
					52,017	27,174	25,769
Other receivables	23	N/A	Low risk	12m ECL	11,461	12,872	15,402
Deposits	23	N/A	Low risk	12m ECL	6,264	4,801	5,544
Interest receivables	23	Above A-	N/A	12m ECL	—	—	3,480
Cash and cash equivalents	26(b)	Above A-	N/A	12m ECL	208,662	124,995	244,306
Restricted bank deposits.	26(a)	Above A-	N/A	12m ECL	21,732	125,255	106,178
Financial guarantee contracts liabilities (Note)	35	N/A	Low risk	12m ECL	13,786	407	—

Note: The gross carrying amounts represent the total outstanding loan principal amounts the Group has guaranteed under the respective contracts.

The Company

Financial assets at amortised cost							
Amounts due from subsidiaries.	24	N/A	Low risk	12m ECL	353,959	475,497	473,071
Interest receivables	23	Above A-	N/A	12m ECL	—	—	1,068
Cash and cash equivalents	26(b)	Above A-	N/A	12m ECL	117,965	10,791	129,792
Restricted bank deposits	26(a)	Above A-	N/A	12m ECL	—	—	25

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The Directors estimate the amount of lifetime ECL of trade receivables based on provision matrix through grouping of various debtors that have similar loss patterns, after considering aging, internal credit ratings of trade debtors, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. In addition, trade receivables that are credit-impaired are assessed for ECL individually.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	23,862	2,517	26,379
Impairment losses recognised, net of reversal.	434	23,906	24,340
As at 31 December 2023.	24,296	26,423	50,719
Impairment losses recognised, net of reversal.	(13,966)	(90)	(14,056)
As at 31 December 2024.	10,330	26,333	36,663
Impairment losses recognised, net of reversal.	(794)	3,484	2,690
Write-off	(418)	—	(418)
As at 31 December 2025.	9,118	29,817	38,935

In addition, during the year ended 31 December 2025, the Group recognised a reversal of impairment losses of RMB2,188,000 for trade receivables written-off in previous years.

No allowance has been provided for bill receivables since the balances are all with the banks which have low credit risks during the Track Record Period.

No concentration of credit risk noted on the trade and bills receivables of the Group for the Track Record Period.

For cash and cash equivalents, pledged bank deposits and interest receivables, the credit risk is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group and the Company assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on this, the 12m ECL on cash and cash equivalents and restricted bank deposits is considered to be insignificant.

For amounts due from related parties which are trade in nature, the Group regularly monitors the business performance of the related parties. The Group provided impairment based on lifetime ECL. For amounts due from related parties which are non-trade in nature, the Group regularly monitors the business performance of the related parties. The Directors believe that there is no significant increase in credit risk. The Group provided impairment based on 12m ECL.

For other receivables and deposits, the Group makes periodic collective assessment as well as individual assessment on the recoverability of and deposits based on historical settlement records, qualitative information that is reasonable, including but not limited to credit background of the debtors, and forward-looking information. The Group provided impairment based on 12m ECL.

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In addition, the management is of the opinion that there has no default occurred for trade receivables past due 90 days or more other than those identified as credit impaired and the balances are still considered fully recoverable due to long-term/on-going relationship and good repayment record from these customers.

For financial guarantee contracts, the Group makes periodic collective assessment as well as individual assessment on the recoverability of expected payments to reimburse the holder for a potential credit loss based on historical settlement records, qualitative information that is reasonable, including but not limited to credit background of the debtors, and forward-looking information. In addition, financial guarantee contracts that are credit-impaired are assessed for ECL individually. Any amounts exceeding the amounts initially recognised less cumulative amortisation recognised over the guarantee period were recognised as impairment losses under expected loss model during the reporting period.

For amounts due from subsidiaries, the Company regularly monitors the business performance of the subsidiaries. The Company’s credit risks in balances with the subsidiaries are mitigated through the value of the assets held by these entities and the power to participate the relevant activities of these entities. The management believes that there is no significant increase in credit risk of these amounts since initial recognition.

(c) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group’s operations and mitigate the effects of fluctuations in cash flows.

The following table details remaining contractual maturity of the Group’s financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities on the earliest date which the Group can be required to pay. The maturity dates are based on the agreed repayment dates.

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	Weighted average interest rate	Carrying amount	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023							
Trade and bills payables		101,571	101,571	—	—	—	101,571
Other payables		15,198	15,198	—	—	—	15,198
Amounts due to related parties		2,135	2,135	—	—	—	2,135
Borrowings	3.89%	85,961	78,097	10,120	—	—	88,217
Lease liabilities	4.75%	33,880	17,614	9,596	8,526	—	35,736
Financial guarantee contracts liabilities		392	13,786	—	—	—	13,786
Obligation arising from put option		101,126	—	—	130,125	—	130,125
Preferred shares	N/A	1,389,986	—	1,818,367	—	—	1,818,367
		<u>1,730,249</u>	<u>228,401</u>	<u>1,838,083</u>	<u>138,651</u>	<u>—</u>	<u>2,205,135</u>

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	Weighted average interest rate	Carrying amount	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024							
Trade and bills payables		61,810	61,810	—	—	—	61,810
Bills payables under supplier chain financing		46,197	46,197	—	—	—	46,197
Other payables		15,646	15,646	—	—	—	15,646
Amounts due to related parties		2,052	2,052	—	—	—	2,052
Borrowings	3.45%	132,347	134,701	—	—	—	134,701
Lease liabilities.	4.50%	22,402	12,752	6,909	5,961	—	25,622
Financial guarantee contracts liabilities. . .		—	407	—	—	—	407
Obligation arising from put option		106,156	—	112,156	—	—	112,156
Preferred shares	13.5%	1,639,916	1,830,604	—	—	—	1,830,604
		<u>2,026,526</u>	<u>2,104,169</u>	<u>119,065</u>	<u>5,961</u>	<u>—</u>	<u>2,229,195</u>
As at 31 December 2025							
Trade and bills payables		119,238	119,238	—	—	—	119,238
Bills payables under supplier chain financing		48,994	48,994	—	—	—	48,994
Other payables		13,141	13,141	—	—	—	13,141
Amounts due to related parties		1,726	1,726	—	—	—	1,726
Borrowings	2.89%	137,000	139,101	—	—	—	139,101
Lease liabilities.	4.50%	14,645	9,589	3,980	1,797	—	15,366
Obligation arising from put option		112,156	118,156	—	—	—	118,156
Preferred shares	13.0%	2,033,772	2,174,594	—	—	—	2,174,594
		<u>2,480,672</u>	<u>2,624,539</u>	<u>3,980</u>	<u>1,797</u>	<u>—</u>	<u>2,630,316</u>

The Company

	Weighted average interest rate	Carrying amount	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023							
Preferred shares	N/A	1,389,986	—	1,818,367	—	—	1,818,367
As at 31 December 2024							
Preferred shares	13.5%	1,639,916	1,830,604	—	—	—	1,830,604
As at 31 December 2025							
Other payables and accruals		3,442	3,442	—	—	—	3,442
Amounts due to subsidiaries		4,663	4,663	—	—	—	4,663
Preferred shares	13.0%	2,033,772	2,174,594	—	—	—	2,174,594
		<u>2,041,877</u>	<u>2,182,699</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,182,699</u>

41.3 Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders’ value in the long-term.

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The Group monitors capital (including share capital and reserves) by regularly reviewing the capital structure. As a part of this review, the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust capital to return to shareholders, new shares to issue, shares of the Company to repurchase and debts to raise/repay. In the opinion of the Directors, the Group’s capital risk is low.

41.4 Fair value measurement of financial instruments

Determination of fair value and fair value hierarchy

For Level 3 financial instruments, prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques. Determinations to classify fair value measurement within Level 3 of the valuation hierarchy are generally based on the significance of the unobservable factors to the overall fair value measurement.

The following table provides the fair value measurement hierarchy of the Group’s financial assets and liabilities:

	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
As at 31 December 2023				
Assets:				
Financial assets at FVTPL:				
Investments in an unlisted entity	—	—	48,318	48,318
Liabilities:				
Financial liabilities arising from				
warrants	—	—	4,782	4,782
Preferred shares	—	—	1,389,986	1,389,986
As at 31 December 2024				
Assets:				
Financial assets at FVTPL:				
Investments in an unlisted entity	—	—	34,176	34,176
Liabilities:				
Financial liabilities arising from				
warrants	—	—	14,017	14,017
Preferred shares	—	—	1,639,916	1,639,916
As at 31 December 2025				
Assets:				
Financial assets at FVTPL:				
Investments in an unlisted entity	—	—	13,404	13,404
Liabilities:				
Preferred shares	—	—	2,033,772	2,033,772

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The following table provides the fair value measurement hierarchy of the Company’s financial liabilities:

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023				
Liabilities:				
Financial liabilities arising from				
warrants	—	—	4,782	4,782
Preferred shares	—	—	1,389,986	1,389,986
As at 31 December 2024				
Liabilities:				
Financial liabilities arising from				
warrants	—	—	14,017	14,017
Preferred shares	—	—	1,639,916	1,639,916
As at 31 December 2025				
Liabilities:				
Preferred shares	—	—	2,033,772	2,033,772

The following table gives information about how the fair values of the financial assets are determined (in particular, the valuation techniques and inputs used).

	Fair value as at			Fair value Hierarchy report	Valuation technique(s) and key input(s)	Significant unobservable inputs
	31 December					
	2023	2024	2025			
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>			
Investments in an unlisted entity . . .	48,318	34,176	13,404	Level 3	Market approach by applying market multiples such as the ratio of market capital to sales from comparable companies, and those were 5.77, 5.89 and 3.01 as at 31 December 2023, 2024 and 2025, respectively	The ratio of market capital to sales from comparable companies

An increase in the ratio of market capital to sales from comparable companies used in valuation would result in an increase in the fair value of equity investments, and vice versa. A 5% increase/decrease in market multiples holding all other variables constant would increase/decrease the carrying amount of the equity investments under market approach by RMB733,000, RMB1,709,000 and RMB670,000 as at 31 December 2023, 2024 and 2025, respectively.

As the preferred shares are not traded in an active market, the Group applied the discount cash flow method to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the preferred shares and financial liabilities arising from warrants. Major assumptions used in the valuation for the preferred shares and financial liabilities arising from warrants are presented in Note 37.

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Fair value of preferred shares and financial liabilities arising from warrants is affected by changes in the Company’s equity value. If the Company’s equity value had increased/decreased by 10% with all other variables held constant, the carrying amount of the preferred shares and financial liabilities arising from warrants would increase/decrease as follows:

	Preferred shares	Financial liabilities arising from warrants
	<i>RMB’000</i>	<i>RMB’000</i>
As at 31 December 2023.....	139,477	2,633
As at 31 December 2024.....	165,393	14,564
As at 31 December 2025.....	180,923	—

During the Track Record Period, there were no transfers among different levels of fair value measurement.

The carrying amount of the Group’s financial assets and the Group’s financial liabilities measured at amortised cost, approximate their fair values.

Reconciliation of Level 3 fair value measurements:

	Financial assets at FVTPL	Warrants	Preferred shares
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 1 January 2023	50,000	—	1,071,668
Addition.....	—	—	132,789
Changes in fair value			
— Fair value changes of financial assets at FVTPL	(1,682)	—	—
— Fair value changes of warrants	—	4,782	—
— Fair value changes of preferred shares ..	—	—	185,529
As at 31 December 2023.....	48,318	4,782	1,389,986
Addition.....	—	—	10,785
Changes in fair value			
— Fair value changes of financial assets at FVTPL	(14,142)	—	—
— Fair value changes of warrants	—	9,235	—
— Fair value changes of preferred shares ..	—	—	239,145
As at 31 December 2024.....	34,176	14,017	1,639,916
Changes in fair value			
— Fair value changes of financial assets at FVTPL	(20,772)	—	—
— Fair value changes of warrants	—	2,627	—
— Fair value changes of preferred shares ..	—	—	241,461
Exercise of warrants	—	(16,644)	152,395
As at 31 December 2025.....	13,404	—	2,033,772

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42. NOTE TO CONSOLIDATED STATEMENTS OF CASH FLOWS

Reconciliation of liabilities arising from financing activities

	Bank borrowings	Bill payables under supplier chain financing	Financial liabilities arising from warrants	Preferred Shares	Lease liabilities	Obligation arising from NCI put option	Accrued share issue costs	Total
	RMB'000 (note 33)	RMB'000 (note 32)	RMB'000 (note 37)	RMB'000 (note 37)	RMB'000 (note 18)	RMB'000 (note 38)	RMB'000 (note 34)	RMB'000
At 1 January 2023	56,054	—	—	1,071,668	45,837	—	—	1,173,559
New lease entered	—	—	—	—	14,276	—	—	14,276
Lease terminated	—	—	—	—	(3,884)	—	—	(3,884)
Interest accrued	1,956	—	—	—	2,340	1,126	—	5,422
Capital contribution from non-controlling interest	—	—	—	—	—	100,000	—	100,000
Fair value changes of preferred shares	—	—	—	185,529	—	—	—	185,529
Fair value changes of warrants	—	—	4,782	—	—	—	—	4,782
Exchange adjustments . .	(42)	—	—	—	707	—	—	665
Financing cashflows . .	27,993	—	—	132,789	(25,396)	—	—	135,386
At 31 December 2023 . .	85,961	—	4,782	1,389,986	33,880	101,126	—	1,615,735
New lease entered	—	—	—	—	15,455	—	—	15,455
Lease terminated	—	—	—	—	(6,824)	—	—	(6,824)
Interest accrued	4,356	287	—	—	1,338	5,030	—	11,011
Fair value changes of preferred shares	—	—	—	239,145	—	—	—	239,145
Fair value changes of warrants	—	—	9,235	—	—	—	—	9,235
Exchange adjustments . .	29	—	—	—	(1,257)	—	—	(1,228)
Bills payables issued . .	—	85,167	—	—	—	—	—	85,167
Financing cashflows . .	42,001	(39,257)	—	10,785	(20,190)	—	—	(6,661)
At 31 December 2024 . .	132,347	46,197	14,017	1,639,916	22,402	106,156	—	1,961,035
At 1 January 2025	132,347	46,197	14,017	1,639,916	22,402	106,156	—	1,961,035
New lease entered	—	—	—	—	5,837	—	—	5,837
Interest accrued	4,090	20	—	—	849	6,000	—	10,959
Fair value changes of preferred shares	—	—	—	241,461	—	—	—	241,461
Fair value changes of warrants	—	—	2,627	—	—	—	—	2,627
Exercise of warrants . .	—	—	(16,644)	16,644	—	—	—	—
Exchange adjustments . .	78	—	—	—	1,114	—	—	1,192
Bills payables issued . .	—	117,497	—	—	—	—	—	117,497
Deferred issue costs recognised	—	—	—	—	—	—	4,312	4,312
Financing cashflows . .	485	(114,720)	—	135,751	(15,557)	—	(3,608)	2,351
At 31 December 2025 . .	137,000	48,994	—	2,033,772	14,645	112,156	704	2,347,271

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43. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries held by the Company as at the end of each reporting period and as at the date of this report are set out below:

Name of subsidiaries*	Place of incorporation registration/operations	Registered capital	Proportion ownership interest attributable to the Company				Principal activities
			31 December			As at the date of this report	
			2023	2024	2025		
Directly held							
FJ Dynamics Holdings Limited (d)	BVI	—	100%	100%	100%	100%	Holding company
Indirectly held							
FJ International Holdings Limited (a)	Hong Kong	—	100%	100%	100%	100%	Holding company
Shenzhen FJ Management Co., Ltd. (d)	Mainland China	RMB548,984	100%	100%	100%	100%	Holding company
FJ Automation Technology (Xi'an) Co., Ltd. (d)	Mainland China	RMB10,000	100%	100%	100%	100%	Manufacturing and sales of products
FJ Dynamics Technology (Fujian) Co., Ltd. (d)	Mainland China	RMB50,000	100%	100%	100%	100%	Manufacturing and sales of products
FJ Dynamics Shenzhen Co., Ltd. (d)	Mainland China	RMB100,000	100%	100%	100%	100%	Manufacturing and sales of products
FJ Dynamics Technology Co, Ltd. (d)	Mainland China	RMB962,357	97%	97%	97%	97%	General procurement, and research and development
FJ Dynamics Technology Academy (Changzhou) Co, Ltd. (d)	Mainland China	RMB85,000	97%	97%	97%	97%	Production, sales, and research and development of agricultural machinery
FJ Dynamics Software Technology (Nanjing) Co, Ltd. (d)	Mainland China	RMB76,000	97%	97%	97%	97%	Research and development
FJ Dynamics Technology (Wuhan) Co, Ltd. (d)	Mainland China	RMB22,000	97%	97%	97%	97%	Provision of logistics services
VIRTUX Innovations Pte. Ltd. (b)	Singapore	USD10,000	100%	100%	100%	100%	Holding company
FJD US LLC (d)	United States	—	100%	100%	100%	100%	Sales of products
Svea (HK) Limited (a)	Hong Kong	HKD20,281,530	100%	100%	100%	100%	Sales of products
FJ Dynamics International Ltd. (a)	Hong Kong	HKD7,864,023	100%	100%	100%	100%	Sales of products
Svea Software Development (Shanghai) Co., Ltd. (d)	Mainland China	RMB5,000,000	—	100%	100%	100%	Production, sales, and research and development of agricultural machinery
Sveaverken Svea Agri AB (c)	Sweden	SEK70,000	100%	100%	100%	100%	Sales of products
Sveaverken Intelligent Technology (Shenzhen) Co., Ltd. (d)	Mainland China	—	100%	100%	100%	100%	Sales of products
FJD Japan Co. Ltd. (d)	Japan	JPY1,000,000	100%	100%	100%	100%	Sales of products
FJDYNAMICS Europe Limited Liability Company.	Poland	Polish zloty 5,000	—	—	100%	100%	Sales of products
Sveabot Tek AB (c)	Sweden	SEK50,000	100%	100%	100%	100%	Sales of products

* The English names of the subsidiaries established in the PRC are translated from their registered Chinese names for identification only.

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The voting power of the subsidiaries held by the Company are same with the ownership interest held by the Company.

- (a) The statutory financial statements for the year ended 31 December 2023 were prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and were audited by PricewaterhouseCoopers, Certified Public Accountants registered in Hong Kong. The statutory financial statements for the year ended 31 December 2024 were prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and were audited by Deloitte Touche Tohmatsu, Certified Public Accountants registered in Hong Kong. The statutory financial statements for the year ended 2025 are not yet due for issuance.
- (b) The statutory financial statements for the years ended 31 December 2023 and 2024 were prepared in accordance with Financial Reporting Standards in Singapore issued by Singapore Accounting Standards Council and were audited by Lightspring Assurance and KBW Assurance LLP, Certified Public Accountants registered in Singapore. The statutory financial statements for the year ended 2025 are not yet due for issuance.
- (c) The statutory financial statements for the years ended 31 December 2023 and 2024 were prepared in accordance with Swedish Accounting Standards issued by Swedish Accounting Standards Board and were audited by LLE Auditing and Consulting AB, Certified Public Accountants registered in Sweden. The statutory financial statements for the year ended 2025 are not yet due for issuance.
- (d) No statutory financial statements have been prepared since its date of incorporation as it is incorporated in a jurisdiction where there are no statutory audit requirements.

None of the subsidiaries had issued any debt securities during the Track Record Period.

The Company

As at 31 December 2023, 2024 and 2025, the Company recorded investments in subsidiaries of RMB1,274,182,000, RMB1,287,980,000 and RMB1,296,968,000, respectively. Investments in subsidiaries represent capital injection to the subsidiaries of the Company for the purpose of permanent investment and share-based payment expenses recognised.

44. PENSION COST

Full time employees of the Group in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on fixed percentage of the employees’ salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees.

45. CONTINGENCIES

The Group did not have any material contingent liabilities as at 31 December 2023, 2024 and 2025.

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46. PLEDGE OF ASSETS

The Group’s borrowings facilities are secured by the pledge of the Group’s assets and the carrying amounts of the respective assets are as follow:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investment properties	12,665	12,043	—
Property, plant and equipment	—	—	11,420
Restricted bank deposits	—	107,826	70,288
	<u>12,665</u>	<u>119,869</u>	<u>81,708</u>

47. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2023, the Group entered into a series of non-cash transaction including i) entering into new lease agreements for the use of leased properties, on the lease commencement, right-of-use assets and lease liabilities of RMB14,276,000, respectively were recognised; ii) writing-off existing lease agreements for the use of leased properties, on the date of lease amendment, right-of-use assets and lease liabilities of RMB4,620,000 and RMB3,884,000, respectively, were derecognised; iii) issuance of shares by a subsidiary amounting to RMB100,000,000 that RMB50,000,000 to be settled by the related party; iv) recognition of the redemption right of a non-controlling shareholder of a subsidiary, on the sale and purchase agreement date, obligation arising from put option and other reserve of RMB100,000,000, respectively, were recognised.

During the year ended 31 December 2024, the Group entered into a series of non-cash transaction including i) entering into new lease agreements for the use of leased properties, on the lease commencement, right-of-use assets and lease liabilities of RMB15,455,000, respectively were recognised; ii) writing-off existing lease agreements for the use of leased properties, on the date of lease amendment, right-of-use assets and lease liabilities of RMB7,151,000 and RMB6,824,000, respectively, were derecognised; iii) repayment to supplier by the bank under supplier chain financing of RMB85,167,000.

During the year ended 31 December 2025, the Group entered into a series of non-cash transaction including i) new lease agreements for the use of leased properties, on the lease commencement, right-of-use assets and lease liabilities of RMB5,837,000, respectively were recognised; ii) repayment to supplier by the bank under supplier chain financing of RMB117,497,000; iii) investment properties of RMB11,732,000 have been transferred to property, plant and equipment upon commencement of owner-occupation; iv) exercise of warrants to purchase Series B-1 preferred shares amounted to RMB152,348,000, of which RMB16,596,000 represented the fair value of the warrants at the time of exercise.

48. SUBSEQUENT EVENTS

No significant subsequent events occurred after December 31, 2025.

49. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 31 December 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW

Set out below is a summary of certain provisions of the constitution of the Company and certain aspects of the company laws of the Cayman Islands.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 7 June 2021 under the Companies Act. The Company's constitutional documents consist of the Memorandum of Association and the Articles of Association.

1. MEMORANDUM OF ASSOCIATION

The Memorandum provides, *inter alia*, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted (and therefore include acting as an investment holding company) and that the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on [date] and will become effective on the [REDACTED]. A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) *Classes of Shares*

The share capital of the Company consists of a single class of ordinary shares.

(b) *Variation of Rights of Existing Shares or Classes of Shares*

If at any time the share capital of the Company is divided into different classes of Shares, all or any of the rights attached to any class of Shares for the time being issued (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued Shares of that class, or with the approval of a resolution passed by at least three-fourths of the votes cast by the holders of the Shares of that class present and voting in person (whether physically or by virtual attendance with the use of technology) or by proxy at a separate meeting of such holders. The provisions of the Articles relating to general meetings shall apply *mutatis mutandis* to every such separate meeting, except that the necessary quorum shall be two persons together holding (or, in the case of a member being a corporation, by its duly authorised representative), or representing by proxy, at least one-third of the issued Shares of that class. Every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him, and any holder of Shares of the class present in person (whether physically or by virtual attendance with the use of technology), or by proxy may demand a poll.

For the purposes of a separate class meeting, the Board may treat two or more classes of Shares as forming one class of Shares if the Board considers that such classes of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

Any rights conferred upon the holders of Shares of any class shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW

(c) Alteration of Capital

The Company may by ordinary resolution:

- (i) increase its share capital by the creation of new Shares of such amount and with such rights, priorities and privileges attached to such Shares as it may determine;
- (ii) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares. On any consolidation of fully paid Shares and division into Shares of a larger amount, the Board may settle any difficulty which may arise as it thinks expedient and, in particular (but without prejudice to the generality of the foregoing), may as between the holders of Shares to be consolidated determine which particular Shares are to be consolidated into a consolidated Share, and if it shall happen that any person shall become entitled to fractions of a consolidated Share or Shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the Shares so sold to the purchaser(s) thereof and the validity of such transfer shall not be questioned, and the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated Share or Shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
- (iii) sub-divide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum; and
- (iv) cancel any Shares which, as at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

The Company may by special resolution reduce its share capital or any undistributable reserve, subject to the provisions of the Companies Act.

(d) Transfer of Shares

Subject to the terms of the Articles, any member of the Company may transfer all or any of his Shares by an instrument of transfer. If the Shares in question were issued in conjunction with rights, options, warrants or units issued pursuant to the Articles on terms that one cannot be transferred without the other, the Board shall refuse to register the transfer of any such Share without evidence satisfactory to it of the like transfer of such right, option, warrant or unit.

Subject to the Articles and the requirements of the Stock Exchange, all transfers of Shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a recognised clearing house or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the register of members of the Company in respect of that Share.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW

Subject to the provisions of the Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Board thinks fit. The Board may, in its absolute discretion, at any time transfer any Share on the principal register to any branch register or any Share on any branch register to the principal register or any other branch register.

The Board may, in its absolute discretion, decline to register a transfer of any Share (not being a fully paid Share) to a person of whom it does not approve or on which the Company has a lien, or a transfer of any Share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any Share to more than four joint holders. It may also decline to recognise any instrument of transfer if the proposed transfer does not comply with the Articles or any requirements of the Listing Rules.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of Share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules and the relevant section of the Companies Ordinance, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

Fully paid Shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(e) Redemption of Shares

Subject to the provisions of the Companies Act, the Listing Rules and any rights conferred on the holders of any Shares or attaching to any class of Shares, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the members or the Company. The redemption of such Shares shall be effected in such manner and upon such other terms as the Company may by special resolution determine before the issue of such Shares.

(f) Power of the Company to Purchase its own Shares

Subject to the Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which includes redeemable Shares), provided that the manner and terms of purchase have first been authorised by ordinary resolution and that any such purchase shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.

(g) Power of any Subsidiary of the Company to own Shares in the Company

There are no provisions in the Articles relating to the ownership of Shares in the Company by a subsidiary.

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(h) Calls on Shares and Forfeiture of Shares

Subject to the terms of allotment and issue of any Shares (if any), the Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the Shares held by them (whether in respect of par value or share premium). A member who is the subject of the call shall (subject to receiving at least 14 clear days' notice specifying the time or times for payment) pay to the Company at the time or times so specified the amount called on his Shares. A call may be made payable either in one sum or by instalments, and shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The joint holders of a Share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such Share.

If a call remains unpaid after it has become due and payable, the member from whom the sum is due shall pay interest on the unpaid amount at such rate as the Board shall determine (together with any expenses incurred by the Company as a result of such non-payment) from the day it became due and payable until it is paid, but the Board may waive payment of such interest or expenses in whole or in part.

If a member fails to pay any call or instalment of a call after it has become due and payable, the Board may, for so long as any part of the call or instalment remains unpaid, give to such member not less than 14 clear days' notice requiring payment of the unpaid amount together with any interest which may have accrued and which may still accrue up to the date of payment (together with any expenses incurred by the Company as a result of such non-payment). The notice shall specify a further day on or before which the payment required by the notice is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the Shares in respect of which the call was made will be liable to be forfeited.

If such notice is not complied with, any Share in respect of which the notice was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends, other distributions and other monies payable in respect of the forfeited Share and not paid before the forfeiture.

A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, shall surrender to the Company for cancellation the certificate(s) for the Shares forfeited and shall remain liable to pay to the Company all monies which, as at the date of forfeiture, were payable by him to the Company in respect of the Shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of payment as the Board may determine and any expenses incurred by the Company as a result of such non-payment.

2.2 Directors

(a) Appointment, Retirement and Removal

The Company may by ordinary resolution of the members elect any person to be a Director. The Board may also appoint any person to be a Director at any time, either to fill a casual vacancy or as an additional Director subject to any maximum number fixed by the members in general meeting or the Articles. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

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There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The members may by ordinary resolution remove any Director (including a managing or executive Director) before the expiration of his term of office, notwithstanding anything in the Articles or any agreement between the Company and such Director, and may by ordinary resolution elect another person in his stead. Nothing shall be taken as depriving a Director so removed of any compensation or damages payable to such Director in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director.

The office of a Director shall be vacated if:

- (i) the Director gives notice in writing to the Company that he resigns from his office as Director;
- (ii) the Director is absent, without being represented by proxy or an alternate Director appointed by him, for a continuous period of 12 months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;
- (iii) the Director becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (iv) the Director dies or an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
- (v) the Director is prohibited from being or ceases to be a Director by operation of law;
- (vi) the Director has been required by the Stock Exchange to cease to be a Director or no longer qualifies to be a Director pursuant to the Listing Rules; or
- (vii) the Director is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

At each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. If the number of Directors is not a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire at each annual general meeting shall be those who have been in office longest since their last re-election or appointment and, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(b) Power to Allot and Issue Shares and other Securities

Subject to the provisions of the Companies Act, the Memorandum and Articles and, where applicable, the Listing Rules, and without prejudice to any rights or restrictions for the time being attached to any Shares, the Board may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether with regard to dividend,

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voting, return of capital or otherwise, to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, provided that no Shares shall be issued at a discount to their par value.

The Company may issue rights, options, warrants or convertible securities or securities of a similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of Shares or other securities in the Company on such terms as the Board may from time to time determine.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of Shares, to make, or make available, any such allotment, offer, option or Shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(c) Power to Dispose of the Assets of the Company or any of its Subsidiaries

Subject to the provisions of the Companies Act and the Memorandum and Articles, the Board may exercise all powers and do all acts and things which may be exercised or done by the Company to dispose of the assets of the Company or any of its subsidiaries. No alteration to the Memorandum or Articles shall invalidate any prior act of the Board which would have been valid if such alteration or direction had not been made or given.

(d) Borrowing Powers

The Board may exercise all the powers of the Company to raise or borrow money, secure the payment of any sum or sums of money for the purposes of the Company, mortgage or charge all or any part of its undertaking, property and uncalled capital of the Company, and, subject to the Companies Act, issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(e) Remuneration

A Director shall be entitled to receive such sums as shall from time to time be determined by the Board or the Company in general meetings. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in connection with attendance at meetings of the Board or committees of the Board, or general meetings of the Company or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company and the discharge of their duties as Directors, and/or to receive fixed allowances in respect thereof as may be determined by the Board.

The Board or the Company in general meetings may also approve additional remuneration to any Director for any services which in the opinion of the Board or the Company in general meetings go beyond such Director's ordinary routine work as a Director.

(f) Compensation or Payments for Loss of Office

There are no provisions in the Articles relating to compensation or payment for loss of office.

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(g) *Loans to Directors*

There are no provisions in the Articles relating to making of loans to Directors.

(h) *Disclosure of Interest in Contracts with the Company or any of its Subsidiaries*

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company.

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, nor shall any such contract or any other contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director is in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding such office or of the fiduciary relationship established by it, provided that the nature of interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director or alternate Director at or prior to the consideration and vote thereon.

A Director shall not vote on (or be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or other proposal in which he or any of his close associate(s) has a material interest, and if he shall do so his vote shall not be counted and he shall not be counted in the quorum for such resolution. This prohibition shall not apply to any of the following matters:

- (i) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of Shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of (A) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit or (B) any pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

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- (v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of Shares, debentures or other securities of the Company by virtue only of his/their interest in those Shares, debentures or other securities.

2.3 Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Unless otherwise determined, two Directors shall be a quorum. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.4 Alterations to the Constitutional Documents and the Company's Name

The Memorandum and Articles may only be altered or amended, and the name of the Company may only be changed, by special resolution of the Company.

2.5 Meetings of Members

(a) *Special and Ordinary resolutions*

A special resolution must be passed by a majority of not less than two-thirds (other than in relation to any resolution approving changes to the Company's constitutional documents or a voluntary winding up of the Company, in which case a special resolution must be passed by a majority of not less than three-fourths) of the voting rights held by such members as, being entitled so to do, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any members which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. A special resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

An ordinary resolution, in contrast, is a resolution passed by a simple majority of the voting rights held by such members as, being entitled to do so, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any member which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting. An ordinary resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

The provisions of special resolutions and ordinary resolutions shall apply *mutatis mutandis* to any resolutions passed by the holders of any class of shares.

(b) *Voting Rights and Right to Demand a Poll*

Subject to any rights, restrictions or privileges as to voting for the time being attached to any class or classes of Shares, at any general meeting: (a) on a poll every member present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorised representative or by proxy shall have one vote for every Share and (b) on a show of hands every member who is present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorised representative or by proxy shall have one vote. For the avoidance of doubt, votes may be cast by members by electronic means, if such means are provided.

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In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

No person shall be counted in a quorum or be entitled to vote at any general meeting unless he is registered as a member on the record date for such meeting, nor unless all calls or other monies then payable by him in respect of the relevant Shares have been paid.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands (whether physically or by virtual attendance with the use of technology).

Any corporation or other non-natural person which is a member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorised shall be entitled to exercise the same powers as the corporation or other non-natural person could exercise as if it were a natural person member of the Company.

If a recognised clearing house or its nominee(s) is a member of the Company, it may appoint proxies or authorise such person or persons as it thinks fit to act as its representative(s), who enjoy rights equivalent to the rights of other members, at any meeting of the Company (including but not limited to general meetings and creditors meetings) or at any meeting of any class of members of the Company, provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such person is so authorised. A person so authorised shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house or its nominee(s) as if such person were a natural person member of the Company, including the right to speak and vote individually on a show of hands or on a poll (whether physically or by virtual attendance with the use of technology).

All members of the Company (including a member which is a recognised clearing house (or its nominee(s))) shall have the right to (i) speak at a general meeting and (ii) and vote at a general meeting (whether physically or by virtual attendance with the use of technology), except where a member is required by the Listing Rules to abstain from voting to approve the matter under consideration. Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(c) Annual General Meetings and Extraordinary General Meetings

The Company must hold a general meeting as its annual general meeting in each financial year. Such meeting shall be specified as such in the notices calling it, and must be held within six months after the end of the Company's financial year. A meeting of the members or any class thereof may be held by telephone, tele-conferencing or other electronic means, provided that all participants are able to communicate contemporaneously with one another, and participation in a meeting in such manner shall constitute presence at such meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. In addition, one or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per Share basis) in the share capital of the Company may

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make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a meeting. Such requisition, which must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists, shall be deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal place of business, the registered office of the Company. If the Board does not within 21 days from the date of deposit of such requisition duly proceed to convene a general meeting to be held within the following 21 days, the requisitionists or any of them representing more than one-half of the total voting rights of all the requisitionists may themselves convene a general meeting, but any such meeting so convened shall be held no later than the day falling three months after the expiration of the said 21-day period. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by the Board, and all reasonable expenses incurred by the requisitionists shall be reimbursed to the requisitionists by the Company.

(d) Notices of Meetings and Business to be Conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the date, time, place and agenda of the meeting, the particulars of the resolution(s) to be considered at the meeting, the general nature of the business to be considered at the meeting and details for members to attend the meeting virtually with the use of technology (if applicable).

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address, (to the extent permitted by the Listing Rules and all applicable laws and regulations) by electronic means or (in the case of a notice) by advertisement published in the manner prescribed under the Listing Rules.

Notwithstanding that a meeting of the Company is called by shorter notice than as specified above, if permitted by the Listing Rules, such meeting may be deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights held by such members.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board in its absolute discretion consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Board also has the power to provide in every notice calling a general meeting that in the event of a gale warning, a black rainstorm warning or extreme conditions is/are in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

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Where a general meeting is postponed:

- (A) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning, a black rainstorm warning or extreme conditions being in force on the day of the general meeting;
- (B) the Board shall determine the date, time, place and details for members to attend virtually with the use of technology for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting. Such notice shall specify the date, time and place at which the postponed meeting will be reconvened, details for members to attend such postponed meeting virtually with the use of technology (if applicable) and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and
- (C) only the business set out in the notice of the original meeting shall be considered at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be considered at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be considered at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles.

(e) Quorum for Meetings and Separate Class Meetings

No business shall be considered at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (whether physically or by virtual attendance with the use of technology), or in the case of a member being a corporation, by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to approve the variation of class rights, the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued Shares of that class.

(f) Proxies

Any member of the Company (including a member which is a recognised clearing house (or its nominee(s))) entitled to attend and vote at a meeting of the Company is entitled to appoint another person (being a natural person) as his proxy to attend and vote in his place. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is a natural person and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were a natural person member present in person (whether physically or by virtual attendance with the use of technology) at any general meeting. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

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The instrument appointing a proxy shall be in writing and executed under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation or other non-natural person, either under its seal or under the hand of a duly authorised representative. The appointor should be allowed to send the instrument appointing a proxy by electronic means.

The Board shall, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be sent by electronic means (if such means are provided) or deposited and the place and time (being no later than the time appointed for the commencement of the meeting or adjourned meeting to which the instrument of proxy relates) at which such instrument shall be deposited.

Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form that complies with the Listing Rules as the Board may from time to time approve. Any form issued to a member for appointing a proxy to attend and vote at a general meeting at which any business is to be considered shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise the discretion of the proxy in respect of) each resolution dealing with any such business.

2.6 Accounts and Audit

The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions in accordance with the Companies Act.

The books of accounts of the Company shall be kept at the principal place of business of the Company in Hong Kong or, subject to the provisions of the Companies Act, at such other place or places as the Board thinks fit and shall always be open to inspection by any Director. No member (not being a Director) or other person shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or as authorised by the Board or the Company in general meeting.

The Board shall cause to be prepared and laid before the Company at every annual general meeting a profit and loss account for the period since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up, a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditors' report on such accounts and such other reports and accounts as may be required by law and the Listing Rules.

The members shall at each annual general meeting appoint auditor(s) to hold office by ordinary resolution of the members until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the members at the annual general meeting at which they are appointed by ordinary resolution of the members or in any other manner as specified in such ordinary resolution. The members may, at any general meeting convened and held in accordance with the Articles, remove the auditors by ordinary resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in their place for the remainder of the term.

The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

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2.7 Dividends and other Methods of Distribution

Subject to the Companies Act and the Articles, the Company may by ordinary resolution resolve to declare dividends and other distributions on Shares in issue in any currency and authorise payment of the dividends or distributions out of the funds of the Company lawfully available therefor, provided that (i) no dividends shall exceed the amount recommended by the Board, and (ii) no dividends or distributions shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or as otherwise permitted by law.

The Board may from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. In addition, the Board may from time to time declare and pay special dividends on Shares of such amounts and on such dates as it thinks fit.

Except as otherwise provided by the rights attached to any Shares, all dividends and other distributions shall be paid according to the amounts paid up on the Shares that a member holds during the period in respect of which the dividends and distributions are paid. No amount paid up on a Share in advance of calls shall for this purpose be treated as paid up on the Share.

The Board may deduct from any dividends or other distributions payable to any member of the Company all sums of money (if any) then payable by him to the Company on account of calls or otherwise. The Board may retain any dividends or distributions payable on or in respect of a Share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

No dividends or other distributions payable by the Company on or in respect of any Share shall carry interest against the Company.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may further resolve:

- (a) that such dividend be satisfied in whole or in part in the form of an allotment of Shares credited as fully paid on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or
- (b) that the members entitled to such dividend will be entitled to elect to receive an allotment of Shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee.

Upon the recommendation of the Board, the Company may by ordinary resolution resolve in respect of any one particular dividend of the Company determine that notwithstanding the foregoing, a dividend may be satisfied wholly in the form of an allotment of Shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividends, distributions or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder of such Shares or by cheque or warrant sent by post to the registered address of such holder, or in the case of joint holders, to the registered address of the holder who is first named on the register of members of the Company, or to such person and to such address as the holder or joint holders may in writing direct. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other monies payable in respect of the Shares held by them as joint holders.

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Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied in whole or in part by the distribution of specific assets of any kind.

Any dividends or other distributions which remain unclaimed for six years from the date on which such dividends or distributions become payable shall be forfeited and shall revert to the Company.

2.8 Inspection of Corporate Records

For so long as any part of the share capital of the Company is [REDACTED] on the [REDACTED], any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed in accordance with the Companies Ordinance) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

2.9 Rights of Minorities in relation to Fraud or Oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under the Cayman Islands laws, as summarised in paragraph 3.6 below.

2.10 Procedures on Liquidation

Subject to the Companies Act, the members of the Company may by special resolution resolve to wind up the Company voluntarily or by the court.

Subject to any rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of Shares:

- (a) if the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the Company's paid up capital at the commencement of the winding up, the surplus shall be distributed *pari passu* among such members in proportion to the amount paid up on the Shares held by them at the commencement of the winding up; and
- (b) if the assets available for distribution among the members of the Company are insufficient to repay the whole of the Company's paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or ought to be paid up, on the Shares held by them at the commencement of the winding up.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the approval of a special resolution and any other approval required by the Companies Act, divide among the members in kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like approval, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator thinks fit, provided that no member shall be compelled to accept any shares or other property upon which there is a liability.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW

3. COMPANY LAWS OF THE CAYMAN ISLANDS

The Company was incorporated in the Cayman Islands as an exempted company on 7 June 2021 subject to the Companies Act. Certain provisions of the company laws of the Cayman Islands are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the company laws of the Cayman Islands, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

3.1 Company Operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

3.2 Share Capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called the share premium account. At the option of a company, these provisions may not apply to premium on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) any manner provided in section 37 of the Companies Act;
- (d) writing-off the preliminary expenses of the company; and
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

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3.3 Financial Assistance to Purchase Shares of a Company or its Holding Company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

3.4 Purchase of Shares and Warrants by a Company and its Subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under the Cayman Islands laws that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

3.5 Dividends and Distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

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3.6 Protection of Minorities and Shareholders' Suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss vs. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

3.7 Disposal of Assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

3.8 Accounting and Auditing Requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 Exchange Control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW

3.10 Taxation

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

3.12 Loans to Directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

3.13 Inspection of Corporate Records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

3.14 Register of Members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands.

3.15 Register of Directors and Officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers. The Registrar of Companies shall make available the list of the names of the current directors of the Company (and, where applicable, the current alternate directors of the Company) for inspection by any person upon payment of a fee by such person. A copy of the register of directors and officers must be filed with the Registrar of Companies in the Cayman Islands, and any change must be notified to the Registrar of Companies within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Mergers and Consolidations

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the

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members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting members have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

3.18 Mergers and Consolidations involving a Foreign Company

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; and (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

3.19 Reconstructions and Amalgamations

Reconstructions and amalgamations may be approved by (i) 75% in value of the members or class of members or (ii) a majority in number representing 75% in value of the creditors or class of creditors, in each case depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, it can be expected that the court would approve the transaction if it is satisfied that (i) the company is not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with, (ii) the members have been fairly represented at the meeting in question, (iii) the transaction is such as a businessman would reasonable approve and (iv) the transaction is not one that would more properly be sanctioned under some other provisions of the Companies Act or that would amount to a "fraud on the minority".

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If the transaction is approved, no dissenting member would have any rights comparable to the appraisal rights (namely the right to receive payment in cash for the judicially determined value of his shares), which may be available to dissenting members of corporations in other jurisdictions.

3.20 Takeovers

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

3.21 Indemnification

The Cayman Islands laws do not limit the extent to which a company’s articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

3.22 Economic Substance

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (2024 Revision) together with the Guidance Notes published by the Cayman Islands Tax Information Authority from time to time. If a company is considered to be a “relevant entity” and is conducting one or more of the nine “relevant activities”, then such company will be required to comply with the economic substance requirements in relation to the relevant activity from 1 July 2019. All companies whether a relevant entity or not is required to file an annual report with the Registrar of Companies of the Cayman Islands confirming whether or not it is carrying on any relevant activities.

4. GENERAL

Harney Westwood & Riegels, the Company’s legal adviser on Cayman Islands laws, has sent to the Company a letter of advice summarising the aspects of the Companies Act set out in section 3 above. This letter, together with copies of the Companies Act, the Memorandum and the Articles, is on display on the websites of the Stock Exchange and the Company as referred to in the paragraph headed “Documents available on display” in Appendix V. Any person wishing to have a detailed summary of the Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

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A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on June 7, 2021. Our registered office is at Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. Accordingly, our Company’s corporate structure and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Articles of Association is set out in Appendix III to this Document.

Our headquarters and principal places of business in the PRC are at Room 2102, Das Tower, No. 28 Science and Technology South 1st Road, High-tech District Community, Yuehai Street, Nanshan District, Shenzhen, Guangdong, PRC. Our Company has established its principal place of business in Hong Kong at Flat 520–522, 5/F, Core Building 1, PH 1, 1 Science Park East Ave, HK Science Park, Shatin, New Territories, Hong Kong and has been registered as a non-Hong Kong company on October 10, 2025 under Part 16 of the Companies Ordinance. Ms. Zhang Qi (our executive Director and chief financial officer) has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong.

2. Changes in the Share Capital of Our Company

Save as disclosed in the section headed “History, Reorganization and Corporate Structure” in this Document, there has been no alternation in our share capital of our Company within the two years immediately preceding the date of this Document.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountant’s Report in Appendix I to this Document.

The following sets out the changes in the share capital of the Company’s subsidiaries during the two years immediately preceding the date of this Document:

- On August 7, 2025, the registered capital of FJD Hubei increased from RMB931,313,527 to RMB962,357,311.

Save as disclosed above, there had been no other alterations of share capital of our subsidiaries within the two years immediately preceding the date of this Document.

4. Resolutions of our Shareholders

Pursuant to the written resolutions of all Shareholders passed on [•], among other things:

- (a) the Memorandum and Articles of Association were approved and adopted conditional upon [REDACTED];
- (b) the [REDACTED] and the [REDACTED] were approved;
- (c) the Post-[REDACTED] Equity Incentive Plan was approved and adopted conditional upon [REDACTED];

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- (d) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to (i) allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers or agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) and (ii) sell and/or transfer Shares out of treasury that are held as treasury shares which might require Shares to be allotted, issued, or dealt with, or to be sold and/or transferred out of treasury that are held as treasury shares, other than pursuant to the [REDACTED] or pursuant to a rights issue or pursuant to the exercise of any subscription rights attaching to any warrants or any option scheme or similar arrangement which may be allotted and issued by our Company from time to time on a specific authority granted by the Shareholders at a general meeting or, pursuant to the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles, not exceeding 20% of the number of the Shares in issue immediately following completion of the [REDACTED] (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED], (ii) the additional Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan and (iii) treasury shares, if any);
- (e) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all the powers of our Company to repurchase Shares on the [REDACTED] or on any other [REDACTED] on which the securities of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose, provided that such number of Shares shall not exceed 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED], (ii) the additional Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan and (iii) treasury shares, if any); and
- (f) the general unconditional mandate as mentioned in paragraph (d) above was extended by the addition to the number of the Shares which may be allotted, or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the number of Shares repurchased by the Company pursuant to the Repurchase Mandate, provided that such amount shall not exceed 10% of the total number of the Shares in issue immediately following completion of the [REDACTED] (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED], (ii) the additional Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan and (iii) treasury shares, if any).

Each of the general mandates referred to in paragraphs (d), (e) and (f) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company immediately following the completion of the [REDACTED], unless otherwise renewed by an ordinary resolution of our Shareholders at a general meeting, either unconditionally or subject to conditions; or
- the expiration of the period within which our Company’s next annual general meeting immediately following the completion of the [REDACTED] is required by the Articles of Association or any other applicable laws to be held; or
- the date on which it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting.

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Repurchases of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Document concerning the repurchase of our own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders’ approval

All proposed repurchases of shares (which must be fully paid up) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to written resolutions of all Shareholders dated [•], the Repurchase Mandate was given to the Directors authorizing any repurchase by our Company of Shares on the [REDACTED] or on any other [REDACTED] on which the securities may be [REDACTED] and which is recognized by the SFC and the Stock Exchange, provided that such number of Shares shall not exceed 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED], (ii) the additional Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan and (iii) treasury shares, if any), until the conclusion of the next annual general meeting of our Company immediately following the completion of the [REDACTED] (unless otherwise renewed by an ordinary resolution of our Shareholders at a general meeting, either unconditionally or subject to conditions), the expiration of the period within which our Company’s next annual general meeting immediately following the completion of the [REDACTED] is required by the Articles of Association or any other applicable laws to be held or the date on which it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting, whichever occurs first.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with our Articles and the applicable laws of Hong Kong and the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands law, any repurchases by the Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the repurchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act. Any premium payable on the repurchase over the par value of the shares to be repurchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act.

(iii) Trading restrictions

The total number of Shares which our Company may repurchase is up to 10% of the total number of our Shares in issue immediately following completion of the [REDACTED] (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED], (ii) the additional Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan and (iii)

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treasury shares, if any). Our Company may not issue new Shares, or a sale or transfer of any treasury shares, or announce a proposed issue of new Shares, or a sale or transfer of any treasury shares for a period of 30 days immediately following a share repurchase without the prior approval of the Stock Exchange. For the avoidance of doubt, this restriction will not apply to (i) a new issue of Shares, or a sale or transfer of treasury shares under a capitalization issue, (ii) a grant of share awards or options under a share scheme that complies with Chapter 17 of the Listing Rules or a new issue of Shares or a transfer of treasury shares upon vesting or exercise of share awards or options under the share scheme that complies with Chapter 17 of the Listing Rules, and (iii) a new issue of Shares or a transfer of treasury shares pursuant to the exercise of warrants, share options or similar instruments requiring the issuer to issue securities which were outstanding prior to the repurchase. Our Company is also prohibited from repurchasing Shares on the [REDACTED] if the repurchase would result in the number of [REDACTED] Shares which are in the hands of the [REDACTED] falling below the relevant prescribed minimum percentage as required by the Stock Exchange. Our Company is required to procure that the broker appointed by our Company to effect a repurchase of Shares discloses to the [REDACTED] such information with respect to the repurchase as the [REDACTED] may require. Pursuant to the Listing Rules, an issuer shall not purchase its shares on the [REDACTED] if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

(iv) Status of repurchased Shares

Following a repurchase of Shares, the Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

(v) Suspension of repurchase

Pursuant to the Listing Rules, our Company may not make any repurchases of Shares after inside information has come to its knowledge until the information is made publicly available. In particular, under the requirements of the Listing Rules in force as of the date hereof, during the period of 30 days immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of our Company’s results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and

in each case, ending on the date of the results announcement, our Company may not repurchase Shares on the [REDACTED] unless the circumstances are exceptional.

In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

The Company may not purchase any of its Shares on the [REDACTED] for a period of 30 days after any sale or transfer of any treasury shares on the [REDACTED], without the prior approval of the Stock Exchange.

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(vi) Procedural and reporting requirements

As required by the Listing Rules, repurchases of Shares on the [REDACTED] or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which our Company may make a purchase of Shares (whether on the [REDACTED] or otherwise). The report must state (i) the total number of Shares purchased the previous day, the purchase price per Share or the highest and lowest prices paid for such purchases, (ii) whether the purchased Shares are cancelled following settlement of any such purchase or held as treasury shares and where applicable, the reasons for any deviation from the intention statement previously disclosed by the Company, and (iii) confirmations that those purchases which were made on the [REDACTED] were made in accordance with the Listing Rules and that there have been no material changes to the particulars contained in the explanatory statement previously disclosed by our Company. In addition, our Company’s annual report is required to disclose details regarding repurchases of Shares made during the year, including a monthly breakdown of the number of shares repurchased, the purchase price per Share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate prices paid.

(vii) Connected parties

A company is prohibited from knowingly repurchasing securities on the Stock Exchange from a core connected person (as defined in the Listing Rules) and a core connected person shall not knowingly sell its securities to the company on the Stock Exchange.

(b) Reasons and impact for repurchases

The Directors believe that it is in the best interests of our Company and Shareholders for the Directors to have general authority from the Shareholders to enable the Directors to repurchase Shares in the [REDACTED]. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where the Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws and regulations of Hong Kong.

On the basis of the current financial position as disclosed in this Document and taking into account the current working capital position, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Company as compared with the position as of December 31, 2025 as disclosed in the Accountant’s Report. The Directors, however, do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of our Company which in the opinion of the Directors are from time to time appropriate for our Company.

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(d) Interim measures

For any treasury shares of the Company deposited with [REDACTED] pending resale on the [REDACTED], the Company shall, upon approval by the Board, implement the below interim measures which include (without limitation):

- (i) procuring its broker not to give any instructions to [REDACTED] to vote at general meetings for the treasury shares deposited with [REDACTED];
- (ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from [REDACTED], and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividend or distributions; or
- (iii) taking any other measures to ensure that it will not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

(e) General

The Company did not hold any treasury shares as of the Latest Practicable Date and will not hold any treasury shares upon [REDACTED]. To the best knowledge of the Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

The Directors will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations in the Cayman Islands.

Any repurchase of Shares that results in the number of Shares held by the [REDACTED] being reduced to less than such minimum percentage prescribed by the Stock Exchange could only be implemented if the Stock Exchange agrees to waive the requirements under the Listing Rules regarding the [REDACTED] shareholding referred to above. It is believed that a waiver of this provision would not normally be granted other than in exceptional circumstances.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

No core connected person of our Company has notified our Company that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

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B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

We have entered into the following contract (not being a contract entered into in the ordinary course of business) within the two years preceding the date of this Document that is or may be material:

(a) the [REDACTED].

2. Intellectual Property Rights of our Group

(a) Trademarks

As of the Latest Practicable Date, our Group had registered the following trademarks which we consider to be material to our Group’s business:

No.	Trademark	Class(es)	Owner	Registration Number	Place of Registration	Date of Registration
1		9, 42	FJ Dynamics International Limited	307013493	Hong Kong	August 29, 2025
2	FJDynamics	7, 9, 12, 42	FJ Dynamics International Limited	307013439	Hong Kong	August 29, 2025
3		7, 12	FJ Dynamics International Limited	307013484	Hong Kong	August 29, 2025
4	丰疆智能	42	FJ Dynamics (Shenzhen) Co., Ltd.	61865802	PRC	March 7, 2023
5	FJDynamics	9	FJ Dynamics (Shenzhen) Co., Ltd.	59828855	PRC	March 21, 2022
6	丰疆智能	9	FJ Dynamics (Shenzhen) Co., Ltd.	59231024	PRC	February 14, 2023
7		9	FJ Dynamics (Shenzhen) Co., Ltd.	34140350	PRC	December 7, 2020
8		7, 9, 11	FJ Dynamics (Shenzhen) Co., Ltd.	018559568	EU	January 14, 2022
9	FJDynamics	7, 9, 11	FJ Dynamics (Shenzhen) Co., Ltd.	018559558	EU	January 14, 2022
10		7, 9, 11	FJ Dynamics (Shenzhen) Co., Ltd.	7108850	US	July 11, 2023
11	FJDynamics	7, 9, 11	FJ Dynamics (Shenzhen) Co., Ltd.	7108849	US	July 11, 2023

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No.	Trademark	Class(es)	Owner	Registration Number	Place of Registration	Date of Registration
12		9	FJ Dynamics (Shenzhen) Co., Ltd.	1670000	Madrid — EU	July 8, 2022
13		9	FJ Dynamics (Shenzhen) Co., Ltd.	1670000	Madrid — US	July 8, 2022
14	FJDynamics	7, 9, 42	FJ Dynamics (Shenzhen) Co., Ltd.	1669291	Madrid — EU	July 8, 2022
15	FJDynamics	7, 9, 42	FJ Dynamics (Shenzhen) Co., Ltd.	1669291	Madrid — US	October 10, 2023

(b) Patents

As of the Latest Practicable Date, our Group had registered the following patents which we consider to be material to our Group’s business:

No.	Patent description	Category	Registered Owner	Place of Registration	Patent Number	Filing Date
1	Route Planning Method, Electronic Device, and Storage Medium (路線規劃方法、電子設備及存儲介質).	Invention	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	2022111061588	September 9, 2022
2	Binocular Vision-Based Intelligent Obstacle Avoidance Method, Device, Robot, and Medium (基於雙目視覺的智能避障方法、裝置、機器人及介質).	Invention	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	2022105054731	May 10, 2022
3	Remote Monitoring System for Lawn Mowers (一種遠程監控割草機系統).	Utility model	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	2021234246645	December 31, 2021
4	Integrated Control System for Lawn Mowers and Lawn Mower (一種割草機的整機控制系統及割草機).	Utility model	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	2021234523309	December 31, 2021
5	Power Battery Heating System (一種動力電池加熱系統).	Utility model	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	202220092150X	January 14, 2022
6	Control Mechanism and Lawn Mower (一種操控機構及割草機).	Invention	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	202111673874X	December 31, 2021
7	Map Construction Method, Map Usage Method, Device, Equipment, and Storage Medium (地圖構建方法、地圖使用方法、裝置、設備和存儲介質).	Invention	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	2021113763190	November 19, 2021
8	Vision-Based Agricultural Machinery Driving Method, System, Equipment, and Storage Medium (一種基於視覺的農機駕駛方法、系統、設備及存儲介質).	Invention	FJD Hubei	PRC	2021105299749	May 14, 2021

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No.	Patent description	Category	Registered Owner	Place of Registration	Patent Number	Filing Date
9	Steering Control Method for Autonomous Driving and Steering Wheel Unit (自動駕駛的轉向控制方法和方向盤轉向單元).	Invention	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	2021100137979	January 6, 2021
10	Brake Release Device and Electric Lawn Mowing Machinery (剎車釋放裝置和電動割草機械).	Invention	FJ Dynamics Software Technology (Nanjing) Co., Ltd	PRC	202010241363X	March 31, 2020
11	Vision-Based Indoor Navigation System and Indoor Navigation Method (基於視覺的室內導航系統和室內導航方法).	Invention	FJD Hubei	PRC	2020102070803	March 23, 2020
12	Pushing Equipment and Charging Method Therefor (推料設備及其充電方法).	Invention	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	2019114035314	December 30, 2019
13	Pushing Machine and Pushing Method Therefor (推料機及其推料方法).	Invention	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	2019113985786	December 30, 2019
14	Height Adjustment Device and Lawn Mower Comprising the Same (調高裝置和帶有調高裝置的割草機).	Utility model	FJD Hubei	PRC	2019219839505	November 15, 2019
15	Automatic Gear Shifting Device for Tractors (拖拉機的自動換擋裝置).	Utility model	FJD Hubei	PRC	2019219095961	November 7, 2019
16	Automatic Clutch Device for Tractors (拖拉機的自動離合裝置).	Utility model	FJD Hubei	PRC	2019219091674	November 7, 2019
17	Lawn Mower (割草機).	Utility model	FJ Dynamics (Shenzhen) Co., Ltd.	PRC	2019217035379	October 12, 2019
18	Lawn Mowing Machinery (割草機械).	Utility model	FJD Hubei	PRC	2019215056845	September 10, 2019
19	Lawn Mowing Machinery (割草機械).	Utility model	FJD Hubei	PRC	2019215083749	September 10, 2019
20	Rice Transplanter and Successive Rice Transplanting Method (插秧機及其接續插秧方法).	Invention	FJD Hubei	PRC	2019103302627	April 23, 2019
21	Intelligent Cooperation System and Method for Harvesters and Logistics Vehicles (收割機和物流車智能配合系統和方法).	Invention	FJD Hubei	PRC	2019102803430	April 9, 2019
22	Hybrid Power Tractor (混合動力拖拉機).	Utility model	FJ Dynamics Technology Academy (Changzhou) Co., Ltd	PRC	2019203195616	March 13, 2019
23	Agricultural Machinery Fleet Management System and Management Method (農機群管理系統和管理方法).	Invention	FJD Hubei	PRC	2019100704869	January 25, 2019
24	Rice Transplanting System and Rice Transplanting Method Therefor (插秧系統及其插秧方法).	Invention	FJD Hubei	PRC	2019100483781	January 18, 2019

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No.	Patent description	Category	Registered Owner	Place of Registration	Patent Number	Filing Date
25	Intelligent Cooperation System and Method for Harvesters and Logistics Vehicles (收割機和物流車智能配合系統和方法).	Invention	FJD Hubei	CA	3132015	September 28, 2021
26	Intelligent Cooperation System and Method for Harvesters and Logistics Vehicles (收割機和物流車智能配合系統和方法).	Invention	FJD Hubei	EU	19923927.8	October 29, 2021
27	Intelligent Cooperation System and Method for Harvesters and Logistics Vehicles (收割機和物流車智能配合系統和方法).	Invention	FJD Hubei	US	17490129	September 30, 2021
28	Vision-Based Agricultural Machinery Driving Method, System, Equipment, and Storage Medium (一種基於視覺的農機駕駛方法、系統、設備及存儲介質).	Invention	FJD Hubei	JP	7390428	May 10, 2022
29	Vision-Based Agricultural Machinery Driving Method, System, Equipment, and Storage Medium (一種基於視覺的農機駕駛方法、系統、設備及存儲介質).	Invention	FJD Hubei	CA	3158030	May 9, 2022
30	Vision-Based Agricultural Machinery Driving Method, System, Equipment, and Storage Medium (一種基於視覺的農機駕駛方法、系統、設備及存儲介質).	Invention	FJD Hubei	AU	2022203152	May 11, 2022
31	Binocular Vision-Based Intelligent Obstacle Avoidance Method, Device, Robot, and Medium (基於雙目視覺的智能避障方法、裝置、機器人及介質).	Invention	FJ Dynamics (Shenzhen) Co., Ltd.	US	12197223	September 7, 2022
32	Pushing Equipment and Charging Method Therefor and Pushing Machine and Pushing Method Therefor (推料設備及其充電方法和推料機及其推料方法).	Invention	FJD Hubei	US	12161091	June 27, 2022
33	Pushing Equipment and Charging Method Therefor and Pushing Machine and Pushing Method Therefor (推料設備及其充電方法和推料機及其推料方法).	Invention	FJD Hubei	EU	4085759	July 18, 2022

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be material to our business:

No.	Registered Owner	Copyright description	Place of Registration	Certification Number	Registration Number
1	FJ Dynamics Technology Academy (Changzhou) Co., Ltd	FJDynamics Autosteering Software V2.1 [Abbreviation: Autosteering Software]V2.1 (FJDynamics自動轉向軟件 V2.1 [簡稱:自動轉向軟件]V2.1)	PRC	Ruan Zhu Deng Zi No. 9682759	2022SR0728560

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No.	Registered Owner	Copyright description	Place of Registration	Certification Number	Registration Number
2	Sveaverken Intelligent Technology (Shenzhen) Co., Ltd	Sveaverken F100 Auto Steer System [Abbreviation: Sveaverken F100] V3.1 (Sveaverken F100自動轉向系統[簡稱:Sveaverken F100] V3.1)	PRC	Ruan Zhu Deng Zi No. 10359352	2022SR1405153
3	FJ Dynamics Software Technology (Nanjing) Co., Ltd.	FJD Trion Model Point Cloud Data Processing Software [Abbreviation: FJD Trion Model] V1.2 (FJD Trion Model點雲數據處理軟件 [簡稱:FJD Trion Model] V1.2)	PRC	Ruan Zhu Deng Zi No. 13633350	2024SR1229477
4	FJ Dynamics (Shenzhen) Co., Ltd.	FJD Medium-Sized Intelligent Lawn Mower Control System V1.0 (FJD中型智能割草機控制系統 V1.0)	PRC	Ruan Zhu Deng Zi No. 14966023	2025SR0309825
5	FJ Dynamics Technology Academy (Changzhou) Co., Ltd, Shenzhen branch	Jiangyu AT2 Autonomous Driving System [Abbreviation: AT2 V25.103.0] (疆馭AT2自動駕駛系統 [簡稱:AT2 V25.103.0])	PRC	Ruan Zhu Deng Zi No. 15260505	2025SR0604307
6	FJ Dynamics Technology Academy (Changzhou) Co., Ltd	Sveaverken F200 MAX Autonomous Driving System V24.102.3 (Sveaverken F200 MAX自動駕駛系統 V24.102.3)	PRC	Ruan Zhu Deng Zi No. 15465018	2025SR0808820

(d) Domain Name

As of the Latest Practicable Date, we had registered the following domain name which we consider to be material to our business:

No.	Domain Name	Registered Owner	Registration Date	Expiry Date
1.	fjdynamics.com	FJD Hubei	April 18, 2018	April 18, 2027

Save as disclosed above, as of the Latest Practicable Date, there were no other intellectual property rights which are or may be material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) *Interests and short positions of our Directors in the share capital of our Company and its associated corporations following completion of the [REDACTED]*

Save as disclosed in the section headed “Substantial Shareholders” in this Document and below, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions 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) (i) which will have to be notified to us and the [REDACTED] pursuant to [REDACTED] of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to [REDACTED] of the SFO, to be

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entered in the register referred to therein, or (iii) which will be required to be notified to us and the [REDACTED] pursuant to [REDACTED] contained in the Listing Rules:

Name	Capacity/Nature of interest ⁽¹⁾	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the total issued share capital of our Company immediately following the completion of the [REDACTED]
Directors				
Dr. Wu ⁽²⁾	Interest in controlled corporation; Beneficial owner	318,453,627	23.59%	[REDACTED]%
Ms. Zhang Qi ⁽³⁾	Interest in controlled corporation; Beneficial owner	33,000,000	2.44%	[REDACTED]%
Mr. Qin Shuo ⁽⁴⁾	Beneficial owner	12,900,000	0.96%	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) Simple Mindset is a company wholly owned by Dr. Wu. As such, Dr. Wu is deemed to be interested in the 131,947,173 Shares held by Simple Mindset. Besides, Dr. Wu was entitled to receive up to 54,008,076 Shares pursuant to the share awards granted to him under the Pre-[REDACTED] Share Award Scheme as of the Latest Practicable Date, subject to the terms and conditions of these share awards. Such 54,008,076 Shares were held by Future Sharing as of the same date.

Further, Dr. Wu and Simple Mindset are deemed to be interested in 186,506,454 Shares held by Future Sharing and Million Kirin as a result of the Voting Proxy Agreements, pursuant to which, among others, Future Sharing and Million Kirin agreed to appoint Simple Mindset with full power to exercise all of their rights in relation to the Shares held by Future Sharing and Million Kirin, including exercising their voting rights at all meetings of the members of the Company.
- (3) Million Kirin is a company wholly owned by Ms. Zhang Qi. As such, Ms. Zhang Qi is deemed to be interested in the 32,000,000 Shares held by Million Kirin. Further, Ms. Zhang Qi is entitled to receive up to 1,000,000 Shares pursuant to the share awards granted to her under the Pre-[REDACTED] Share Award Scheme as of the Latest Practicable Date, subject to the terms and conditions of these share awards.
- (4) These Shares represent the entitlement of Mr. Qin Shuo to receive up to 12,900,000 Shares pursuant to the share awards granted to him under the Pre-[REDACTED] Share Award Scheme as of the Latest Practicable Date, subject to the terms and conditions of these share awards.

(b) *Interests of the substantial shareholders in the Shares*

Save as disclosed in the section headed “Substantial Shareholders” in this Document, immediately following the completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and any Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan), 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 our Shares or the underlying Shares which would fall to be disclosed to us and the [REDACTED] under the provisions of [REDACTED] of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

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(c) Interests of the substantial shareholders in other members of our Group

As of the Latest Practicable Date, our Directors are not aware of any other persons who would, immediately following the completion of the [REDACTED], be directly or indirectly interested in 10% or more of the issued voting shares of any member of our Group (other than our Company).

2. Particulars of Service Contracts and Appointment Letters

(a) Executive Directors

Each of the executive Directors [has] entered into a service contract with our Company under which they agreed to act as executive Directors for an initial term of three years commencing from the [REDACTED]. The appointments of the executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles.

(b) Independent non-executive Directors

Each of the independent non-executive Directors [has] signed an appointment letter with our Company for an initial term of three years commencing from the [REDACTED]. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles.

3. Directors’ Remuneration

Save as disclosed in note 13 to the Accountant’s Report, for the three financial years ended December 31, 2023, 2024 and 2025, none of our Directors received other remunerations of benefits in kind from us.

4. Disclaimers

Save as disclosed in this Document:

- (a) none of the Directors or chief executive of our Company has any interest or short positions in the Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the [REDACTED] pursuant to [REDACTED] of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to [REDACTED] of the SFO, to be entered into the register referred to in that section, or which will be required to be notified to us and the [REDACTED] pursuant to the Model Code, in each case, once our Shares are [REDACTED] on the [REDACTED];
- (b) none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and any Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of [REDACTED] of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

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- (c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group; and
- (d) none of our Directors or any of the parties listed in the paragraph headed “— Qualifications of Experts” in this Appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - (ii) materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business.

D. SHARE INCENTIVE SCHEMES

Pre-[REDACTED] Share Award Scheme

As of the Latest Practicable Date, our Company had granted outstanding share awards (“**Share Awards**”) under the Pre-[REDACTED] Share Award Scheme to 558 grantees (each a “**Grantee**”) for an aggregate of 118,706,534 Shares, representing approximately [REDACTED]% of the total number of Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan). No Share Awards under the Pre-[REDACTED] Share Award Scheme will be further granted after [REDACTED], and all Share Awards have been granted to specific individuals under the Pre-[REDACTED] Share Award Scheme. We have applied to the Hong Kong Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules. For more details, see “Waivers — Waiver in relation to the Pre-[REDACTED] Share Award Scheme” in this Document.

The following is a summary of the principal terms of the Pre-[REDACTED] Share Award Scheme.

(a) Purposes

The purpose of the Pre-[REDACTED] Share Award Scheme is to recognize the contributions by certain employees and to incentivize them to continue their employment within the Group, and to attract suitable candidates for the future development of the Group.

(b) Eligible Grantees

The eligible Grantees of the Pre-[REDACTED] Share Award Scheme include any employee (including but without limitation any executive director) of the Group.

(c) Administration

The Pre-[REDACTED] Share Award Scheme is subject to the administration of the Board and the trustee appointed in accordance with the scheme rules and the trust deed.

(d) Total Number of the Shares

The number of Shares underlying the Share Awards granted or to be granted under the Pre-[REDACTED] Share Award Scheme shall not exceed 154,506,454 Shares.

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(e) Term

Subject to any early termination as may be determined by the Board, the Pre-[REDACTED] Share Award Scheme is valid and effective for a term of ten years, commencing on the adoption date of the Pre-[REDACTED] Share Award Scheme.

(f) Vesting period

Subject to the terms and conditions of the Pre-[REDACTED] Share Award Scheme and the fulfillment of vesting conditions, the Share Awards shall vest in such selected employees in accordance with the vesting schedule as set out in the respective grant notices.

(g) Details of the Outstanding Share Awards Granted

As of the Latest Practicable Date, our Company had granted outstanding Share Awards under the Pre-[REDACTED] Share Award Scheme to 558 Grantees for an aggregate of 118,706,534 Shares, representing approximately [REDACTED]% of the total number of Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan). Among the outstanding Share Awards, three Directors (each of whom is also a senior management member of the Company), three other connected persons of our Company, and 552 other Grantees, who are employees of our Group (other than not Directors, senior management members or connected persons of our Company), were granted Share Awards for 67,908,076 Shares, 10,380,000 Shares and 40,418,458 Shares, respectively. Assuming full vesting of all outstanding awards, the shareholding of our Shareholders immediately following completion of the [REDACTED] will not be diluted and there will be no dilutive effect on our loss per Share as all Shares underlying the awards have already been issued. Details of the outstanding Share Awards granted as of the Latest Practicable Date are set out below:

Name of Grantee	Position(s) within our Group	Dates of grants	Number of Shares underlying outstanding Share Awards	Purchase price per Share Award	Vesting period	Approximate percentage of shareholding in the total issued share capital of our Company immediately after the [REDACTED]
				(RMB)		
Director (each of whom is also a senior management member of our Company)						
Wu Di (吳迪)	Chairperson of the Board, chief executive officer and executive Director	December 31, 2025	54,008,076	0.0000064	Please refer to Note (2)	[REDACTED]%
Zhang Qi (張琦)	Executive Director and chief financial officer	December 31, 2025	1,000,000	0.0000064	Please refer to Note (3)	[REDACTED]%
Qin Shuo (秦碩)	Executive Director and chief operating officer	November 29, 2021, February 16, 2023, February 9, 2024, April 1, 2025 and December 31, 2025	12,900,000	0.0000064	Please refer to Note (4)	[REDACTED]%

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						Approximate percentage of shareholding in the total issued share capital of our Company immediately after the [REDACTED]
Name of Grantee	Position(s) within our Group	Dates of grants	Number of Shares underlying outstanding Share Awards	Purchase price per Share Award	Vesting period	
				(RMB)		
Other connected persons of our Company						
Han Bin (韓彬)	Director of FJD Hubei	January 26, 2022, February 16, 2023, February 9, 2024, April 1, 2025 and December 31, 2025	7,200,000	0.0000064	Please refer to Note (5)	[REDACTED]%
Wang Rui (王銳)	Director of our subsidiaries, including FJD Hubei, FJ Dynamics Technology Academy (Changzhou) Co., Ltd and Sveaverken Svea Agri AB	November 29, 2021, February 16, 2023, February 9, 2024, April 1, 2025 and December 31, 2025	1,000,000	0.0000064	Please refer to Note (6)	[REDACTED]%
Liu Lie (劉列)	Director of our subsidiaries, FJD Hubei	November 29, 2021, February 16, 2023, February 9, 2024, April 1, 2025 and December 31, 2025	2,180,000	0.0000064	Please refer to Note (7)	[REDACTED]%
Others						
552 Grantees who are employees of our Group (other than Directors, senior management members or connected persons of our Company)	—	From November 29, 2021 to December 31, 2025	40,418,458	0.0000064	Please refer to Note (8)	[REDACTED]%

Notes:

- (1) Assuming the [REDACTED] is not exercised and without taking into account of any new Shares which may be issued under the Post-[REDACTED] Equity Incentive Plan.
- (2) In respect of the 54,008,076 Share Awards granted on December 31, 2025, 25% of such Share Awards shall vest on the date of each every 12 months from the date of grant.
- (3) In respect of the 1,000,000 Share Awards granted on December 31, 2025, 25% of such Share Awards shall vest on the date of each every 12 months from the date of grant.

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- (4) In respect of the 3,500,000 Share Awards granted on November 29, 2021, 40%, 30% and 30% of the Share Awards shall vest on the date of 12 months, 24 months and 36 months from November 29, 2021. In respect of the 3,000,000, 2,000,000, 400,000 and 4,000,000 Share Awards granted on February 16, 2023, February 9, 2024, April 1, 2025 and December 31, 2025, respectively, 25% of such Share Awards shall vest on the date of each every 12 months from the respective dates of grants.
- (5) In respect of the 2,000,000 Share Awards granted on January 26, 2022, 40%, 30% and 30% of the Share Awards shall vest on the date of 12 months, 24 months and 36 months from January 26, 2022. In respect of the 800,000, 1,000,000, 400,000 and 3,000,000 Share Awards granted on February 16, 2023, February 9, 2024, April 1, 2025 and December 31, 2025, respectively, 25% of such Share Awards shall vest on the date of each every 12 months from the respective dates of grants.
- (6) In respect of the 500,000 Share Awards granted on November 29, 2021, 40%, 30% and 30% of the Share Awards shall vest on the date of 12 months, 24 months and 36 months from November 29, 2021. In respect of the 100,000, 200,000, 100,000 and 100,000 Share Awards granted on February 16, 2023, February 9, 2024, April 1, 2025 and December 31, 2025, respectively, 25% of such Share Awards shall vest on the date of each every 12 months from the respective dates of grants.
- (7) In respect of the 1,500,000 Share Awards granted on November 29, 2021, 40%, 30% and 30% of the Share Awards shall vest on the date of 12 months, 24 months and 36 months from November 29, 2021. In respect of the 400,000, 200,000, 30,000 and 50,000 Share Awards granted on February 16, 2023, February 9, 2024, April 1, 2025 and December 31, 2025, respectively, 25% of such Share Awards shall vest on the date of each every 12 months from the respective dates of grants.
- (8) The Share Awards shall vest in such grantees in accordance with the vesting schedule as set out in their respective grant notices.

Post-[REDACTED] Equity Incentive Plan

A summary of the principal terms of the Post-[REDACTED] Equity Incentive Plan conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by written resolutions of our Shareholders on [•], conditional upon [REDACTED], is as follows.

(a) Purpose

The purpose of the Post-[REDACTED] Equity Incentive Plan is to incentivize and reward the Eligible Participants (as defined below) for their contribution to the Group and to align their interests with that of our Company so as to encourage them to work towards enhancing the value of our Company.

(b) Eligible Participants

The Board (which expression shall, for the purpose of this paragraph, include the Board or a duly authorized committee thereof) may, at its absolute discretion, offer to grant an option or a share award to subscribe for such number of Shares as the Board may determine to (a) an employee (whether full time or part-time) or a director of our Company or any of its subsidiaries (“**Eligible Employee(s)**”) and (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (“**Related Entity Participant(s)**”, together with the Eligible Employee(s) referred as the “**Eligible Participant(s)**”).

The eligibility of any Eligible Participants shall be determined by the Board from time to time on the basis of the Board’s opinion as to, among others, the participant’s individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with or actual degree of involvement in and/or cooperation with the Group and the actual or potential contribution to the development and growth of the Group, and the amount of support, assistance, guidance, advice, effort and contributions the Eligible Participants have exerted and given towards the success of the Group.

(c) Maximum number of Shares

- (i) Subject to paragraphs (iii) and (iv) below, the total number of Shares which may be issued upon exercise of all options and share awards to be granted under the Post-[REDACTED] Equity Incentive Plan shall not in aggregate exceed 10% of the relevant class of Shares in

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issue (excluding any Shares which may be issued upon the exercise of the [REDACTED] and any treasury shares) on the day on which [REDACTED] of the Shares commences on the [REDACTED] [REDACTED] (the “Plan Mandate Limit”), being [REDACTED] Shares. Options and share awards lapsed in accordance with the terms of the Post-[REDACTED] Equity Incentive Plan will not be counted for the purpose of calculating the Plan Mandate Limit.

- (ii) Subject to paragraph (iii) below, the Plan Mandate Limit may be refreshed at any time after three years from the date of Shareholders’ approval for the last refreshment (or the date on which the Post-[REDACTED] Equity Incentive Plan is adopted, as the case may be) by approval of its Shareholders in general meeting provided that (1) any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive directors) and the chief executive of our Company and their respective associates) must abstain from voting in favor of the relevant resolution at the general meeting; and (2) our Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules. The requirements under (1) and (2) of this paragraph do not apply if the refreshment is made immediately after an issue of securities by our Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the plan mandate (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the plan mandate immediately before the issue of securities, rounded to the nearest whole Share.
- (iii) The total number of Shares which may be issued upon exercise of all options and share awards to be granted under the Post-[REDACTED] Equity Incentive Plan and any other plans of our Company under the plan mandate as refreshed must not exceed 10% of the relevant class of Shares in issue (excluding any treasury shares) as at the date of approval of the refreshed plan mandate.
- (iv) Without prejudice to paragraph (iii) above, our Company may seek separate Shareholders’ approval in a general meeting to grant options and/or share awards beyond the Plan Mandate Limit to participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options and/or share awards to be granted, the purpose of granting options and/or share awards to the specified participants with an explanation as to how the terms of the options and/or share awards will serve such purpose and all other information required under the Listing Rules.

(d) Maximum entitlement of a grantee

Where any grant of options or share awards to a participant would result in the Shares issued and to be issued upon exercise of all options and/or share awards granted and to be granted to such participant (excluding any options and share awards lapsed in accordance with the terms of the Post-[REDACTED] Equity Incentive Plan) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue (excluding any treasury shares), such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or his/her associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options and/or share awards to be granted to such participant must be fixed before Shareholders’ approval.

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(e) Grant and exercise of options and share awards

The Board or a duly authorized committee thereof may in its absolute discretion specify such event, time limit or conditions (if any) as it thinks fit when making such offer to the Eligible Participants, including, without limitation, conditions as to performance criteria (such as growth rate of revenue, earnings per share and/or total shareholders’ return) to be satisfied or achieved by the Eligible Participants and/or our Company and/or the Group which must be satisfied before an option or a share award can be exercised.

An offer of the grant of an option or a share award shall be made to any Eligible Participants by letter in such form as the Board or a duly authorized committee thereof may from time to time determine specifying the number of Shares, the vesting period, the subscription price, the option period, the date by which the grant must be accepted and further requiring the Eligible Participants to hold the option or share award on the terms on which it is to be granted and to be bound by the provisions of the Post-[REDACTED] Equity Incentive Plan. An option or a share award shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the offer of the grant of the option or share award duly signed by the grantee together with a payment to our Company and/or any of its subsidiaries of HK\$1 (or the equivalent of HK\$1 in the local currency of any jurisdiction where our Company and/or its subsidiaries operate, as the Board or a duly authorized committee thereof may in its absolute discretion determine) by way of consideration for the grant thereof is received by our Company within the time period specified in the offer of the grant of the option or share award.

An option or a share award shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any option or share award. Any breach of the foregoing by the grantee shall entitle our Company to cancel any outstanding entitlement of such grantee.

An option may be exercised in accordance with the terms of the Post-[REDACTED] Equity Incentive Plan at any time during a period to be determined and notified by the Board to each grantee, which period may commence on a day falling at least 12 months after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date on which an option is offered to a participant, subject to the provisions for early termination under the Post-[REDACTED] Equity Incentive Plan. In any event, the minimum period for which an option or a share award must be held before it can be vested and exercised (if applicable) shall be 12 months.

(f) Subscription price

The amount payable for each Share to be subscribed for under an option (the “**Subscription Price**”) in the event of the option being exercised shall be determined by the Board or a duly authorized committee thereof at its absolute discretion, which shall be not less than the highest of:

- (i) the nominal value of a Share;
- (ii) the [REDACTED] of the Shares as stated in the [REDACTED] daily quotations sheet on the date of grant, which must be a business day; and
- (iii) the average [REDACTED] of the Shares as stated in the [REDACTED] daily quotations sheets for the five business days immediately preceding the date of grant.

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The amount payable for each Share to be subscribed for under a share award (the “**Purchase Price**”) shall be determined by the Board or a duly authorized committee thereof at its absolute discretion, based on considerations such as the prevailing closing price of the Shares, the purpose of the share award and the contribution of the Eligible Participant.

(g) Options and share awards granted to connected persons

- (i) Any grant of options or share awards to a director, chief executive or substantial shareholder of the Company, or any of their associates must be approved by the independent non-executive Director (excluding any independent non-executive Director who is the grantee of the options or share awards).
- (ii) Where any grant of share awards (excluding grant of options) to a director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the shares issued and to be issued in respect of all share awards granted (excluding any share awards lapsed in accordance with the terms of the Post-[REDACTED] Equity Incentive Plan) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares), such further grant of share awards must be approved by the Shareholders at a general meeting of our Company, with voting to be taken by way of poll.
- (iii) Where any grant of options or share awards to an independent non-executive Director or a substantial shareholder of our Company or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options lapsed in accordance with the terms of the Post-[REDACTED] Equity Incentive Plan) under the Post-[REDACTED] Equity Incentive Plan and any other plans of our Company to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares), such further grant of options or share awards must be approved by the Shareholders at a general meeting of our Company, with voting to be taken by way of poll.

Our Company shall send a circular to the Shareholders containing all information as required under the Listing Rules in this regard. The grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of our Company shall abstain from voting (except where any core connected person intends to vote against the proposed grant and his/her intention to do so has been stated in the aforesaid circular). Any change in the terms of an option or a share award granted to a Director, a chief executive, a substantial shareholder of our Company or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders in the aforesaid manner if the initial grant of the options or share awards requires such approval.

(h) Restriction of grant of options and share awards

No option or share awards shall be offered or granted

- (i) to any Eligible Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until (and including) the [REDACTED] after the relevant price sensitive or inside information has been announced in accordance with the applicable provisions of law or the Listing Rules;

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- (ii) to any Eligible Participant during the period commencing one month immediately before the following (whichever is earlier):
 - (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's annual, quarterly (if any) or half-yearly results; and
 - (b) the deadline for our Company to publish an announcement of its annual, quarterly (if any) or half-yearly results;and ending on the date of the results announcement. No option or share award shall be granted during any period of delay in the publication of a results announcement;
- (iii) to any Director (except where the Subscription Price is to be determined by the Board or a duly authorized committee thereof at the time of exercise of the option):
 - (c) during the period of 60 days immediately preceding the publication of the annual results of our Company or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; or
 - (d) during the period of 30 days immediately preceding the publication of the quarterly (if any) or half-yearly results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(i) *Lapse of options and share awards*

Any option or share award shall elapse automatically and not be exercisable on the earliest of:

- (i) the expiry of the option period or other applicable exercisable periods under the Post-[REDACTED] Equity Incentive Plan;
- (ii) the expiry of the periods or the occurrence of the relevant event referred to in (i)(i) and (i)(iii) below;
- (iii) subject as provided in the Post-[REDACTED] Equity Incentive Plan, the date of the commencement of the winding-up of our Company;
- (iv) the date on which the grantee commits a breach of relevant clauses that rights are personal to the grantee; or
- (v) the occurrence or non-occurrence of any event, expiry of any period, or non-satisfaction of any condition, as specified in the letter containing the offer or grant of the relevant option or share award.

(j) *Voting and dividend rights*

No grantee shall enjoy any of the rights of a Shareholder (including but not limited to voting, dividend, transfer rights or any other rights attached to a Share) by virtue of the grant of an option or a share award pursuant to the Post-[REDACTED] Equity Incentive Plan, unless and until the registration of the grantee (or such other person as may succeed to the grantee's title by operation of applicable laws and in compliance with the terms of the Post-[REDACTED] Equity Incentive Plan) as the holder thereof.

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For the avoidance of doubt, the trustee holding unvested Shares under the Post-[REDACTED] Equity Incentive Plan, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

(k) Effects of alterations in the capital structure of our Company

In the event of a capitalization issue, rights issue, subdivision or consolidation of Shares or reduction of capital of our Company whilst an option or a share award remains outstanding, such corresponding adjustment (if any) certified by the auditors for the time being of or an independent financial advisor to our Company as fair and reasonable will be made to:

- (i) the number of Shares to which the option or the share award relates, so far as outstanding, and/or
- (ii) the Subscription Price of any unexercised option and the Purchase Price of any outstanding share awards, provided that (i) any such alteration shall give a grantee the same proportion of the issued share capital (rounded to the nearest whole Share) to which the grantee was entitled prior to such alteration; (ii) any such adjustments shall be made on the basis that the aggregate Subscription Price and Purchase Price payable by a grantee on the full exercise of any option or share award shall remain as nearly as possible the same as it was before such event; and (iii) no adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. In addition, in respect of any such adjustments, other than any adjustment made on a capitalization issue, such auditors or independent financial advisor must confirm to the Board in writing that the adjustments comply with the relevant provisions of the Listing Rules (or any guideline or supplementary guideline as may be issued by the Stock Exchange from time to time).

(l) Rights on ceasing employment, death, or dismissal

- (i) If the grantee of an option or a share award is an employee and ceases to be an employee for any reason other than death, or for serious misconduct or other grounds referred to in sub-paragraph (iii) below before exercising his/her option or share award in full, the option or share award (to the extent not already exercised) will lapse automatically on the date of cessation of his/her employment or engagement with the Group.
- (ii) If the grantee of an option or a share award is an employee and ceases to be an employee by reason of his/her death, before exercising the option or share award in full, his/her legal personal representative(s), or, as appropriate, the grantee may exercise the option or share award (to the extent not already exercised) in whole or in part within a period of 12 months following the date of death of the grantee.
- (iii) If the grantee of an option or a share award is an employee and ceases to be an employee by reason that he has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offense involving his/her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his/her employment summarily, his/her option or share award will lapse automatically on the date of cessation of his/her employment with the Group.

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(m) Rights on takeover and plans of compromise or arrangement

If a general or partial offer (whether by way of take-over offer, share repurchase offer or otherwise in like manner other than by way of a plan of arrangement) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror) our Company shall use its best endeavors to procure that such offer is extended to all the grantees (on the same terms mutatis mutandis, and assuming that they will become, by the exercise in full of the options and/or share awards granted to them, Shareholders of our Company). If such offer becomes or is declared unconditional, the grantee (or his/her legal personal representative(s)) shall be entitled to exercise the grantee's outstanding entitlement in full at any time within 14 days after the date on which such general offer becomes or is declared unconditional.

(n) Rights on a voluntary winding-up

In the event of an effective resolution being passed for the voluntary winding-up of our Company or an order of the court being made for the winding-up of our Company, notice thereof shall be given by our Company to grantees with options and/or share awards outstanding in full or in part at such date. If a grantee immediately prior to such event had any outstanding entitlement, the grantee (or his legal personal representative(s)) may by notice in writing to our Company within 21 days after the date of such resolution elect to be treated as if the entitlement had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the notice, such notice to be accompanied by a remittance for the full amount of the aggregate Subscription Price or Purchase Price for the Shares in respect of which the notice is given, whereupon the grantee shall be duly transferred with the relevant Shares (or treated as such by our Company) and entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares that are the subject of such election.

(o) Ranking of Shares

The Shares underlying the options and the share awards will be subject to all the provisions of the Articles of Association of our Company for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of such transfer and accordingly will entitle the holders to participate in all dividends and other distributions paid or made on or after the date of such transfer other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor falls before the date of such transfer.

(p) Duration

The Post-[REDACTED] Equity Incentive Plan shall be valid and effective for a period of 10 years commencing on the date when the Post-[REDACTED] Equity Incentive Plan becomes unconditional, after which period no further options or share awards will be granted by the provisions of the Post-[REDACTED] Equity Incentive Plan, but the provisions of the Post-[REDACTED] Equity Incentive Plan shall remain in full force and effect to the extent necessary to give effect to the exercise of any options or share awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-[REDACTED] Equity Incentive Plan.

(q) Alteration of the Plan

The Board may subject to the rules of the Post-[REDACTED] Equity Incentive Plan amend any of the provisions of the Post-[REDACTED] Equity Incentive Plan at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

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Any alterations to the terms and conditions of the Post-[REDACTED] Equity Incentive Plan which are of a material nature, and any change to the terms of any options or share awards granted to the advantage of Eligible Participants, shall be subject to the approval of the Shareholders in general meeting and, where required under the Listing Rules, the Stock Exchange.

Any change to the terms of options or share awards granted to a Eligible Participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the options or share awards was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be). Such requirement does not apply where the alterations take effect automatically under the existing terms of the Post-[REDACTED] Equity Incentive Plan.

(r) Cancellation of options and share awards

Any cancelation of options or share awards granted may be effected on such terms as may be agreed with the relevant grantee, as the Board may in its absolute discretion sees fit and in a manner that complies with all applicable legal requirements for such cancellation. Where our Company cancels options and/or share awards granted to a participant and makes a new grant to the same participant, such new grant may only be made under the Post-[REDACTED] Equity Incentive Plan with available Plan Mandate Limit approved by the Shareholders. The options or share awards canceled will be regarded as utilized for the purpose of calculating the Plan Mandate Limit.

(s) Clawback

The Board may, at its absolute discretion, determine such malus and/or clawback provisions to be applied to an option and a share award or an offer of grant so as to provide, upon the occurrence of the applicable malus and/or clawback event(s) such as serious misconduct, a material misstatement in our Company’s financial statements and fraud. If the Board exercises its discretion under this paragraph, it will give the relevant grantee written notice of such determination and the Board’s interpretation of and determination pursuant to this paragraph shall be final, conclusive and binding.

(t) Termination

Our Company by resolution in general meeting or the Board may at any time terminate the operation of the Post-[REDACTED] Equity Incentive Plan and in such event no further options or share awards will be offered but the provisions of the Post-[REDACTED] Equity Incentive Plan shall remain in full force in all other respects. All options and share awards granted prior to such termination shall continue to be valid and exercisable in accordance with the terms of the Post-[REDACTED] Equity Incentive Plan.

(u) Value of option and share awards

Our Directors consider it inappropriate to disclose the value of options and/or share awards which may be granted under the Post-[REDACTED] Equity Incentive Plan as if they had been granted as of the Latest Practicable Date. Any such valuation will have to be made on the basis of a certain option and/or share awards pricing model or other method that depends on various assumptions including the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options or share awards have been granted, certain variables are not available for calculating the value of options or share awards. Our Directors believe that any calculation of the value of options and share awards granted as of the Latest Practicable Date would be based on a number of speculative assumptions that are not meaningful and would be misleading to [REDACTED].

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(v) *General*

As of the Latest Practicable Date, no options or share awards had been granted or agreed to be granted under the Post-[REDACTED] Equity Incentive Plan.

E. OTHER INFORMATION

1. Litigation

As of the Latest Practicable Date, we are not aware of any other litigation or arbitration proceedings of material importance pending or threatened against us or any of our Directors that could have a material adverse effect on our financial condition or results of operations.

2. No Material Adverse Change

The Directors confirm that there has been no material 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) and up to the date of this Document.

3. The Joint Sponsors

Each of the Joint Sponsors is independent from our Company pursuant to Rule 3A.07 of the Listing Rules. The fee payable by our Company to each of the Joint Sponsors to act as a sponsor to our Company in connection with the [REDACTED] is US\$500,000.

4. Preliminary expenses

We have not incurred any material preliminary expenses.

5. Promoter

Our Company has no promoter for the purpose of the Listing Rules.

6. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this Document:

Name	Qualification
Morgan Stanley Asia Limited	A licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO

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Name	Qualification
Haiwen & Partners	Legal adviser to our Company as to PRC laws
Harney Westwood & Riegels	Legal adviser to our Company as to Cayman Islands laws
Haiwen & Partners	Legal adviser to our Company as to PRC data compliance laws
Deloitte Touche Tohmatsu	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

7. Consent of Experts

Each of the experts named above has given and has not withdrawn its respective written consent to the issue of this Document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included in this Document in the form and context in which it is respectively included.

8. Binding Effect

This Document shall have the effect, if an application is made in pursuance of this Document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of [REDACTED] of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

9. Bilingual Document

The English and Chinese language versions of this Document are being published separately in reliance upon the exemption provided by [REDACTED] of the Companies (Exemption Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

MISCELLANEOUS

Save as otherwise disclosed in this Document:

- (a) within the two years preceding the date of this Document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

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- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (f) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (g) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong; and
- (h) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than **[REDACTED]** is currently being or agreed to be sought.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

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, among other documents:

- (a) the written consents referred to in the paragraph headed “Statutory and General Information — E. Other Information — 7. Consent of Experts” in Appendix IV to this Document; and
- (b) a copy of the material contract referred to in the paragraph headed “Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract” in Appendix IV to this Document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the Company’s website (www.fjdynamics.com) and the Stock Exchange’s website (www.hkexnews.hk) up to and including the date which is 14 days from the date of this Document:

- (a) the Memorandum and Articles of Association of our Company;
- (b) the audited consolidated financial statements of our Company for the three financial years ended December 31, 2023, 2024 and 2025;
- (c) the Accountant’s Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this Document;
- (d) the report on the unaudited [REDACTED] financial information from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this Document;
- (e) the legal opinion issued by Haiwen & Partners, our PRC Legal Adviser in respect of general matters and property interests of our Group in the PRC;
- (f) the letter of advice from Harney Westwood & Riegels, our legal adviser as to the laws of the Cayman Islands, summarizing certain aspects of the Cayman Companies Act referred to in Appendix III to this Document;
- (g) the report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a summary of which is set forth in the section headed “Industry Overview” in this Document;
- (h) the material contract referred to in the paragraph headed “Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract” in Appendix IV to this Document;
- (i) the written consents referred to in the paragraph headed “Statutory and General information — E. Other Information — 7. Consent of Experts” in Appendix IV to this Document;
- (j) the service contracts and appointment letters referred to in the paragraph headed “Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Particulars of Service Contracts and Appointment Letters” in Appendix IV to this Document;
- (k) the terms of the Pre-[REDACTED] Share Award Scheme;

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES
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- (l) the terms of the Post-[REDACTED] Equity Incentive Plan; and
- (m) the Cayman Companies Act.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a list of grantees under the Pre-[REDACTED] Share Award Scheme, containing all details as required under the Listing Rules, will be available for inspection at the office of Davis Polk & Wardwell at 10/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this Document.