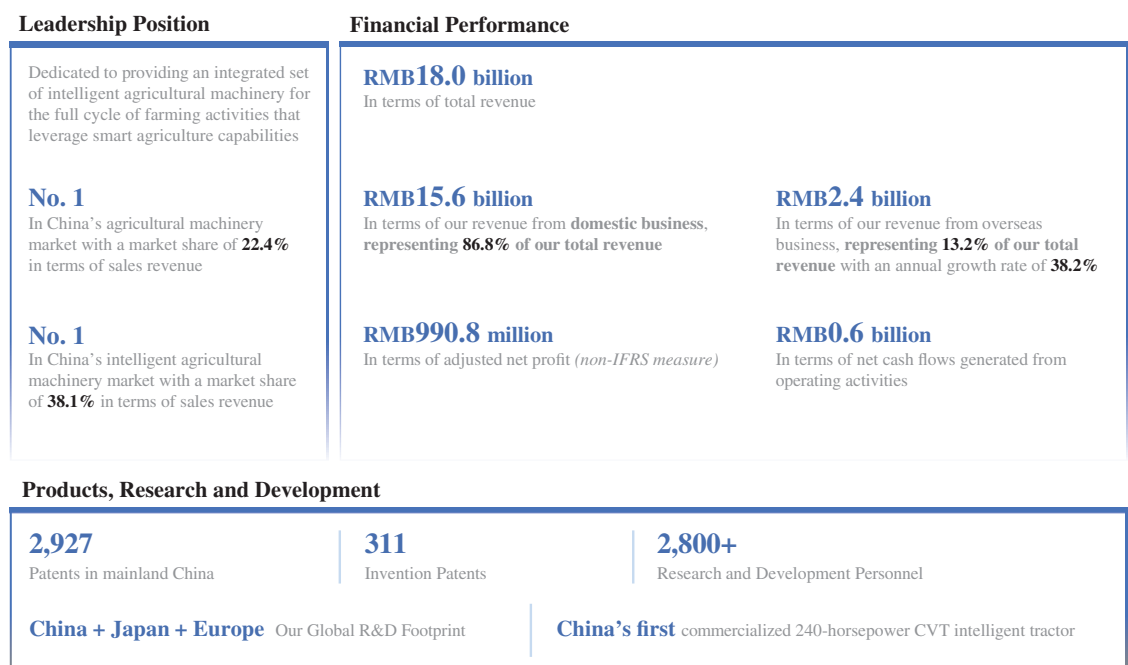


BUSINESS

OVERVIEW

We are a leading provider of integrated smart agriculture solutions in China, committed to advancing sustainable agriculture through the integrated set of intelligent agricultural machinery for the full cycle of field operations that leverage smart agriculture technologies. Our journey began in 2004 in Weifang, Shandong. We manufacture and sell agricultural machinery, including tractors, harvesting machines and agricultural implements that span the entire modern agricultural production cycle across field preparing, planting, field management, harvesting, straw handling and grain drying, with a focus on high-end, intelligent agricultural machinery, tackling the challenges of “who to farm.” In line with our commitment to building a robust smart agriculture ecosystem, our intelligent agricultural machinery is empowered by smart agriculture technologies to capture and integrate data on soil conditions, crop growth and environmental conditions, translating comprehensive insights into precise operation decision-making. This enables coordinated, precision-based field operations, delivering meaningful improvements in productivity and quality, eventually addressing the challenges of “how to farm scientifically.” Rooted in a user-centric philosophy, we aim to create lasting value for core customer and user groups, such as large-scale agricultural producers, agricultural enterprises and agricultural service organizations, while meeting the practical needs of full-time operators and individual farmers to foster synergistic growth across a diversified customer and user base and advance the sustainable development of modern agriculture. The following chart highlights our business achievements⁽¹⁾:



Note:

(1) Unless otherwise specified, all data in this chart is for the year ended December 31, 2025 or as of December 31, 2025. Data relating to patents and invention patents is as of the Latest Practicable Date.

Leveraging our forward-thinking strategic vision in the smart agriculture industry, comprehensive product portfolio, cutting-edge technological capabilities and robust R&D foundation, we believe that we are well-positioned as an industry leader to seize emerging opportunities and gain first-mover advantages over our competitors.

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Our Business Model, Products and Smart Agriculture Services

Our Business Model

We bring together advanced intelligent agricultural machinery technologies and smart agriculture technologies to deliver an integrated set of intelligent agricultural machinery and smart agriculture solutions covering the entire agriculture production cycle. These offerings are designed to help customers increase yields, reduce losses, lower operating costs and improve overall efficiency. This enables our transformation from traditional manufacturing to high-value, service oriented manufacturing, and supports our pursuit of high-quality development. Our integrated set of intelligent agricultural machinery spans the entire modern agricultural production cycle, covering field preparing, planting, field management, harvesting, straw handling and grain drying. Designed for a wide range of crops, farming practices, operating conditions and farm sizes, our intelligent agricultural machinery addresses diverse user needs across different agricultural landscapes. Working in synergy, our smart agriculture technologies convert agronomic experience and field data into automated, precision-based operation instructions. These instructions enable coordinated operations across various items of intelligent agricultural machinery, delivering efficient and scientifically grounded farming practices that continuously create value for our customers.

In general, we create an ecosystem that leverages a core data advantage: intelligent machinery continuously collects data from farming activities, which our self-developed AI algorithms transform into precision agronomic decision, creating a self-reinforcing competitive barrier. By seamlessly connecting hardware, software, data and platforms, our comprehensive suite of intelligent agricultural machinery delivers systemized machinery deployment, streamlined data linkage, platform-based software architecture and end-to-end operational execution. With strong support from our stakeholders, this framework has formulated into a self-evolving ecosystem, one that not only strengthens user reliance on our solutions but also fosters long-term customer loyalty and builds a robust competitive moat. This ecosystem allows us to maintain market leadership and strong growth momentum, while playing a pivotal role in advancing China’s agricultural modernization.

Our Products

We are committed to delivering high-end, intelligent and comprehensive agricultural machinery. Our products can support the entire modern agricultural production cycle, covering field preparing, planting, field management, harvesting, straw handling and grain drying. Our products mainly include: (i) tractors, spanning all advanced technology pathways including power shift and CVT; (ii) harvesting machines, primarily including wheel type harvesting machines, crawler type harvesting machines, corn harvesters and specialized harvesting machines; and (iii) agricultural implements that support field preparing, planting, field management, straw handling and grain drying, forming a solid foundation for synergies among various items of agricultural machinery.

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Through our smart agriculture technologies embedded in intelligent agricultural machinery, we integrate real-time field data with IoT, AI and big data technologies to develop insights into soil, crop and environmental conditions and translate such insights into precise operational decision-making for coordinated and precision farming. Key smart agriculture technologies primarily include: (i) perception layer: agricultural information monitoring system, which integrates multi-source sensor, drone and satellite data with operational data from intelligent agricultural machinery to build a unified data foundation for data-driven decision-making; (ii) analytics and decision-making layer: smart agricultural management platform, which applies big data and AI technologies to process and analyze data, supporting core functions such as planting planning, machinery task scheduling and resource allocation, enabling full-lifecycle machinery management and precise agricultural production; and (iii) execution layer: precision operation system, which connects with intelligent agricultural machinery to translate analytical outputs into automated and precision operations across key production stages, improving operational efficiency and optimizing resource utilization.

OUR STRENGTHS

We are a Leader in Smart Agriculture and Intelligent Agricultural Machinery Market in China, Driving Sustainable Growth through Strategic Insights.

We have a clear strategic positioning and a structured execution roadmap. Leveraging insights into agricultural modernization, we focus on the professionalization and scaling of agricultural production by advancing high-end, intelligent and connected agricultural machinery, while enabling the commercialization of smart agriculture technologies through continuous upgrades to end-to-end data integration, smart agriculture management and precision operation technologies. As such, we are the first and only provider in China offering an integrated set of intelligent agricultural machinery that covers the full process of farming activities and integrated smart agriculture solutions, according to Frost & Sullivan.

We have demonstrated rapid growth in market share, and solidified our industry leadership across sectors: according to Frost & Sullivan, we ranked No.1 in both agricultural machinery market and the intelligent agricultural machinery market, with a market share of 22.4% and 38.1%, respectively; our major product lines also maintained leading positions in China in terms of sales volume in 2025, ranking No. 1 in the tractors market and the intelligent tractors market, with market shares of 24.8% and 55.6%, respectively, and with our harvesting machines ranking No. 1 in the wheel-type harvesting machines market, corn harvesters market and intelligent harvesting machines market, capturing market shares of 63.2%, 26.6% and 58.7%, respectively.

Our leading position, technological capabilities and product performance have been recognized through a number of prestigious domestic and international awards. Internationally, we received six awards, including Germany’s Red Dot Award in 2017. In China, (i) we were awarded the National Science and Technology Progress Award (Second Prize) in 2021 for our research on satellite-guided autonomous navigation technology for agricultural machinery, which achieved breakthroughs in navigation positioning, path tracking and automatic obstacle avoidance; (ii) our grain harvesting machine was designated as a National Manufacturing Single-Product Champion (2023-2025) by the MIIT of the PRC, (iii) our selected R&D projects

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in intelligent tractors and harvesting machines received First Prizes in the Agricultural Machinery Science and Technology Award in 2023 and 2024, with our award in 2024 being the only First Prize of that year, and (iv) our various products have also been awarded the “National Agricultural Machinery User Satisfaction Brand” honor for consecutive years, reflecting sustained market and user recognition.

In recent years, China’s smart agriculture industry has unlocked emerging opportunities: (i) market demand: producers increasingly value efficiency, quality and comfort as farming operations become more large-scale; (ii) agricultural production model transformation: accelerated farmland consolidation calls for intensive production, rendering traditional small-scale agricultural machinery inadequate; and (iii) policy drivers: including national initiatives (“National Smart Agriculture Action Plan (2024-2028)” and “Plan to Accelerate the Development of an Agricultural Powerhouse (2024-2035)”), and subsidy programs (“Premium Machinery, Premium Subsidies”) supported the adoption of intelligent and high-end agricultural machinery. Our product roadmap is well positioned to address evolving market demand, production requirements and policy priorities, exemplified by the launch of China’s first 240/340 high-horsepower CVT intelligent tractors, advancing power shift and CVT technologies. Furthermore, our “Lovol Smart Cloud” connects end-to-end agricultural production data chains with over 500,000 units of agricultural machinery connected into our IoT platform as of the Latest Practicable Date. With our established market position, forward-looking smart agriculture strategies, diversified product portfolio, advanced technological capabilities and robust R&D framework, we believe we are well positioned to capture emerging opportunities and secure first-mover advantages.

We are the First and Only Provider in China Offering an Integrated Set of Intelligent Agricultural Machinery across the Full Agricultural Production Cycle.

We are the first and only provider in China offering a comprehensive suite of intelligent agricultural machinery and integrated smart agriculture solutions, according to Frost & Sullivan. Our product portfolio of tractors, harvesting machines and agricultural implements spans the entire modern agricultural production cycle enabling full-cycle mechanized solutions through the most comprehensive product matrix and system architecture in the industry. Leveraging synergies with Shandong Heavy Industry Group and Weichai Group in powertrain, hydraulics, electronic control and new energy technologies, together with in-house production of core components, we are integrating advanced technologies and optimize resources across the industrial chain. These capabilities enable us to deliver products with balanced performance and reliability that respond to diverse market demands, supporting the intelligent transformation of agricultural production. Backed by strong R&D capabilities, we consistently pioneer industry-leading products as we expand a diversified and comprehensive portfolio, including:

Tractors. Our tractor lineup covers 25-340 horsepower and all mainstream transmission technologies, including mechanical shift, power shift and CVT shifting. We are the only domestic manufacturer to achieve series production and commercial maturity of both power shift and CVT tractors, and successfully commercialized our intelligent driving technologies.

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In May 2025, we commenced operations at the Intelligent Tractor Manufacturing Hub, the first smart factory in China’s agricultural machinery industry. Featuring highly automated processes, the facility supports the large-scale production of high-horsepower tractors equipped with power shift or CVT technologies, underpinning our transition toward intelligent manufacturing and filling a critical domestic gap in high-end agricultural machinery production.

Harvesting Machines. Our harvesting machines cover wheel type harvesting machines, crawler type harvesting machines, corn harvesters and specialized harvesting machines, with feeding capacity spanning 8 to 18 kg/s. By integrating contour-following headers, longitudinal axial-flow threshing and high-efficiency cleansing and monitoring systems, our products maintain grain loss below 0.8%. Reflecting these capabilities, our grain harvesting machine was awarded the National Manufacturing Single-Product Champion (2023-2025) by the MIIT of the PRC in 2022, the only product in its category to receive this designation.

Agricultural Implements. Our agricultural implements include hydraulic reversible ploughs, seeders, sprayers, balers and dryers, supporting farming needs across the full agricultural production cycle. Notably, we have developed a high-performance compound drill seeder, which was validated through large-scale demonstration trials across major wheat-producing regions nationwide, achieving yield improvements of over 15%, benchmarking the exceptional performance of our agricultural implements.

We Hold an Early-mover Advantage in Smart Agriculture Solutions in China and Achieve End-to-end Data Integration to Propel Sustained Improvements in Agricultural Productivity.

Smart agriculture plays a key role in the modernization of agricultural production, supported by favorable policy environment and significant growth potential. The Chinese government has introduced a series of initiatives to promote the research, industrialization and application of smart agriculture technologies, encourage the cultivation of technology-leading enterprises and accelerate the formation of innovation clusters across the industry. Against this backdrop, according to Frost & Sullivan, we hold an early-mover advantage in smart agriculture solutions in China. With our forward-looking strategy, we are the first enterprise in China to establish a scalable research institute dedicated to smart agriculture technologies, as well as the first-in-industry to enable connection across the entire intellectual agricultural data chain while providing a comprehensive suite of intelligent agricultural machinery and integrated smart agriculture solutions, according to the same source.

Building on our integrated set of intelligent agricultural machinery that covers the full process of farming activities, our smart agriculture capabilities span the entire chain of “perception — analytics and decision-making — execution.” In particular: (i) at the perception layer, we have established the agricultural information monitoring system that combines space-, aerial- and ground-based data collection capabilities, forming a high-quality data foundation; (ii) at the analytics and decision-making layer, we leverage our smart agriculture management platform powered by big data analysis and AI algorithms to conduct in-depth

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analysis of operational and field data to actionable insights, (iii) at the execution layer, through seamless integration with intelligent agricultural machinery, our precision operation system achieves on-demand and precision-based execution across all critical stages of agricultural production. As of December 31, 2025, we have implemented over 80 smart farms across more than 20 provinces in China, serving over 20,000 agricultural producers. In addition, more than 38,000 agricultural producers cultivating land over 10 million mu have benefited from our smart agriculture management platform across 31 provinces, including over 700 large-scale customers managing land areas exceeding 500 mu.

Anchored around our integrated set of intelligent agricultural machinery for the full cycle of farming activities, we continue to refine our AI model with data collected from machinery, which enables value-added services including precise soil analysis and yield forecasting. This approach supports the shift toward more intelligent and scaled agricultural production, helping producers to increase yields, reduce losses, lower operating costs and improve efficiency. By synergizing with our intelligent agricultural machinery, our smart agriculture capabilities reinforce technology barriers through application expansion and enhancing market penetration of intelligent agricultural machinery, thereby strengthening overall operational resilience.

We Build a Competitive Moat with Industry-leading R&D Capabilities that Fuels Continuous Innovation.

Our product competitiveness is underpinned by strong R&D capabilities and a full value-chain technological edge. We possess the industry’s most advanced innovation capacity and one of the strongest research teams, according to Frost & Sullivan. We have the largest R&D team in the industry, comprising over 2,800 members as of the Latest Practicable Date. In the “2026 China Agricultural Machinery Enterprise Innovation Ability Assessment Report” released by the Institute for Agricultural Equipment Industrial Development in China, we achieved a score of 84.22, ranking first for three consecutive years.

Leveraging our integrated capabilities in high-performance engines, advanced electronic chassis, hydraulic systems and intelligent technologies, we are the only enterprise in China to achieve full-spectrum control across the entire intelligent agricultural machinery industry value chain, underpinned by our deep synergistic collaboration with Shandong Heavy Industry and Weichai Power Group. We have also built a globally coordinated R&D framework spanning China, Japan and Europe, with our Weifang headquarter serving as the core, complemented by targeted cooperation with Japanese partners in paddy-field tractors, crawler-type harvesting machinery and rice transplanters, and with European partners in high-end tractors, harvesting machinery and agricultural implements.

We also maintain long-term industry-university-research cooperation with over 50 leading research institutions, including the Institute of Computing Technology of Chinese Academy of Sciences, China Agricultural University and Chinese Academy of Agricultural Mechanization Sciences, as well as research teams led by over ten top industry experts such as Academician Luo Xiwen and Zhao Chunjiang. Together, we have undertaken over 110 national- and prefectural-level key projects and established over ten nationally and provincially recognized R&D platforms as of the Latest Practicable Date, including one of the first

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“Innovation China” intelligent agricultural machinery industry-university-research innovation bases designated by the China Association for Science and Technology. Backed by strong research capabilities, we were certified as a National Technological Innovation Demonstration Enterprise by MIIT in 2023. Our volume of invention patents and involvement in national standard-setting rank among the industry leaders.

Building on years of sustained R&D investment, we have achieved several industry milestones: (i) for agricultural machinery, we have launched China’s first 240/340 PH CVT intelligent tractors meeting international standards, intelligent harvesting machines with a feeding capacity of 18 kg/s, and a portfolio of high-end agricultural implements such as large self-propelled sprayers, 400-ton batch dryers and high-density large square balers, enabling the localization of advanced agricultural machinery across major production processes, (ii) for smart agriculture technologies, we realized breakthroughs including loss and yield monitoring and variable-rate operations, and launched the “Lovol Smart Cloud” to support end-to-end connectivity across the agricultural production data chain. These advancements have been externally recognized, as 19 of our 33 products were identified by the Ministry of Agriculture and Rural Affairs in 2022 and 2023 as reaching domestic leading technology level or above, and our Weichai Lovol P2404-7V(G4) tractor was recognized as meeting international advanced technology standards. Supported by in-depth technical expertise and a well-established R&D system, we are positioned to strengthen our competitive advantage and lead the high-quality development of China’s agricultural machinery industry.

We Actively Expand Global Reach with Significant Growth Potential, Backed by a Parent Group with Deep International Roots.

Empowered by our exceptional and competitive product portfolio, we have establish a broad footprint across major global markets. According to Frost & Sullivan, we ranked seventh globally by sales revenue in 2025, attracting a market share of approximately 1.3%, while our overseas revenue increased from RMB1,257.2 million in 2023 to RMB2,383.7 million in 2025, with a CAGR exceeding 30.0%. In 2025, our market share for tractors reached 28.3% in terms of export volumes, ranking first in the industry. Building on this solid foundation, we have continued to deepen our international presence since inception, with our core export offerings including 25-240 horsepower mid- and high-horsepower tractors, wheel type harvesting machines and crawler type harvesting machines, now reaching over 120 countries and regions worldwide, earning widespread recognition in global markets. To support this global footprint, we have established an integrated sales and service network that seamlessly combines product sales, after-sale service, components supply, training and information feedback, while deploying localized teams closer to end markets to enhance responsiveness and operational efficiency. In recent years, as we have accelerated our global expansion, the full potential of our product portfolio has been unleashed.

We also seek to cultivate strategic synergies with our Controlling Shareholders and affiliated business units across the Group, enabling mutual reinforcement and establishing a robust foundation for our global expansion. Our Controlling Shareholders, the Shandong Heavy Industry Group and Weichai Group are both world-class industrial equipment manufacturing leaders in China, whose internationally oriented operations and global manufacturing footprint provides valuable and replicable insights on overseas business development and operational management for us. Leveraging their proven overseas expansion strategies, global customer base, brand presence and extensive sales network spanning over

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1,200 overseas distribution channels (297 of which are shared across subsidiaries), we have rapidly entered and scaled in global markets, driving robust growth in our overseas revenue, while significantly lowering market entry barriers and reducing upfront expansion costs. In addition, deep expertise in international capital operations, built through a series of cross-border acquisitions and restructurings since 2008 (including Baudouin in France, Ferretti in Italy, KION Group in Germany, and PSI in the US), which enhances our ability to assess overseas opportunities, pursue international M&A where appropriate, and strengthen our overall competitiveness in global markets.

Experienced, Visionary and Professional Management Team Steers Our Sustainable Growth.

Our management team brings deep industry expertise and a strong understanding of real-world agricultural scenarios, supported by extensive experience in the agricultural machinery industry, clear strategic vision and robust management expertise. Leveraging our comprehensive knowledge of both agricultural machinery and smart agriculture industries, we remain agile in delivering a top-notch product lineup and smart agriculture service offerings to reinforce our leadership position.

Our chairman, Mr. Wang Guimin, has been deeply engaged in the machinery manufacturing industry for over 30 years and has served as the chairman or general manager of the company for more than 15 years. He possesses in-depth expertise in both the agricultural machinery and smart agriculture industries, combining localized innovation vision with an international perspective. Under his leadership, we actively expand our international outlook by dedicating resources investment in technology R&D innovation, and have built a global R&D system integrating insights from China, Europe and Japan. Mr. Wang’s industry insight and strategic vision are exceptional. He brings over 13 years of R&D experience, over 10 years of experience in manufacturing and over 20 years of experience in marketing. This equips him with a comprehensive understanding of our value chain from R&D, product design to market execution, as well as practical experience in technology commercialization, brand strategy development and market channel expansion.

Our senior management team also brings over 15 years of industry experience, with deep expertise in agricultural machinery R&D and market development and has played an integral role in driving our business growth, operating performance and long-term strategic execution. Mr. Wang Jian, our general manager, possesses over 20 years of experience in process manufacturing, having served as manufacturing director, chief technologist and executive president of Weichai Power. He brings deep expertise in process engineering and manufacturing management. Mr. Li Zhengyu, deputy general manager and technical director of our Research Institute for Tractors, possesses over 20 years of R&D experience, with more than 20 years of focus on tractor technologies with notable achievements in power shift and CVT systems. Mr. He Song, deputy general manager and technical director of the Research Institute for Harvesting Machines, possesses nearly 20 years of R&D experience with a focus on harvesting machines, and has led the development and industrial application of several core technologies. Mr. Wang Junwei possesses nearly 20 years of experience in financial management, having held chief financial officer roles at Weichai Group, Shantui Co., Ltd., and Weichai Heavy Machinery, and director of the finance department of Shandong Heavy Industry Group. See “Directors and Senior Management.”

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Under the guidance of our visionary management, we have assembled a team rich in professional expertise and industry experience, drawing talent from industry-leading university research institutes, application-focused organizations and front-line production roles, which supports sustained innovation and deep industry insights. Additionally, we have implemented an employee stock ownership plan, under which 135 core employees collectively held approximately 1.45% of the shares as of the Latest Practicable Date, which helps foster employee engagement, maintain management and talent stability reflected in a low turnover rate among core talent. By harnessing the strength of our team, we aim to sharpen our competitive edge and support our long-term strategic paradigms.

OUR STRATEGIES

We are dedicated to advancing R&D innovation in intelligent agricultural machinery and smart agriculture services that deliver tangible value to our users, positioning us as a premier provider of integrated smart agriculture solutions. In doing so, we contribute meaningfully to rural revitalization and empower better lives. To carry out this vision, we will unwaveringly implement the following strategic initiatives:

Deepen Focus on Core R&D to Build a Strategic Technological Edge in Smart Agriculture Innovation.

We prioritize investment in R&D, global talent sourcing, international footprint expansion and ecosystem collaboration to support the development of our innovation capabilities and the ongoing optimization of our intelligent agricultural machinery portfolio, thereby reinforcing our leadership in the smart agriculture industry. Key areas of our focus include:

Intelligent upgrades of agricultural machinery. Our plans to build a robust foundation for agriculture modernization include: (i) intelligent upgrade for tractors and agricultural implements, by deepening of tractor powertrain technologies such as power shift and CVT, integrated control systems and ISOBUS Class III application to improve operator comfort, operational efficiency and coordination; (ii) R&D for intelligent harvesting machines, advancing the development of large-scale intelligent harvesting machines with higher feeding capacities (18 kg/s and above), improved multi-crop adaptability and integrated grain loss and yield monitoring; (iii) upgrades to intelligent cockpits and intelligent driving technologies, featuring human-machine interaction (such as voice interaction, real-time diagnostics and self-learning), and perception-based control systems to support higher levels of automation; and (iv) R&D of core hardware and sensors (such as sensors, controllers, TBOX and display terminals) to enable real-time data collection and monitoring across key agricultural production stages.

Entry into new energy agricultural machinery sectors. We are pursuing parallel development of pure electric and hybrid models, addressing both small- and mid-scale production and drylands production scenario. For tractors, we are developing mid-horsepower pure electric models for orchards and facility agriculture and high-horsepower hybrid models

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for drylands to improve powertrain efficiency and reduce diesel consumption. For harvesting machines, we are extending new energy technologies to electric and hybrid models with enhanced endurance and energy management under complex field conditions. Consequently, this initiative will accelerate the decarbonization of grain production.

Phased development of agricultural robots. Our development will be implemented in the following phases (i) Generation 1.0 in the short term will focus on drylands and orchards applications, featuring intelligent driving technology and new energy powertrain systems; (ii) Generation 2.0 in the mid-term will adopt a cabinless design and wheel side-motor, with enhanced monitoring and harvesting functions to improve operational accuracy and efficiency; and (iii) Generation 3.0 in the long term will adopt quadruped/hexapod robots and dexterous manipulation technologies, while focusing on terrain-adaptive capabilities to enable intelligent operations in complex conditions.

Systematic upgrade fueling development in smart agriculture. Building around a closed-loop workflow of “perception — analysis and decision-making — execution”, we aim to enhance coordination and effectiveness of our smart agricultural services from the following perspectives: (i) data sensing and monitor: to develop and deploy self-developed sensors for functions such as tillage depth monitoring, seed detection and yield monitoring, enabling real-time, end-to-end data capture throughout agricultural machinery operations and providing a data foundation for precision management; (ii) intelligent decision-making and analysis: to leverage large-scale AI models to integrate algorithms libraries for crop planning, disaster forecasting and precision operations into our smart agriculture management platform, improving the timeliness and precision of agronomic analysis and decision-making; and (iii) precision operations and seamless coordination: to apply self-developed technologies such as visual navigation, intelligent driving and dynamic obstacle avoidance across multiple machinery units.

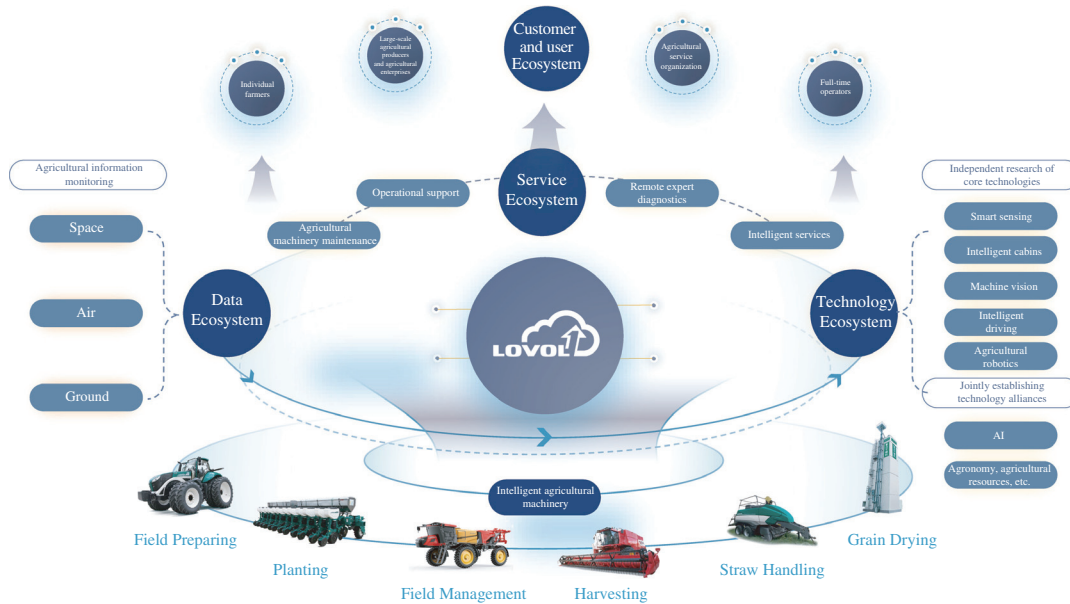
To this end, we will mobilize global resources to expand and cultivate a high-caliber talent pool and elevate our R&D capabilities by (i) recruiting professionals in key technical areas such as drivetrain systems, hydraulics and electronic control, intelligent driving, new energy and core algorithms, (ii) forming focused teams to address critical R&D initiatives including next-generation intelligent tractors, large-scale intelligent harvesting machines, electronic crawler chassis and high-end electric transplanter, and (iii) implementing diversified training and incentive mechanisms to support sustainable talent development. In parallel, we will enhance R&D efficiency through the deployment of physical test bench systems for complete machinery, systems and components, and the adoption of advanced development tools such as simulation modeling and digital-twin technologies.

Accelerate Smart Agriculture Ecosystem Development and Drive Commercialization at Scale.

As China’s agricultural industrialization accelerates, we are partnering with ecosystem stakeholders to build an integrated smart agriculture solution that delivers increased yield, reduced loss, lowered cost and improved efficiency, while promoting green, safe and

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scientifically grounded farming practices. Our core offerings include intelligent machinery hardware, agricultural information monitoring systems, smart agriculture management platforms, precision operation software applications and digital agriculture services, all contributing to an open and collaborative smart agriculture ecosystem. Set forth below is the structure of our smart agriculture ecosystem that anchors around four pillars (data ecosystem, technology ecosystem, service ecosystem and customer and user ecosystem):



Energized by the convergence of our data, technology, service, customer and user ecosystems, we are transitioning from technological validation to commercial deployment of smart agricultural technologies. Moving forward, with intelligent agricultural machinery and data intelligence driving value creation, we aim to reshape the agricultural value chain through a sustainable and scalable framework: (i) our product sales will combine standardized configurations with optional modules to address diverse operational needs with flexibility (ii) for our smart agriculture management platform, we plan to offer free access to basic functions and subscription-based access to advanced value-added services (such as precision operations and remote diagnostics), and (iii) further explore revenue generation approaches in agricultural machinery and smart agriculture platforms and related services to position ourselves for sustained growth and stronger user engagement.

Empowering Intelligent Manufacturing System through Strengthened Global Integration and Self-controlled Resources across the Industrial Chain.

Focusing on large-scale, high-end intelligent products, we are advancing a dual-engine manufacturing strategy that combines world-class production capacity with strengthened control over key industrial chain resources, reinforcing our competitive edge across the high-end intelligent agricultural machinery value chain.

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As part of our capacity enhancement roadmap, we are advancing the development of world-class intelligent agricultural machinery manufacturing bases including a planned factory for large-capacity harvesting machines with a designed annual capacity of 3,600 units, slated for completion of construction in 2027. Concurrently, we are planning an international logistics center equipped with intelligent warehouse management system to optimize end-to-end coordination between manufacturing and distribution, and serve as global supply chain service platform, with a targeted completion in 2028. In parallel, we are advancing the intelligent transformation of our existing production lines through the deployment of (i) the MES system to empower real-time monitoring and precise traceability, (ii) robotic workstations in welding and assembly operations, and (iii) flexible AGV lines that support seamless product changeover. Meanwhile, we are upgrading our environmentally friendly production processes to drive cost efficiency and operational excellence across the entire manufacturing process.

In parallel, we aim to further strengthen industrial chain integration and independent control over critical components. Through integrated design and manufacturing collaborations with Shandong Heavy Industry Group in areas such as powertrains, hydraulic systems, electronic controls and new energy technologies, we have established a foundation for industrial chain synergy. For instance, we plan to co-develop power systems with its high-performance engine research team, customizing tailoring configurations to cater to diverse product applications. Meanwhile, we are expanding our global footprint by incorporating advanced technologies and supply chain resources with a specific focus on the R&D of critical components such as transmissions (power shift gearboxes and high-end heavy-duty front axles), hydraulic systems and intelligent modules (sensors and controllers), to consolidate our independent control of the industrial chain within the ecosystem.

Advance Global Strategic Expansion to Unlock International Growth Opportunities.

We are accelerating our international footprint expansion to enhance the competitiveness of the intelligent agricultural machinery portfolio and integrated smart agriculture solutions worldwide. Our goal is to further increase the share of overseas business in our total revenue, establishing a new engine for sustainable growth. Leveraging our deep understanding of diverse agricultural practices and production environments across global markets, we are strengthening product adaptability to different crop types, operational scales and usage scenarios, while building a diversified portfolio addressing both premium and niche market demand overseas. We plan to deepen international cooperation across the entire value chain: (i) during R&D stage, we will strengthen technical partnerships with leading global research institutions, attract international top-tier talents and track frontier developments in intelligent agricultural machinery and smart agriculture; (ii) during manufacturing stage, we plan to cultivate localized production capabilities in strategic markets such as South America and Southeast Asia through mergers, acquisitions or strategic alliances to strengthen regional supply capacity; and (iii) during sales and service stage, we will continue to expand our global network and build a globally integrated sales and service system with enhanced local responsiveness, including after-sales and maintenance support.

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To further support our global ambitions, we will actively capture potential investment opportunities in global markets to support faster market entry and localized integration. While no definitive acquisition targets have been identified as of the Latest Practicable Date, our focus will be on companies with complementary high-end intelligent agricultural machinery and smart agriculture technologies, as well as regional brands with established distribution networks and strong local relationships. Through a combination of technology licensing, joint research and development, supply chain integration and strategic partnerships, we seek to enhance operational synergies and further strengthen our global presence.

Upgrade Digital Operations to Optimize Our Intelligent Management and Decision-making Hub.

Aligning with our strategic vision, we have formulated an innovative digital blueprint that enhances decision-making precision and managerial efficiency. Leveraging advanced digitization, connectivity and intelligent technologies, we plan to upgrade our digital management systems in the following sectors: (i) R&D: including the enhancement of the Teamcenter and PMS platforms to accelerate the development of new products and ensure agile responses to evolving market demands; (ii) production: including the enhancement of the ERP and MES systems to establish a transparent, automated and flexible digital factory with consistent product quality and punctual delivery; (iii) procurement: including the upgrading of the SRM platform to enable real-time tracking and oversight across all stages of supply chain execution; (iv) marketing: including the restructuring and enhancement of the CRM and CC systems to build an omni-channel, multimedia precision marketing system to escalate sales growth and deepening user engagement; and (v) finance: including upgrades to our financial shared services system to further standardize financial management capabilities.

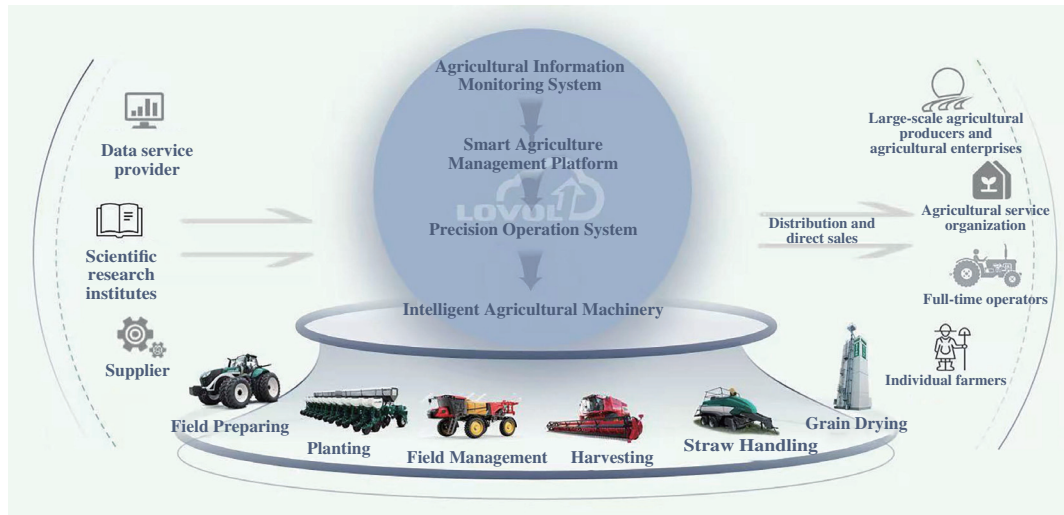
In parallel, we will harness big data analytics and artificial intelligence technology to establish an intelligent decision-making platform that delivers actionable insights and strategic guidance to support our business operations. In particular: (i) in the manufacturing sector, we are introducing machine vision inspection models, automated fastening robotics and intelligent angle detection systems for bending machines to enhance precision and throughput in processing and assembly; and (ii) in the management sector, we are developing an NLP-powered intelligent contract review system to mitigate compliance risks, an automated pricing model that evaluates market and cost variables to dynamically optimize pricing strategies and capture market opportunities, and an enterprise-level knowledge graph and repository to facilitate cross-functional knowledge sharing.

OUR BUSINESS MODEL

We are a provider of integrated smart agriculture solutions in China. We bring together advanced intelligent agricultural machinery technologies and smart agriculture technologies to deliver an integrated set of intelligent agricultural machinery and smart agriculture solutions covering the entire agriculture production cycle. Our offerings are designed to help customers increase yields, reduce losses, lower operating costs and improve overall efficiency. This enables our transformation from traditional manufacturing to high-value, service-oriented manufacturing, and supports our pursuit of high-quality development.

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The following diagram illustrates our business model:



Agricultural Machinery-Driven Foundation. Our business is rooted in a comprehensive portfolio of agricultural machinery, including tractors, harvesting machines and agricultural implements. Our integrated set of intelligent agricultural machinery spans the entire modern agricultural production cycle, covering field preparing, planting, field management, harvesting, straw handling and grain drying. Designed for a wide range of crops, farming practices, operating conditions and farm sizes, our intelligent agricultural machinery addresses diverse user needs across different agricultural landscapes. Importantly, our equipment forms not only the foundation of mechanized production, but also the physical infrastructure of our business model. By equipping our machinery with intelligent terminals and communication modules, we enable real-time data collection, environmental sensing and machine-to-platform integration, forging the operational foundation for our integrated smart agriculture solution.

Smart Agriculture Technologies. We continuously enhance our smart agriculture technology stacks which span the entire chain of “perception — analytics and decision-making — execution,” that together form a closed-loop solution for precision farming and intelligent decision-making. These technologies include: (i) the agricultural information monitoring system that serves as the perception layer, collecting real-time environmental and operational data; (ii) the smart agriculture management platform that functions as the analytics and decision-making layer, supporting a wide array of applications including planting planning, machinery task scheduling, resource allocation, intelligent alerts, data visualization, service resource coordination and full-lifecycle machinery management, and producing actionable insights and operational instructions; and (iii) the precision operation system that represents the execution layer, converting digital instructions into automated, high-accuracy farming activities through intelligent agricultural machinery. Working in tandem, these capabilities facilitates our intelligent agricultural machinery to convert agronomic experience and field data into automated, precision-based operation instructions, enabling coordinated operations across various intelligent agricultural machinery, delivering efficient and scientifically grounded farming practices that continuously create value for our customers.

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Self-Evolving Ecosystem. We create an ecosystem that leverages a core data advantage: intelligent agricultural machinery continuously collects data from farming activities, which our self-developed AI algorithms transform into precision agronomic decision that directly optimize machinery performance by enhancing efficiency, adaptability and accuracy in field works, thereby creating a self-reinforcing competitive barrier. By seamlessly connecting hardware, software, data and platforms, our integrated set of intelligent agricultural machinery for the full process of farming activities and smart agriculture technologies enable systemized machinery deployment, streamlined data linkage, platform-based software architecture and end-to-end solution delivery. With strong support from our stakeholders, this framework has evolved into a self-evolving ecosystem, one that not only strengthens user reliance on our offerings but also fosters long-term customer loyalty and builds a robust competitive moat. Supported by national policy initiatives to promote smart agriculture, our integrated ecosystem positions us as both a machinery provider and a technology enabler. We believe our business model offers long-term scalability and resilience, enabling us to drive sustainable growth while playing a pivotal role in advancing China’s agricultural modernization.

OUR PRODUCTS

We offer an integrated set of agricultural machinery that supports the entire agricultural production cycle, progressively integrating smart agriculture technologies to deliver end-to-end solutions, covering tractors, harvesting machines and agricultural implements that span the entire modern agricultural production cycle, encompassing both intelligent and conventional offerings. Sets forth below is a breakdown of our net revenue from agricultural machinery, distinguishing between intelligent offerings, conventional offerings and others:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Intelligent agricultural machinery offerings .	1,833,765	12.5	5,445,534	31.3	7,852,760	43.6
Conventional agricultural machinery offerings and others	12,842,583	87.5	11,947,504	68.7	10,170,346	56.4
Total	14,676,348	100.0	17,393,038	100.0	18,023,106	100.0

To empower our integrated set of intelligent agricultural machinery, we continuously enhance our smart agriculture technologies that span the entire chain of “perception — analytics and decision-making — execution.” Smart agriculture remains a relatively nascent sector in China, with an ongoing need for market education and demand cultivation. As an early mover in this sector, we primarily promoted smart agriculture services through integration with agricultural machinery during the Track Record Period to stimulate user demand, refine functionalities and foster engagement and stickiness. As advised by our Reporting Accountants, since the services built upon our smart agriculture capabilities are primarily not separately priced in the sales contract but form as part of a single performance obligation, relevant revenue is recognized at a point in time when the obligation is fulfilled. Therefore, our revenue recognition policy is in accordance with relevant financial reporting standards. We have gradually initiated commercialization efforts to establish independent revenue from smart agriculture services, aiming to achieve sustainable growth in the future.

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The following table sets forth a breakdown of our revenue by product category in absolute amount and as a percentage of our total revenue for the years/periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Sales of agricultural machinery	14,502,922	98.8	17,183,315	98.8	17,804,234	98.8
– Tractors	7,775,397	52.9	9,057,350	52.1	9,010,460	50.0
– Harvesting machines	6,144,335	41.9	7,092,236	40.8	7,766,795	43.1
– Agricultural implements and others	583,190	4.0	1,033,729	5.9	1,026,979	5.7
Others ⁽¹⁾	173,426	1.2	209,723	1.2	218,872	1.2
Total	14,676,348	100.0	17,393,038	100.0	18,023,106	100.0

Note: (1) Mainly including revenue generated from sales of parts and components to Weichai Power Group.

Agricultural Machinery

Our product lineup encompasses both high quality conventional and intelligent agricultural machinery, primarily comprising (i) tractors; (ii) harvesting machines; and (iii) agricultural implements. To support the intelligent transformation of modern agriculture, we deliver intelligent agricultural machinery covering the entire modern agricultural production cycle, including field preparing, planting, field management, harvesting, straw handling and grain drying. These intelligent products deeply synergizes with smart agriculture capabilities through integrating IoT, AI and big data technologies so as to achieve an automated, precise and intelligent agricultural production process, aligning with the industry benchmarks set out according to Frost & Sullivan. Grounded in our deep understanding of user demands, we offer a wide selection of intelligent agricultural machinery featuring varying power configurations and technology applications to meet their precise needs under different operational scenarios. As of December 31, 2025, we offered 6,657 SKUs of high-quality agricultural machinery. The following chart sets forth the matrix of our agricultural machinery products:

Field Preparing	Planting	Field Management	Harvesting	Straw Handling	Grain Drying
 CVT Tractor  Hydraulic Reversible Plow	 Precision Planter	 Large Self-propelled Sprayer	 Grain Combine Harvester  Corn Harvester	 Large Square Baler	 Batch Dryer
 Power Shift Tractor  Power Harrow	 Compound Drill Seeder		 Crawler Rice Harvester  Mower Conditioner	 Medium Round Baler	 Recirculating Dryer
 Mechanical Shift Tractor	 Transplanter		 Forage Harvester  Peanut Harvester	 Small Square Baler	 Mobile Dryer

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Tractors

We offer a comprehensive portfolio of tractors with different power configurations and technology applications for multiple operational scenarios. Our comprehensive tractor portfolio covers the full power range from 25 to 340 horsepower, featuring robust power performance, exceptional electronic chassis, innovative intelligent interconnectivity, advanced hybrid energy efficiency, extensive operational adaptability and superior user convenience and comfort. During the Track Record Period, the sales contribution of our intelligent tractor offerings increased significantly from 2.1% in 2023 to 46.8% in 2025. The following table sets forth a breakdown of our revenue in absolute amount, sales volume, and average selling price of tractors by technological path for the years/periods indicated:

	Year ended December 31,								
	2023			2024			2025		
	Revenue	Sales volume	Average Selling Price	Revenue	Sales volume	Average Selling Price	Revenue	Sales volume	Average Selling Price
	(RMB in thousands)	(unit)	(RMB)	(RMB in thousands)	(unit)	(RMB)	(RMB in thousands)	(unit)	(RMB)
Tractors									
Conventional offerings	7,611,168	79,969	95,176	7,276,227	76,915	94,601	4,795,265	56,132	85,428
– Mechanical shift	7,611,168	79,969	95,176	7,276,227	76,915	94,601	4,795,265	56,132	85,428
Intelligent offerings	164,229	622	264,034	1,781,123	7,540	236,223	4,215,195	21,669	194,527
– Power shift	121,045	566	213,860	1,685,526	7,415	227,313	4,157,418	21,598	192,491
– CVT	43,184	56	771,147	95,597	125	764,778	57,777	71	813,761
Total	7,775,397	80,591	96,480	9,057,350	84,455	107,245	9,010,460	77,801	115,814

Note: (1) The ASP is calculated by dividing the revenue by the sales volume in the period indicated.

Our tractor offerings also demonstrate outstanding intelligent capabilities. Intelligent tractors are built upon high-end drive-by-wire chassis platforms that integrates power shift or CVT technologies, enabling an upgrade from “manual transmission” to “automatic transmission.” On this basis, they are equipped with a range of intelligent modules including electro-hydraulic suspension systems, ISOBUS technology, remote communication systems, intelligent perception systems (typically capable of integrating and analyzing real-time operational and environmental data collected from sensors, cameras and radars installed on agricultural machinery), and intelligent driving systems to achieve intelligent control of both mobility and farming activities. These modules empower the tractor with capabilities such as automatic path planning, obstacle detection and avoidance and intelligent adjustment of key operational parameters including tillage depth, seeding density, fertilizer dosage and operating speed. They also support remote monitoring and fault diagnostics, reducing downtime by issuing early warning and delivering remote updates. As such, our intelligent tractors are capable of delivering precise operations in complex agricultural environments, reducing the

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time and physical effort, thereby greatly improving operational efficiency and quality. According to Frost & Sullivan, our intelligent tractors align with the industry’s benchmarks for intelligent offerings. Specifically, the competitive advantage of our tractors are as follows:

Robust power performance. Equipped with high-performance power systems featuring specially-tailored engines provided by our Controlling Shareholder, the Weichai Group, the tractors are calibrated to achieve optimal engine performance for high-intensity activities, such as deep loosening and field preparing. For example, we develop the engine and transmission as an integrated powertrain system, ensuring each component operates in its most efficient range. Furthermore, our tractors are equipped with sensors that capture and monitor vibrations and temperature data of the engine and the hydraulic system enabling AI-driven fault prediction and early warnings to help reduce downtime and enable timely maintenance.

Exceptional electronic chassis. Our comprehensive tractor encompasses three technological pathways: mechanical shift, power shift and continuously variable transmission (“CVT”). Similar to automotive transmissions, mechanical shift resembles manual transmission that requires the operator to depress the clutch and manually control the gear lever to adjust speed, which involves relatively higher physical effort; power shift is comparable to semi-automatic systems, allowing directional control and speed selection via electronic levers and buttons without clutch use, reducing clutch-related failures and operator workload; CVT is akin to fully automatic systems, enabling smooth, continuously variable speed adjustment based on real-time load conditions, speed adjustment without the use of a clutch, a lever or buttons for manual input, offering enhanced comfort, precision operations and reduced fuel consumption and workload. Our advanced CVT and power shift technologies are rapidly replacing traditional mechanical shift application across our product portfolio, driving the agricultural machinery industry toward the development of CVT and power shift technologies.

Innovative intelligent interconnectivity. Our tractors are compatible with smart agriculture capabilities. For example, they feature intelligent driving technology based on a high-precision navigation system, enabling remote and automatic operation. During field operations, real-time operational data is collected and transferred to the smart agriculture management platform via the TBOX terminal for analysis. By integrating dynamic operation data including fuel consumption, engine speed, slop rate and working area with extensive historical records, recommendations can be generated for gear selection and path planning, significantly boost productivity. Users can monitor equipment condition and operational status through the Lovol APP. In addition, based on the real-time analysis of field conditions drawing from sensor data, drone imagery or historical records, our tractors coordinate with agricultural implements to support centimeter-level variable adjustments in seeding speed, fertilization rate and tillage depth adjustments, enhancing operational consistency and productivity.

Advanced hybrid energy efficiency. We are actively developing next-generation new energy hybrid tractors, featuring an advanced high-efficiency Electric CVT system that integrates electric and mechanical power to optimize energy utilization and operational reliability. Additionally, supported by a self-developed vehicle control system architecture integrating battery, motor and electronic control modules, along with a thermal management

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system. This enables optimal energy management across the entire vehicle. In addition, high-voltage interfaces compatible with multiple voltage platforms allow effective power-matching with high-end intelligent agricultural implements and support future electrification. Overall, our hybrid tractors are designed to enhance energy efficiency, durability and ease of operation, enabling users reduce operating costs and labor inputs while improving productivity, eventually advancing sustainable agricultural development.

Extensive operational adaptability. Our tractors demonstrate outstanding adaptability to different scenarios. Anchored by a comprehensive product portfolio, our tractors cover 25-340 horsepower, with specially tailored models available for various scenarios including drylands, paddy fields, orchards and facility agriculture. Leveraging our R&D capabilities, our tractors can be paired with multiple agricultural implements to cater to meet varying operational requirements. Fitted with the advanced power shift or CVT technologies, our tractors adapt seamlessly to complex terrains, catering to the diverse needs of global users across a wide range of scenarios. Our technologies also deliver customized applications for specific agricultural environments; for example, the auto-leveling system ensures outstanding operational efficiency and quality of work for paddy field pulping operations.

Superior user convenience and comfort. We highly value user comfort and operational convenience. Our tractors feature an intelligent vehicle electronic coordinated control platform, enabling unified operation interface for multiple functions. The new-generation cab offers users an unobstructed panoramic view and is equipped with excellent noise-cancelling systems and all-weather temperature control to address the long working hours typical of agricultural operations, overcoming the persistent challenges in cab sealing and excessive noise levels. Additionally, advanced suspended front axles and suspension cabin ensure a smooth and comfortable driving experience even on uneven terrain.

The picture below demonstrates some key features of our tractors:

Advanced transmission system

Our tractor incorporates an advanced transmission system, including power shift and CVT technology. In particular, CVT technology enables automatic optimization of speed based on real-time load conditions, which improves efficiency and reduces fuel consumption.

Centimeter-level precision navigation

Our tractor onboards a navigation system that achieves ± 2.5 cm positioning accuracy, enabling automated path planning, obstacle avoidance and operation management, reducing the need for manual labor.



Comfortable driving experience

Our tractor is equipped with an exceptional vibration and noise reduction system, complemented by an advanced sealing system. These innovative technologies effectively resolve common challenges such as cabin air leakage and excessive noise level, elevating users' comfort and ensuring a serene cabin environment.

High-performance engines

Equipped with advanced engines provided by our shareholder, the Weichai Group, our tractor delivers powerful performance and ensures optimal synchronization between the engine and the tractor, maximizing operational efficiency across diverse agricultural workloads.

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Harvesting machines

We have the most comprehensive portfolio of harvesting machines in China, according to Frost & Sullivan, primarily including wheel type harvesting machines, crawler type harvesting machines, corn harvesters and other specialized agricultural equipment. Our harvesting machines covers 80 to 460 horsepower with feeding capacities ranging from 8 to 18 kg/s, featuring high harvesting efficiency, advanced technology integration and extensive operational adaptability. During the Track Record Period, the sales contribution of our intelligent harvesting machine offerings risen significantly from 26.7% in 2023 to 46.1% in 2025. The following table sets forth a breakdown of our revenue in absolute amount, sales volume, and average selling price of our harvesting machines by product types for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
	Revenue	Sales volume	Average Selling Price	Revenue	Sales volume	Average Selling Price	Revenue	Sales volume	Average Selling Price
	(RMB in thousands)	(unit)	(RMB)	(RMB in thousands)	(unit)	(RMB)	(RMB in thousands)	(unit)	(RMB)
Harvesting machines									
– Wheel type harvesting machines	3,035,009	15,231	199,265	3,596,957	17,156	209,662	2,703,685	12,048	224,409
– Crawler type harvesting machines	1,417,287	11,253	125,947	1,877,177	15,068	124,580	2,914,491	21,743	134,043
– Corn harvesters	1,576,103	7,095	222,143	1,255,417	5,312	236,336	1,704,847	6,617	257,647
– Specialized harvesters ⁽¹⁾	115,936	745	155,619	362,685	2,315	156,667	443,772	2,536	174,989
Total	6,144,335	34,324	179,010	7,092,236	39,851	177,969	7,766,795	42,944	180,859

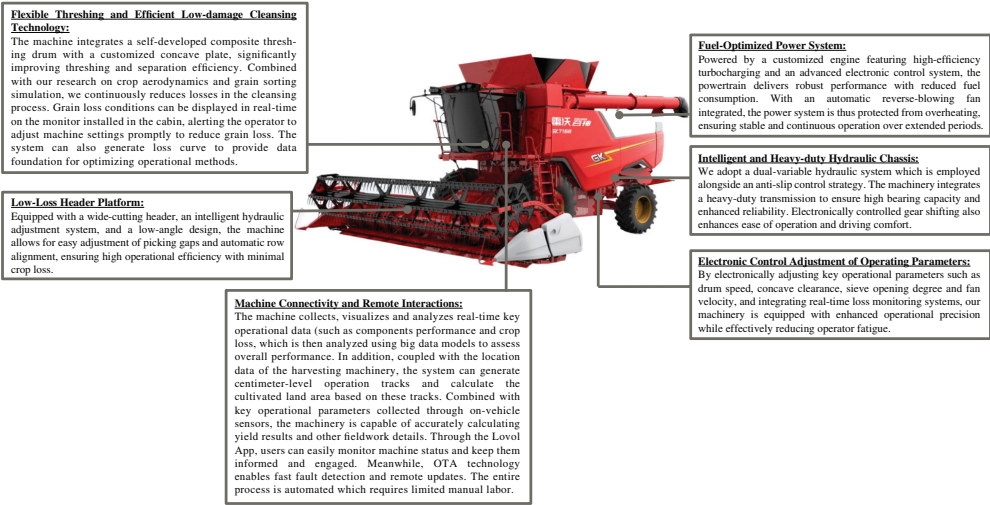
Note: (1) Our specialized harvesters mainly include peanut harvesters and forage harvesters.

Beyond extensive coverage across crop types and operational scenarios, our intelligent harvesting machines are built upon the integrated hydraulic or electro-hydraulic control walking system, and are typically equipped with several intelligent modules such as electro-hydraulic control system, remote communication system, intelligent perception system (typically capable of integrating and analyzing real-time operational and environmental data collected from sensors, cameras and radars installed on agricultural machinery), intelligent driving system or precision operation system, enabling intelligent control over locomotion and harvesting activities. For instance, based on field data (such as crop growth status, humidity, ground contour or weather conditions), our intelligent harvesting machine can precisely adjusts its driving speed and operational pace. It also automatically and synchronously adapts various components (such as header and sieves) to suit the specific requirements of different crops during harvesting and cleansing, significantly reducing the need for manual adjustments. Benefiting from the build-in connectivity system, users can conveniently access operational data and interact with the machinery via our Lovol App. This enables real-time supervision of machine performance and allows users to make timely adjustments to optimize operations. Furthermore, by tracking component wear, our intelligent harvesting machine supports remote fault warnings and diagnostics, and minimizes downtime through over-the-air updates. Through these capabilities, our intelligent harvesting machine maximizes operational efficiency, improves harvesting quality, reduces losses and labor intensity and provides more precise and scientific decision-making support for agricultural production, ultimately enhancing overall agricultural economic returns. According to Frost & Sullivan, our intelligent harvesting machines align with the industry’s benchmarks for intelligent offerings.

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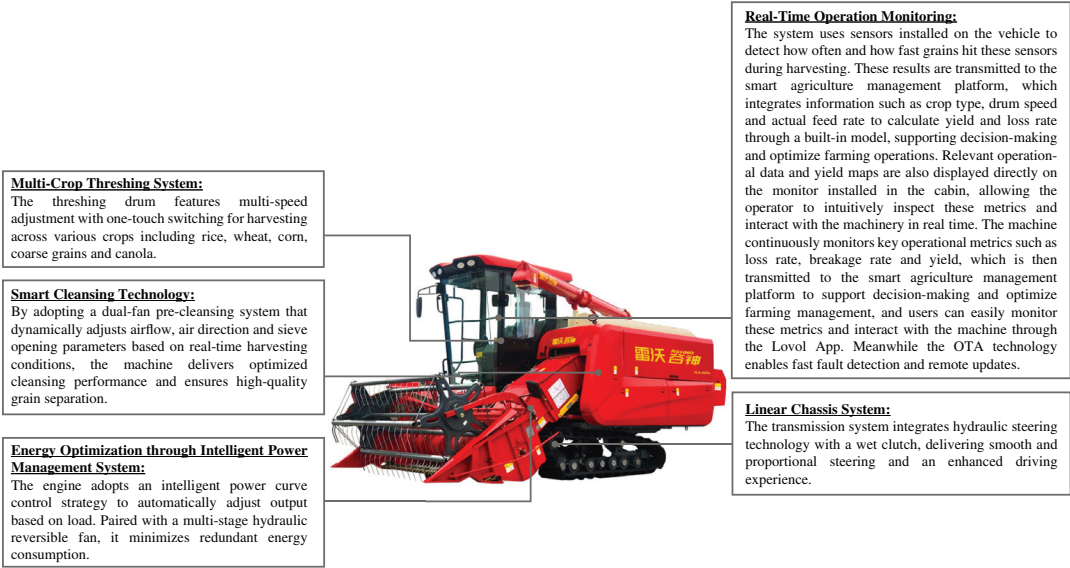
Wheel type harvesting machines

Our wheel type harvesting machines are primarily used for crop harvesting in the central, northwestern and northeastern regions of China. Our wheel type harvesting machines focus on mainstream wheel type harvesting machines with a longitudinal axial flow roller. Our models are highly adaptable to meet harvesting needs for a variety of crops, including wheat, sorghum and soybeans, ensuring optimal performance in diverse agricultural scenarios. The picture below demonstrates key features of our wheel type harvesting machines:



Crawler type harvesting machines

Our crawler type harvesting machines are primarily used for paddy harvesting in the central and northeastern regions of China. Providing reliable performance to meet user needs, our crawler type harvesting machine excels in key performance metrics such as grain loss rate, impurity rate and grain damage rate. The picture below demonstrates some key features of our crawler type harvesting machines:



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Corn Harvesting Machine

Our corn harvesting machines cover all major types prevalent on the market: corn harvesting machine with horizontal roller, corn harvesting machine with vertical roller and corn harvesting machine with a combination of snapping plate and stalk header. These models meet corn harvesting needs, featuring reliable performance and versatile adaptability to meet diverse user needs, excelling in several key performance indicators including total loss rate, breakage rate of kernels and ear impurity rate. Equipped with intelligent power management and optimized harvesting and cleaning systems, the machines ensure stable operation under varying loads while maintaining efficient fuel consumption. Advanced harvesting components and optimized cleaning structures effectively control key performance indicators such as total loss rate, kernel breakage rate, and ear impurity rate. In addition, IoT-enabled connectivity and real-time monitoring support fault detection, operational diagnostics, and data-driven performance optimization during harvesting operations. Such precision engineering effectively reduces losses during harvesting and improves users’ economic returns.

Specialized Harvesting Machines

Our specialized harvesting machines cover peanut harvesters, forage harvester and mower conditioners. Featuring intelligent control systems and adjustable components, they are designed to adapt to complex environments, enhancing reliability and efficiency. Specifically, the competitive advantages of our specialized harvesting machines are as follows:

- ***Intelligent harvesting components with multi-crop adaptability.*** The machine is equipped with components tailored to a wide range of crops, delivering stable and high-quality harvesting performance while meeting the diverse requirements of specialty and economic crops. This includes (i) intelligent cutter speed and operating parameter adaptation, ensuring uniform stubble height, even cutting quality, and improved operational stability; and (ii) specialized drums and threshing structures configured for different crops, achieving smooth feeding, effective impurity separation, and controlled breakage rates.
- ***Optimized cleansing system.*** The machine features optimized cleaning components to enhance harvested product quality and reduce downstream processing costs. A high-efficiency dual-fan cleansing system is adopted, enabling the machine to adapt to different crop types and impurity levels while maintaining stable and reliable cleaning performance under varying operating conditions.
- ***Real-time monitoring and remote interaction system.*** With built-in OTA capabilities, the machine can detect faults in real time and deliver remote software updates, avoiding operational delays during peak seasons. Through the Lovol App, users can monitor machine status, receive fault alerts, and track fieldwork progress, remaining informed and connected throughout the entire process.

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Agricultural Implements

In addition to our core offerings of tractors and harvesting machines, we have cultivated an extensive product line for agricultural implements that covers field preparing, planting, field management, straw handling and grain drying, forming a solid foundation for synergies among tractors, harvesting machines and agricultural implements.

Field Preparing. We provide agricultural implement offerings including hydraulic reversible plough equipped with advanced deep loosening and field preparing monitoring systems that can monitor tillage depth in real-time, catering to the need of diverse land parcels with various soil and terrain conditions.

Planting. We provide agricultural implements including precision planters, compound drill seeders and transplanters that are capable of addressing the seeding requirements of corn, soybeans and wheat. Our precision planters range from 2 to 18 rows, covering both mechanical and electric models to meet operational needs across China. Notably, to support large-scale cultivation of grain and oil crops, we have developed a high-performance multi-functional drill seeders that adopts electric-driven seed metering and contour-following systems to ensure more precise and uniform seed distribution, as well as consistent seeding depth, which significantly improved seed utilization and reduced production costs. Key intelligent features include: (i) seeding monitoring system, which detects missed seeding spots, reducing manual stops-and-checks; (ii) electric metering seeding, which adjusts plant spacing simply by inputting the desired seedling spacing into the system to reduce manual adjustments; and (iii) radar and satellite-based speed measurement to ensure accurate tracking of seeding speed.

Field Management. We provide agricultural implements including self-propelled sprayers. Our large self-propelled sprayers feature a 4,000L chemical tank and a 450L clean water tank, with a 27-meter boom that provides wide coverage and precise, uniform spraying. The sprayer also deploys a positive-pressure cab that isolates the operator from chemicals, dust and noise. Combined with a four-wheel independent suspension system, it delivers a smooth rider even at an operating speed of 15-25 km/h. Key intelligent features include: (i) intelligent driving, which enables automated path planning; (ii) variable spraying, which automatically adjusts spray volume based on real-time vehicle speed, reducing pesticide and fertilizer usage; and (iii) one-button folding, which allows the users to execute interconnected functions such as boom folding, steering mode switching, turning and row alignment with a single touch.

Straw Handling. We provide agricultural implements including large square balers, medium round balers and small square balers. Our square balers and round balers cater to varied straw baling operations for a wide range of crops including wheat, oats, alfalfa, corn, rice, sorghum, reeds and sunflowers with great durability. Key intelligent features include: (i) automatic density control system, which automatically adjusts the pressure in the hydraulic cylinder to ensure pre-set baling density; (ii) automatic weighing system, which allows each bale to be weighed instantly and automatically after packing; and (iii) automatic lubrication system, which enables the machine to apply oil on its own as needed, saving maintenance time and efforts.

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Grain Drying. We provide agricultural implements including batch dryers, recirculating dryers and mobile dryers, covering both recirculate- and continuous-flow dryers that are suitable for crops like corn, wheat, rice and rapeseed. Our dryers significantly increase drying speed while reducing energy consumption compared to conventional models. Additionally, the heat recovery technology allows for the reuse of heat, greatly reducing energy consumption. Key intelligent features include: (i) integrated automated drying control system, which automatically sets optimal drying times based on crop type and moisture level, without further need for supervision and adjustments; and (ii) T-box, which allows real-time access to operation data and history records via the Lovol App.

Smart Agriculture Technologies

To empower our integrated set of intelligent agricultural machinery, we continuously enhance our smart agriculture technologies which span the entire chain of “perception — analytics and decision-making — execution.” Deeply embedded in the intelligent agricultural machinery operations, our smart agriculture capabilities enhance the intelligence level and operational capabilities of our offerings through real-time data collection, intelligent analysis and precision operations. By integrating IoT, AI and big data technologies, we enable multidimensional sensing of soil, crop and environmental conditions, while AI-driven analytics generate precise operational recommendations that guide intelligent agricultural machinery to perform coordinated and accurate farming activities. This closed-loop management process spans the entire agricultural production cycle, making farming more transparent, measurable, controllable and precise. Ultimately, it accelerates the intelligent transformation of our offerings and supports “scientific farming” by delivering increased yields, reduced losses, lowered costs, and improved efficiency for our customers.

Perception Layer: Agricultural Information Monitoring System

This system integrates multi-source sensors and satellite remote sensing technologies to build a unified “space-air-ground” agricultural monitoring framework. It enables real-time perception of key agricultural indicators such as soil moisture levels, crop growth and pest and disease occurrences. Combining data from agricultural machinery, field monitoring and historical agronomic records, we are able to optimize and train our AI-powered decision-making models that provide more precise management across key aspects of agricultural production, including irrigation, nutrient adjustment, pest and disease control and crop growth optimization.

During the Track Record Period, we provided end-users with intelligent hardware installation and upgrade services to enhance the precision of our intelligent perception capabilities. These enhancements enabled the collection of both environmental and in-field data across key agricultural stages. Once integrated into our smart agriculture management platform, the data captured by these devices supports more informed and automated decision-making. The hardware primarily includes (i) field-based monitoring hardware devices, such as soil moisture sensors, pest detection instruments, and weather stations, which collect real-time environmental and field condition data; and (ii) built-in monitoring hardware devices that are affixed to the agricultural machinery, such as T-box for data transmission and yield monitoring sensors which capture operational data during field activities.

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Analytics and Decision-making Layer: Smart Agriculture Management Platforms

To further enhance agricultural analysis and decision-making capacities, we have developed a smart agriculture management platform that supports the comprehensive management of the full agricultural production cycle. Powered by big data analysis and AI algorithms, alongside integrated capabilities of our IoT platform, intelligent service decision system and the Smart Agriculture Lovol APP, the platform is capable of in-depth analysis and mining of operational and field data, supporting a wide array of applications such as planting planning, machinery task scheduling, resource allocation, intelligent alerts, data visualization, service resource coordination and full-lifecycle machinery management.

During the Track Record Period, we promoted our smart agriculture management platform to large-scale agricultural producers and agricultural enterprises, continuously delivering core functionalities such as intelligent decision-making, machinery supervision and asset management, as well as agricultural operations planning and management. By integrating field data collected from smart agricultural machinery with environmental data gathered through agricultural information monitoring systems, the platform enables analysis of planting distribution, soil fertility and crop growth conditions. The platform also supports remote scheduling of machinery operations and real-time monitoring of equipment and progress, thereby enhancing production outcomes. For certain large-scale agricultural producers, we have also developed and deployed customized platforms tailored to their specific needs. We continue to iterate on the platform’s foundational features and are actively exploring value-added service opportunities, such as delivering continuously updated and tailored scientific planting recommendations.

Execution Layer: Precision Operation System

Building on the solid foundation of intelligent agricultural machinery, our precision agriculture technologies cover all critical stages of agricultural production, driving greater operational efficiency and accuracy. During the Track Record Period, our precision operation system was embedded into agricultural machinery and enabled key functionalities through build-in intelligent hardware. Key features in each phase include: (i) **field preparing stage**, our tractors and tillage implements are equipped with advanced monitoring systems that track field preparing depth in real time; the system intelligently adjusts operations based on varying soil conditions, ensuring that each plot of land is optimally prepared; (ii) **planting stage**, our electric precision planters are equipped with advanced seeding control systems that ensure accurate seed spacing and depth; the system also enables real-time monitoring of the planting process, enhancing visibility, traceability, and overall seeding quality; (iii) **field management stage**, our large self-propelled sprayers integrate visual navigation and variable-rate spraying and fertilization technologies tailor input volumes of fertilizers and pesticides to specific field conditions; these machine also utilize computer vision technology to identify weeds in real-time, enabling targeted spraying and significantly reducing pesticides usage; and (iv) **harvesting stage**, our harvesting machines are equipped with advanced systems for monitoring grain loss, impurities, and kernel breakage, along with yield monitoring capabilities. Real-time data analysis enables intelligent process optimization, minimizing grain loss, impurity content and mechanical damage. The yield monitoring system provides accurate yield data, improving both harvesting quality and operational efficiency.

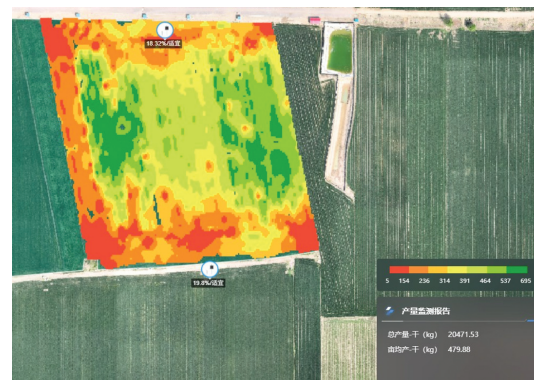
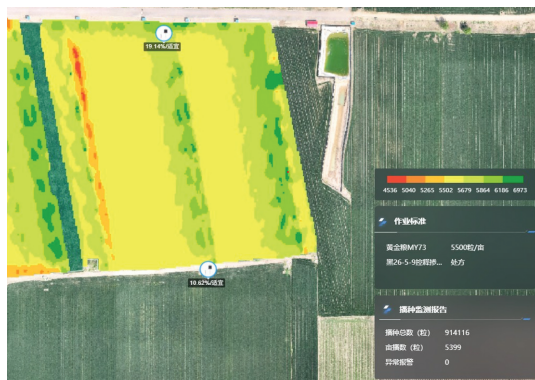
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We continue to expand our precision operation services with more refined and targeted capabilities, including optimized operation path planning, targeted spraying and variable-rate fertilization. In addition, we are exploring the integration of expert Q&A features to further enhance operational efficiency and accuracy.

Case Study: Smart Agriculture Management Platform

Our smart agriculture management platform combines real-time agricultural data collected via IoT sensors, drone imaging and satellite remote sensing with operational data collected via intelligent agricultural machinery to deliver a comprehensive digital solution that covers the closed-loop chain of “perception — analytics and decision-making — execution.” Leveraging the platform, users may also unlock the operational capacity, data value and connectivity potential of intelligent agricultural machinery, transitioning from isolated intelligent functions to a fully integrated system. Core modules of the platform include Overview Dashboard, Performance Insights, Production Scheduling and Operational Monitoring, each designed to support precise decision-making, efficient scheduling and streamlined management, ultimately enhancing intelligent capabilities in agricultural production. The chart below demonstrates the functions of the core modules of the Smart Agriculture Management Platform.

Overview Dashboard	Performance Insights	Production Scheduling	Operational Monitoring
This module provides a consolidated view of agricultural data, including machinery status, land coverage, workforce allocation, as well as production expenditures. Abnormal plots are flagged through real-time alerts, allowing users to identify and address issues.	This module offers insights into crop distribution, soil fertility, growth conditions and risk alerts. Data collected from intelligent agricultural machinery (such as seeding, fertilization and yield) is visualized through intuitive heat maps, enabling users to assess field conditions at a glance and adjust operations accordingly.	This module enables user to schedule tasks across production stages, assign specific tasks to agricultural machinery and monitor progress in real time. The system supports intelligent scheduling based on seasonal timing and machinery capacity availability, helping users optimize sequencing, improve resource utilization and enhance efficiency.	This module supports comprehensive tracking of both historical and live farming activities, including key indicators such as yield monitoring, seeding accuracy, and tillage depth. Users can remotely monitor operations and receive visual alerts for abnormal activities, allowing timely adjustments to minimize losses.



Screenshots for seeding monitoring and yield tracking

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RESEARCH AND DEVELOPMENT

Supported by our global R&D network, we accelerate the development of a robust technology innovation ecosystem by integrating insights and expertise from leading talent in intelligent agricultural machinery and smart agriculture worldwide, enabling us to stay aligned with market trends and actively shape industry standards. In addition, we pursue strategic partnerships with universities, research institutions and technology partners across the value chain. This distinctive model allows us to combine technological innovation with deep industry insight. As of December 31, 2025, we had over 2,800 personnel across our R&D system, among which approximately 37.8% possess a master’s degree or above. According to Frost & Sullivan, we had the largest R&D team in the agricultural machinery industry in China during the Track Record Period. Our R&D efforts have resulted in continual technological breakthroughs and product innovations, which make us outstanding in the industry. As of the Latest Practicable Date, we held 2,927 patents, including 2,215 utility model patents, 311 invention patents and 401 industrial design patents in mainland China, and 59 patents in countries and regions other than mainland China. We also led and participated in the formulation of 26 national standards, 18 industry standards and 56 association standards.

Our R&D Platform and Mechanism

R&D Platform

We have established an efficient global R&D network that attracts top talent and drives innovation through strategic collaboration between our domestic teams and international technology partners. Capitalizing on global technological resources and insights, we are continuously enhancing the technological sophistication and competitiveness of our products.

In China, we have established a strong centralized R&D head institute, Weichai Lovol Intelligent Agriculture Research Institute. Under the centralized governance of the head institute, we have four specialized research institutes and one testing center: (i) the research institute for tractors, which focuses on the R&D of tractors and agricultural implements; (ii) the research institute for harvesting machines, which focuses on the R&D of wheel type combines, crawler type combines, corn harvesters and specialized combines; (iii) the research institute for smart agriculture, which focuses on the R&D of intelligent driving systems, precision operation technologies and smart agriculture management platform; (iv) the research institute for overseas markets, responsible for product development tailored to markets outside China; and (v) the testing center, which conducts performance verification and validation for tractors, harvesting machines, and agricultural implements. These units operate through an integrated digital R&D platform and comprehensive testing systems, enabling efficient resource allocation and knowledge sharing. We were the first agricultural machinery company in China to establish a large-scale smart agriculture research institute, according to Frost & Sullivan. Leveraging our centralized R&D head institute, we integrate top-tier domestic technology resources and have established regional R&D centers in North and East China. Looking ahead, we plan to set up an additional R&D center in Northwest China. These R&D centers focus on core technology areas such as intelligent driving, new energy and smart agriculture, complementing the capabilities of our Weifang head institute.

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We collaborate with leading global technology partners to strengthen our high-end product offerings and core technological capabilities. Specifically, we partner with Japanese partners on paddy-field tractors, crawler-type harvesting machines and rice transplanters, with German partners on large-capacity harvesting machines, high-horsepower tractors and high-end agricultural implements, and with Austria partners on high-end electronic chassis.

R&D Mechanism

We treat each product as an adaptable platform capable of integrating various specialized or standardized modules, allowing us to quickly respond to market demands by developing specialized modules and implementing iterations without redesigning the entire product. Standardized modules such as high-precision navigation modules can be reused across multiple product lines, reducing R&D expenses and ensuring product consistency and reliability. Following this strategy, we periodically plan and review all ongoing projects. If a product-in-progress is deemed unprofitable, we suspend its commercialization process but archive the technology for potential future use. For launched products, we evaluate the optimal timing for upgrades and iterations, and gradually phase out outdated products. Throughout the development cycle, our R&D teams regularly meet with other departments to synchronize information and progress, ensuring a holistic assessment of our products and technologies.

Our Key Technologies

We focus on key technologies around the smart agriculture ecosystem, including enhancing high-end intelligent agricultural machinery and enabling precision agriculture through integrated data utilization across agricultural production processes, which promotes sustainable and efficient farming practices. We acquire patents primarily through self-development. As of the Latest Practicable Date, with respect to our intelligent agricultural machinery products and smart agriculture services, we self-developed and solely owned most of our intellectual properties (including patents and patent applications).

Key Intelligent Technologies for Our Products

As the cornerstone of smart agriculture, we focus on the research of high-end and intelligent agricultural machinery to meet our product demand. In response to the accelerated intelligent transformation of modern agriculture, we continue to intensify our R&D and commercialization efforts for intelligent agricultural machinery. Our focus is on integrating intelligent features, such as intelligent electronic chassis, intelligent driving systems, precision operation modules, electro-hydraulic control and big data analytics into our product portfolio, aiming to enable enhanced operational efficiency, ease of use and reduce operational costs for our customers, building competitive strength for our products. Set forth below are the key technologies for our intelligent agricultural machinery:

Key Intelligent Technologies for Tractors

- ***Power shift transmission technology.*** We have independently developed a power shift transmission system which enables operators to execute directional and gear changes through electronically controlled buttons or push levers free from clutch pedal operations. This innovation enhances operational efficiency while allowing real-time adjustment of the machinery to match working conditions, improving work efficiency and reliability.

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- **CVT technology.** We have pioneered the launching of the first CVT tractor in the PRC, leading the industry transition from mechanical or power shift tractors to CVT tractors. Our technology enables stepless speed regulation in the range of 0-40 km/h, optimizing power output and fuel efficiency across all operating conditions.
- **T-BOX.** T-BOX is an IoT-enabled onboard intelligent terminal designed to enhance machine management and operational efficiency. Key functions include: (i) real-time satellite-based location tracking, supporting fleet management, task optimization and theft prevention; (ii) remote diagnostics and fault alerts, which detect potential mechanical issues at an early stage; (iii) precision farming integration, which empowers seamless collaboration with agricultural implements such as seeders and harvesters to enable variable-rate operations; and (iv) real-time data monitoring, which captures and uploads dynamic machine metrics (engine speed, fuel consumption) and operational data (tillage depth, coverage area) to provide full visibility into machine performance.

Case Study: Fault Warning System

End-users are increasingly shifting from reactive repairs to proactive maintenance, reshaping how agricultural machinery is managed. The fault warning system uses built-in sensors to continuously monitor key machine data, including engine status, temperature and pressure. These data streams are processed using edge computing and cloud-based models. When early signs of engine failure (such as overheating or abnormal pressure in the engine) are detected, the system automatically sends warning message to the Smart Lovol app or the in-cabin terminal. By identifying issues early, operators can take timely preventive action, extend equipment lifespan and reduce maintenance costs.

Key Intelligent Technologies for Harvesting Machines

- **Large-capacity harvesting machines related technologies.** By designing and implementing interchangeable headers and threshing devices, our large-capacity harvesting machines can adapt to various crops such as corn, soybeans and wheat. This enhances operational efficiency and reduces the costs of our customers.
- **Advanced intelligent perception system.** Our harvesting machine offerings are equipped with a comprehensive suite of perception technologies, including mechanical condition monitoring (oil pressure, rotational speed, position), loss detection, impurity and breakage detection, and metal sensing. These systems enable real-time monitoring of operational status and harvesting quality.
- **Electro-hydraulic control systems.** Our harvesting machine offerings incorporate technologies in electro-hydraulic regulation for both driving systems and core harvesting components, allowing precise adjustment of travel speed, ear-picking plate spacing, concave plate clearance, fan speed and sieve opening, enabling adaptation to different crop types.
- **Precision operation systems.** Our harvesting machines leverage advanced sensing and electronic control technologies and support one-stand header positioning, active contour following and automatic row guidance.

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Case Study: Impurity and Grain Damage Detection System

In the harvesting process, the level of impurities and grain damage directly affects crop quality and its market value. In response, our harvesting machines are equipped with advanced intelligent perception system featuring high-definition built-in cameras. These cameras monitor fresh grain as it flows through the machine, accurately identifying unwanted impurities such as weed seeds and straw fragments, as well as detecting cracks or breakage on the grain kernels. Captured data is then transmitted to the onboard computing unit, where the integrated AI model trained on large datasets calculates the real-time impurity rate and damage rate. Ultimately, the results will be instantly displayed on the cabin screen. Operators can respond immediately by adjusting machine settings based on the live data. For example, the operator can lower the threshing drum speed to reduce kernel breakage, or increase drum airflow to remove lighter impurities.

In practice, this system enables precise control over harvest quality, with the total harvest loss rate being reduced by up to 1%, compared with damage rates of traditional manual adjustments that often exceed 2.5%. Lower impurity and damage rates lead to higher grain quality and improve market price. The system also reduces the need for extra cleaning before storage, cutting down post-harvest handling costs.

Key Intelligent Technologies Applicable to All Intelligent Agricultural Machinery

- ***Intelligent driving.*** Our high-precision navigation technology is capable of centimeter-level positioning with an accuracy of ± 2.5 cm, which enables path planning, vehicle navigation and automated operations. For intelligent agricultural machinery equipped with autonomous driving features, users can create and assign tasks via the Lovol App or the smart agriculture management platform, enabling the machine to execute operations automatically based on preset action sequences and path planning, and automatically stop upon completion. Nevertheless, certain human involvement is still required, as operators must remain in the cabin to monitor the process and take over control in case of unrecognized dynamic obstacles or other complex scenarios.
- ***Data analytics.*** We extensively apply big data analytics across our intelligent agricultural machinery to achieve efficient and labor-saving operations. Key functions include: (i) operational optimization, which recommends optimal settings for gear level, speed and turning radius by analyzing real-time and historical data (fuel usage, speed and coverage); (ii) predictive maintenance, which tracks component wear (transmissions, filters) to customize maintenance schedules; (iii) machinery scheduling, which assigns tasks based on performance history and current status, minimizing idle time and improving utilization rate; and (iv) agronomic decision support, which enables centimeter-level precision operations in fertilizing, seeding and spraying using models based on field data including soil nutrients, crop growth, moisture levels and weather conditions.

Case Study: Voice Assistant in Cabins

As agricultural machinery becomes more intelligent, human-machine interaction is playing a growing role in simplifying user's operations. Our intelligent agricultural machinery features cabins that are equipped with voice assistant that allows operators to speak directly to the system and receive real-time feedback. Powered by big data model, the assistant

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understands spoken commands and translates them into machine actions such as adjusting operational settings, retrieving system information or answering operator’s queries. This hands-free interaction reduces reliance on physical buttons and touchscreens, allowing operators to make adjustments without taking their eyes off the field. It improves safety, minimizes distractions and helps the operator stay focused during long or complex tasks.

Key Technologies for our Smart Agriculture Technologies

Deeply embedded in the intelligent agricultural machinery operations, we gain a comprehensive understanding of soil, crop and environmental conditions, and transform insights into precise operation decision-making that guide the machinery to perform coordinated, precision tasks. This boosts productivity, enhances quality and eventually promoting sustainable agricultural development. Our key technologies include the following:

- ***IoT and sensor technologies***: including a range of agriculture-specific sensors and TBOX units, enabling real-time monitoring of key parameters such as machine operating status, work quality, soil moisture, temperature and crop growth conditions. Collected data is then transmitted to the cloud for in-depth analysis, facilitating comprehensive digital sensing and supporting precision management and optimized decision-making.
- ***Model-based decision-making and big data analytics***: previously aggregated datasets are used to build decision models across nutrient management, irrigation control, crop development and pest and disease prevention, which enable users to make data-driven, granular decisions, optimizing activities such as planting, irrigation, fertilization and harvesting, thereby improving both productivity and sustainability.
- ***Precision operation technology***: based on ISOBUS standards and guided by decision-making insights from our smart agriculture management platform, intelligent agricultural machinery can adjust inputs such as fertilizers, irrigation and pesticides to perform variable-rate operations, which maximizes crop yield and quality while reducing environmental impact. For example, during fertilization, the system applies nutrients based on varying soil fertility levels, thereby minimizing input waste and enhancing productivity.

Case Study: Harvest Progress Prediction and Cross-Region Route Planning System

During peak harvest season, efficient machine scheduling is essential to ensure that crops are collected on time. Our harvest progress prediction system analyzes real-time operating speed and completed work area, alongside satellite imagery and historical data to generate dynamic harvest maps. Operators can track farming progress, identify high-demand zones and prioritize jobs accordingly. Once the next target area is selected, the cross-region route planning feature is activated. It uses historical work records, weather conditions and crop maturity data to recommend optimal travel routes and work schedules for the intelligent harvesting machines. Together, these tools transform complex datasets into actionable guidance, helping operators plan more effectively, reduce idle time and ensure timely harvests across multiple regions.

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Our Strategic Collaborations

We engage in strategic collaborations with research institutes, universities and upstream or downstream enterprises. As of the Latest Practicable Date, we have established long-term industry-university-research collaborations with over 50 leading domestic and international universities and research institutes, and have undertaken over 110 national and prefectural-level key projects, covering a range of cutting-edge technologies based on our practical needs. We have also collaborated with R&D partners to establish multiple laboratories and technology innovation platforms. For example, we have established one of the first “Innovation China” intelligent agricultural machinery industry-university-research innovation bases recognized by the China Association for Science and Technology. Key terms of the agreement we have entered with our R&D partners include: (i) ***Rights and obligations***. We and our partners undertake respective R&D tasks based on the development plan and technical research directions and indicators. (ii) ***Confidentiality***. Without prior written consent from the other party, neither party shall disclose any information of either party or generated during the course of the research. The confidentiality obligations of both parties remain effective for a period after the termination of the agreement. (iii) ***Payment***. We generally agreed on a fixed total price for the contract and make payments in installments according to the agreed-upon milestones, and are adjusted according to the acceptance results. (iv) ***Intellectual property***. Intellectual property resulting from jointly completed work will typically be co-owned by the parties. Neither party shall transfer the research results to a third party before delivering the R&D results to the other party and within the confidentiality period. For collaboration involving products or technologies embedded with our self-developed technologies, the intellectual property will typically be owned by us. (v) ***Termination***. The agreement automatically terminates upon completion of the research project.

OUR PRODUCTION

Production Planning and Production Process

Production Planning

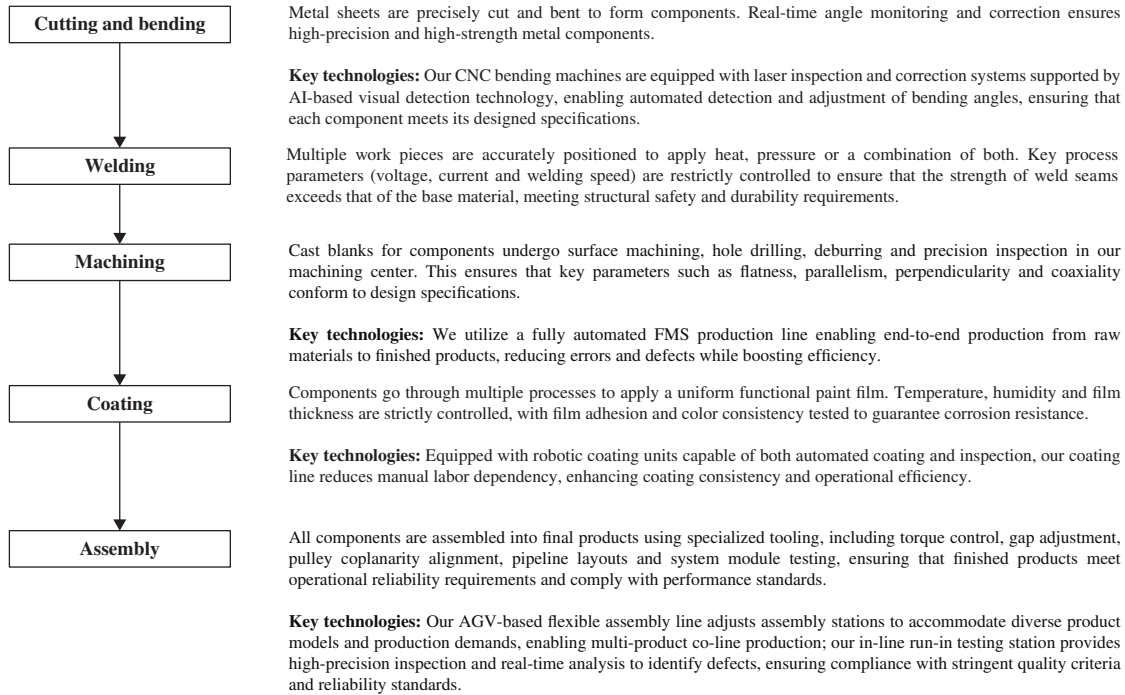
We typically develop our production plan based on our production schedules, sales orders (including anticipated orders) and the time of year. To effectively manage the risk of overproduction and seasonality, our production, procurement, human resources, quality control and marketing departments collectively review our production plans and make adjustments to our procurement, production volume and schedules every month. We also review our production schedules on a weekly basis to accommodate incoming orders.

Production Process

We optimize our standardized and automated production process and explore new techniques to enhance the ongoing technological advancements of our products. Our production team continuously maintains our production equipment and machinery to meet high production standards and improve production efficiency. Our existing production facilities are equipped with laser cutters, bending machines, CNC machining equipment, welding robots, an assembly production line and detection and testing benches, enabling high-precision and

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automated manufacturing. We also plan to implement intelligent upgrades and transformation of our factory. See “— Future Plans and Use of [REDACTED].” Key steps in the production process for agricultural machinery and technologies deployed during the processes are as follows:



Production Capacity

As of December 31, 2025, we had seven production bases for agricultural machinery and related components with 11 production lines that are primarily located in Weifang, Shandong. The table below sets forth the designed capacity, actual production volume and utilization rate of our production sites during the Track Record Period:

	Year ended December 31,								
	2023			2024			2025		
	Designed Capacity	Actual Production	Utilization Rate	Designed Capacity	Actual Production	Utilization Rate	Designed Capacity	Actual Production	Utilization Rate
			(%)			(%)			(%)
Intelligent Tractor									
Manufacturing Hub ⁽⁴⁾ . . .	—	—	—	—	—	—	50,000	14,311	—
Tractor Factory ⁽⁶⁾	72,000	87,200	121.1	72,000	74,100	102.9	72,000	64,599	89.7
Wheel Type Harvesting									
Machines Factory ⁽⁷⁾ . . .	29,600	24,850	84.0	29,600	24,150	81.6	29,600	19,800	66.9
Crawler Type Harvesting									
Machines Factory ⁽⁸⁾ . . .	23,250	12,850	55.3	23,250	15,700	67.5	23,250	23,880	102.7

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	Year ended December 31,								
	2023			2024			2025		
	Designed Capacity	Actual Production	Utilization Rate	Designed Capacity	Actual Production	Utilization Rate	Designed Capacity	Actual Production	Utilization Rate
			(%)			(%)			(%)
Agricultural Implements									
Factory ⁽⁹⁾	9,420	2,319	24.6	9,420	2,510	26.6	9,420	3,312	35.2
Components and Parts									
Factory (Linyi site) ⁽¹⁰⁾ . .	320,000	214,389	67.0	350,000	242,534	69.3	350,000	271,900	77.7
Components and Parts									
Factory (Weifang site) ⁽¹¹⁾ .	300,000	390,940	130.3	300,000	398,981	133.0	300,000	347,122	115.7

Notes:

- (1) The designed capacity of the year is calculated based on the following assumptions: (i) all production lines are functioning at full capacity; (ii) our Intelligent Tractor Manufacturing Hub and Tractor Factory operate 300 days per year; and (iii) our other production facilities operate 250 days per year.
- (2) The actual production volume during the year is the total volume of the products produced during that year/period.
- (3) The utilization rate during the year equals the actual production volume divided by the designed production capacity during the same year.
- (4) Our Intelligent Tractor Manufacturing Hub operates two production lines for the manufacture of tractors, with a total site area of approximately 164,506.0 sq.m. It commenced operations in May 2025. Given the limited time frame, calculating a meaningful utilization rate is not feasible at this stage.
- (5) As part of the Corporate Separation, we have disposed Lovol Beidahuang, a former subsidiary of our Company. See “History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers.”
- (6) The Tractor Factory operates two production lines for the manufacture of tractors, with a total site area of approximately 72,844.9 sq.m. The utilization rate of the Tractor Factory decreased from 121.1% in 2023 to 102.9% in 2024, primarily due to insufficient market demand for our mid-horsepower tractors; the utilization rate decreased to 89.7% in 2025, primarily due to adjustments in production planning based on sales order submissions, with tractor demand remaining relatively stable reflecting a short-term stabilization in the market.
- (7) The Wheel Type Harvesting Machines Factory operates two production lines for the manufacture of wheat harvesting machines and corn harvesting machines, with a total site area of approximately 81,697.9 sq.m. The utilization rate of the factory remained relatively stable at 84.0% in 2023 and 81.6% in 2024, and decreased to 66.9% mainly due to adjustments in production planning in response to variations in market demand. Our existing production lines are primarily used for harvesting machines with a feeding capacity of 12 kg/s and below and are not capable of scalable production of larger-capacity models, with only limited output from the existing lines; accordingly, we plan to establish a new factory to expand production capacity for large-capacity harvesting machines. See “— Production Expansion Plan.”
- (8) The Crawler Type Harvesting Machines Factory operates two production lines primarily for the manufacture of rice harvesting machines and rice transplanters, with a total site area of approximately 44,878.2 sq.m. The utilization rate of the factory increased from 55.3% in 2023 to 67.5% in 2024, and further surged to 102.7% in 2025 primarily due to the increase in actual production volume in response to rising market demand.
- (9) The Agricultural Implements Factory operates one production line primarily for the manufacture of balers, seeding machines, agricultural dryers, hydraulic reversible plows and mower conditioners, with a total site area of approximately 61,319.8 sq.m. The utilization rate of the factory was relatively low during the Track Record Period, primarily due to the promulgation of a new policy requiring all our agricultural machinery products to comply with a higher national emission standard, which increased the cost for users to purchase new agricultural machinery, leading users to adopt a wait-and-see approach and causing market demand to fall short of expectations. Looking ahead, supported by the increasing adoption of intelligent agricultural machinery, improvements in agricultural production and favorable policies, we expect market demand to recover, which is expected to support higher utilization rates of the relevant production line.
- (10) The Components and Parts Factory (Linyi site) operates one production line primarily for the manufacture of drive axles for tractors, harvester gearboxes and the transmission systems, with a total site area of approximately 55,643.2 sq.m. The utilization rate of the factory was relatively low in 2023 and 2024, primarily due to insufficient market demand for finished agricultural machinery products, which in turn led to an insufficient market demand for components which fall short of expectations. Such rate increased to 77.7% in 2025, primarily to support higher agricultural machinery sales, in particular harvesting machines.

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- (11) The Components and Parts Factory (Weifang site) operates one production line primarily for the manufacture of engine oil pans, shredders for harvesting machines and headers, with a total site area of approximately 26,786.6 sq.m. The utilization rate of the Components and Parts Factory (Weifang site) remained relatively high at 130.3%, 133.0% and 115.7% in 2023, 2024 and 2025, respectively.

Production Expansion Plan

Increasing demand in the market and favorable government subsidy policies have boosted the growth of our agricultural machinery business. To facilitate our long-term business development in this growing market, we plan to further expand our capacity through the construction of the new factory for large-capacity harvesting machines, which has completed the initiation process as of the Latest Practicable Date and is expected to complete construction in 2027. The production base will be primarily used for the manufacture of high-capacity harvesting machines (with a feeding capacity of 12 kg/s or above), self-propelled sprayers, forage machines, mower conditioners, as well as related components and parts, with a designed annual production capacity of 3,600 units of the aforementioned agricultural machinery. The estimated total investment for the project amounts to HK\$[REDACTED], of which approximately HK\$[REDACTED] is expected to be financed by the [REDACTED] from the [REDACTED]. See “Future Plans and Use of [REDACTED].” The remaining portion will be funded by cash generated from our existing business operations.

SALES, MARKETING AND CUSTOMER SERVICE

Our Sales and Distribution Network

Given the extensive range of our product offering, we have established both national and international sales and distribution networks, allowing us to provide products and services in over 120 countries and regions worldwide as of the Latest Practicable Date. The table below sets forth our net revenue by geographic regions during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
China	13,419,145	91.4	15,668,005	90.1	15,639,393	86.8
Overseas ⁽¹⁾	1,257,203	8.6	1,725,033	9.9	2,383,713	13.2
Total	14,676,348	100.0	17,393,038	100.0	18,023,106	100.0

Note: (1) Other regions include Asia (excluding Chinese Mainland), Europe, North America and South America, Africa and Oceania.

We mainly work through selected distribution channels to efficiently serve our users in China and overseas markets. Across both domestic and international markets, our relationship with distribution partners is structured on a seller-buyer basis. In addition, we also adopt a

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direct sales model with certain strategic customers in China. Our products are sold through these channels to ensure market penetration and coverage, which is particularly suitable for serving dispersed end-users through localized distribution channels, while maintaining direct connections with agricultural enterprises through our sales team. The table below set forth our net revenue by sales channel during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)						
Distribution	14,416,077	98.2	17,184,147	98.8	17,788,835	98.7
Direct Sales	260,271	1.8	208,891	1.2	234,271	1.3
Total	14,676,348	100.0	17,393,038	100.0	18,023,106	100.0

Our Distribution Network

Our distribution network operates through stringently structured distribution arrangements to provide our products to end-users. Within their authorized areas, we require our distribution partners to uphold our brand equity through: (i) enhancing brand visibility and market presence 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. There were no material unsettled disputes or litigation with such terminated distribution arrangements during the Track Record Period and up to the Latest Practicable Date. The table below sets forth the total number of the distribution partners in China and their movements (including additions and terminations) for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	China	Overseas	China	Overseas	China	Overseas
Number of distribution partners at the beginning of the period	588	140	631	190	703	234
Number of new distribution partners . . .	67	50	121	46	94	77
Number of terminated distribution partners . . .	24	—	49	2	56	1
Net increase in distribution partners	43	50	72	44	38	76
Number of distribution partners at the end of the period	631	190	703	234	741	310

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Management of Our Distribution Partners in China

Our marketing department is primarily responsible for distribution management, including: (i) development, evaluation and recruitment of new distribution partners; (ii) negotiation and execution of contracts with distribution partners; (iii) ongoing management of distribution partners, including oversight of predetermined sales territories, pricing, inventory and account receivables; (iv) provision of sales support; and (v) review and maintenance of distribution networks. Our distribution partners may independently develop secondary channels when they find it hard to directly cover the rural markets in their authorized areas by themselves. We do not engage directly or establish contractual relationship 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 offer a range of incentives which mainly include (i) sales incentives, involving tiered sales targets for different machinery, where distribution partners are eligible for one-off fixed payments upon meeting an annual baseline, with higher amounts unlocked as sales reach defined volume tiers above that baseline, (ii) exclusive/priority sales incentives, which are offered to distribution partners who commit to exclusively or preferentially selling our products that enhance brand visibility and channel stability, typically amounting to around 1% of their annual payments to us and paid in the first quarter of the following year, and (iii) full prepayment incentives for distribution partners who make full prepayments, offering a discount typically spanning approximately 1.0% to 2.0%, subject to monthly adjustments based on business conditions. According to Frost & Sullivan, our incentive arrangements for distribution partners conform with the industry norm. In addition, according to the certificates issued by the relevant competent government authorities, we have not been subject to any penalties, regulatory orders or investigations in relation to unfair competition or anti-monopoly activities during the Track Record Period. Our PRC Legal Advisor is of the view that the risk of material administrative penalties against us for the relevant rebate policy leading to unfair competition or violation of the Anti-Monopoly Law is relatively low.

In terms of the accounting policies for our distribution partners in China, we adopt a buy-out distribution model under which revenue is recognized at the point when our distribution partner completes revenue recognition confirmation in the CRM system (CRM Confirmation), after which the distribution partner assumes all inventory risks. Specifically, the timing of the CRM Confirmation is at the discretion of the distribution partner following the delivery of goods but shall be no later than three days after the actual sale to the end-user. This timing is not contingent upon actual sales to end-users, with the average interval between product delivery and distribution partner’s CRM Confirmation generally fell within the range of ten to 40 days during the Track Record Period. See “— Procurement, Inventory Management and Logistics — Inventory Management — Our Inventory Management Policy and Revenue Recognition.” Under this model, transfer of control is generally deemed to occur upon the distribution partner’s CRM Confirmation.

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Management of Our Distribution Partners Overseas

We conduct our overseas distribution mainly through local distribution partners. We had sold our products to over 120 countries and regions across Asia, the Americas, Africa, Europe and Oceania as of the Latest Practicable Date. Our overseas distribution partners may independently develop secondary channels to enhance coverage in reaching end-users. We do not establish contractual relationships with sub-distribution channels. While prior approval is not required, our distribution partners shall put their arrangements with the sub-distribution channels on record with us, and we will inspect the sales performance of these secondary channels annually. We also set requirements and provide feedback to our overseas distribution partners regarding the performance of their secondary channels.

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 because (i) we account for products sold to our distribution partners as part of our inventory to carry out reasonable and effective dynamic inventory management to prevent channel stuffing, (ii) before the distribution partner confirms the realization of sales in the system as set out in the relevant contract, their ownership remains with us, and (iii) we retain the right to adjust sales prices and carry out inventory control by transferring products across distribution channels, and our distribution partners cannot accumulate significant inventory for themselves.

Independence Analysis for Distribution Partners

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, save that (i) in China, two subsidiaries of Shandong Heavy Industry Group had began sourcing relevant products from us in June 2025 and August 2025, respectively; the revenue generated therefrom was insignificant in 2025, and (ii) for overseas sales, four subsidiaries of Weichai Power Group had been sourcing relevant products and components from us for resale overseas, and the revenue generated therefrom accounted for less than 1.6% of our total revenue for each period during the Track Record Period; since February 2026 and May 2026, respectively, one subsidiary of Weichai Power Group and one subsidiary of Shandong Heavy Industry Group had began sourcing relevant products and components from us for resale overseas, and the revenue generated therefrom was insignificant up to the Latest Practicable Date. See “Connected Transactions — Non-exempt Continuing Connected Transactions Subject to Reporting, Annual Review and Announcement Requirements.” We apply consistent management policies across all our distribution partners, specifically: (i) we assess their qualifications and capabilities following the same standards as applied to other distribution partners; (ii) we generally enter into distribution agreements with terms substantially similar to those offered to other distribution partners; and (iii) the pricing of our transactions with such distribution partner is determined through arm’s-length negotiations with the aforementioned entities, with reference to the prices offered to other independent third parties in the ordinary course of business.

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Major Terms of Distribution Agreements with Our Distribution Partners

We typically enter into standard distribution agreements with our distribution partners annually. Salient terms of our standard distribution agreements 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.
- ***Minimum purchase.*** There is no minimum purchase commitment or commission arrangement in these distribution agreements.
- ***Sales target.*** We set annual 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.*** For distributions in China, product ownership transfers to our distribution partners when they confirm the realization of sales in the system as set out in the relevant contract. For distribution overseas, we typically adopt FOB terms, under which ownership transfer occurs at the point of shipment.
- ***Price management.*** For distribution in China, we set the lowest prices for distribution partners and monitor all final sales prices through our sales management system; therefore, it is unlikely that the distribution partners may sell our products at significantly higher prices despite the absence of contractual price caps. For distribution overseas, we set an indicative price range at which the distribution partners are advised to sell our products, and non-compliance with our price policies may result in us ceasing product supply or terminating the distribution agreement.
- ***Payments.*** For domestic sales, payment terms include full prepayment before delivery or a credit arrangement requiring a partial prepayment before we arrange delivery, with the remaining balance remitted upon confirmation, which may, at the distribution partner’s discretion, occur at a time after delivery but no later than three days following the actual sale to end-users. Settlement is generally accepted by telegraphic transfer or valid electronic bank acceptance drafts issued by our designated banks with a tenor of up to 180 days.

For overseas sales, we typically require a percentage or full prepayment before delivery, with the remaining amount paid according to the terms in the distribution agreements, and we generally accept settlement by telegraphic transfer within 180 days or electronic bank acceptance drafts within 360 days.

- ***Product return.*** We typically do not permit distribution partners to return agricultural machinery.
- ***Logistics.*** In China, the distribution partners may either authorize us to handle transportation on their behalf or arrange for self-pickup. For sales overseas, we typically specify trade terms such as FOB and CIF in our contracts with the overseas distribution partners, and the logistics obligations are negotiated in accordance with agreed international trade policies.

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- ***Sub-distribution.*** We do not impose any restrictions regarding sub-distribution with the distribution partners, except for the requirements of confidentiality.
- ***Anti-commercial bribery and confidentiality.*** We prevent our distribution partners from engaging in bribery or leaking our commercial secrets to any third parties. Distribution partners shall compensate us with a certain amount of money if such incidents occur, and we may unilaterally terminate the distribution agreement.
- ***Termination.*** We are entitled to terminate the distribution agreements if our distribution partners breach the distribution agreements through underperformance.

Direct Sales

Our direct sales customers mainly include large-scale agricultural enterprises. During the Track Record Period and up to the Latest Practicable Date, all of our direct sales customers were independent third parties, save for Weichai Power Group and Shandong Heavy Industry Group. See “Connected Transactions — Non-exempt Continuing Connected Transactions Subject to Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements.” We believe that the business partnership with our direct sales customers is beneficial to strengthening our market leadership. Additionally, we gather real-time feedback through our direct sales customers, which in turn enables us to make product improvements that align with evolving market demands. We generally enter into sales contracts with our direct sales customers. Salient terms of the sales contract include:

- ***Term.*** We typically enter into one-off sales agreements with our direct sales customers, under which the contract automatically terminates upon both parties fulfilling their respective obligations under the contract.
- ***Minimum purchase.*** There is no minimum purchase commitment in our direct sales contracts.
- ***Product ownership.*** The ownership of the products is generally transferred to our direct sales customers upon their confirmation of receipt.
- ***Payments and credit period.*** Our direct sales customers make advanced payment when entering into contracts, with the remaining balance paid before product delivery.
- ***Logistics.*** We will typically bear the responsibility for the delivery at our own cost.
- ***Return or exchange of products.*** Our direct sales customers shall conduct the acceptance inspection in a timely manner, unless the issue requires a certain period of time or the use of specialized inspection tools to be detected. The warranty period is 12 months after the products pass the acceptance inspection.

Pricing and Marketing

We primarily use cost-based methods to price our products, taking into consideration factors such as costs and historical profit margin levels, market benchmarks as well as our market positioning and the competitive advantages of our products, which are subject to the

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approval by our value engineering personnel. The final price of our products varies depending on the sales channels. For distribution channels, our quotation includes both settlement price and delivery costs. For direct sales customers, we negotiate final prices on a case-by-case basis.

Pursuant to the Implementation Opinions on Subsidies for the Purchase and Application of Agricultural Machinery from 2024 to 2026 and applicable laws and regulations, certain of our agricultural machinery offerings are eligible for national subsidy programs. For qualified products, users may receive fixed-amount subsidies after purchase, which reduce their actual cost and enhance purchase intent. During the Track Record Period, the subsidy rates for our subsidized models typically fell between 10% and 30% of the total machinery price, while the average subsidy rate for our top-selling subsidized models was approximately 20%, reflecting strong policy support for our core offerings.

These subsidies not only improved product affordability but also contributed to market penetration, sales growth and trust-building, particularly for newly launched innovative product offerings. As policies became more targeted, subsidy intensity for intelligent offerings including intelligent tractors, intelligent seeders and high-performance harvesting machines, increased substantially. For example, the maximum subsidy between intelligent tractors and traditional tractors above 200 horsepower was RMB39,100 in 2024, representing a significant intensification of policy support compared to the 2023 subsidy of merely RMB4,000, demonstrating a substantial increase in preferential national policy focus towards intelligent agricultural machinery. This increase, along with growing policy incentives and a series of intelligent agricultural machinery promotion policies, is expected to catalyze explosive growth in intelligent tractors. By 2030, the penetration rate of intelligent agricultural machinery in China is expected to reach approximately 33.8%. See “Industry Overview.” Such policy developments underscore the government’s commitment to promoting high-performance intelligent agricultural machinery. By creating effective price incentives, these measures have encouraged users to acquire advanced models, which has enhanced our competitiveness and market share in the intelligent agricultural machinery segment.

We have creatively established a communication matrix by combining online and offline sales activities. For offline sales, we organize hands-on experience events such as open day activities to invite customers to visit our factory and product promotion sessions at distribution partners, locations to allow end-users to directly experience the products. We also participate in industry conferences to enhance brand awareness. For online events, we leverage short video platforms and online community operations to build an all-channel communication matrix.

Seasonality

Seasonal patterns in retail demand for agricultural machinery can result in substantive variations in the volume and mix of products sold to users during the year. For example, we generally experience higher sales revenue from our harvesting machines two months before the harvesting season, typically in the second and third quarters of the year, with the minimum sales revenue experienced in the fourth quarter of each year. Seasonal demand is estimated in advance, and we usually manufacture our equipment in anticipation of such demand to achieve efficient utilization of personnel and facilities throughout the year.

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Financial Leasing Services

To enhance the accessibility of our products, we cooperate with financial leasing service providers to offer flexible financing options to users. During the Track Record Period, the financing amount provided by Huiyin Financial Leasing Co., Ltd. and Harbin Bank Financial Leasing Co., Ltd. was RMB2,107.5 million, RMB3,156.4 million and RMB3,286.4 million in 2023, 2024 and 2025, respectively. During the Track Record Period and up to the Latest Practicable Date, Huiyin Financial Leasing Co. Ltd. is a Connected Person with whom we enter into finance lease arrangements on mutually agreed terms following arm’s-length negotiations. See “Connected Transactions — Non-exempt Continuing Connected Transactions Subject to Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements — Financing and guarantee under the finance lease.”

A common financial support model in the agricultural machinery financing sector takes the form of a sale-and-leaseback, under which the user, after purchasing our agricultural machinery from our distribution partners, sells and transfers the ownership of the agricultural machinery to a financial leasing service provider, who then leases it back to the user under agreed terms. Once the user has made all rental payments on time and in full, the user may regain ownership of the agricultural machinery by paying a nominal purchase price. During the financial leasing process, the non-financed portion of the agricultural machinery purchase price is collected and deposited into our account by our distribution partner, while the financed portion is deposited into our designated account by the financing leasing service provider.

Such financial leasing arrangements are common in the agricultural machinery industry, according to Frost & Sullivan. The industry-standard financing model enables users, such as farmers, to retain operating control over the machinery while deferring significant upfront capital expenditure. It also aligns payment schedules with the seasonal nature of agricultural income, enhances financial flexibility and supports the wider adoption of modern intelligent agricultural machinery. By offering such financing solutions through financial leasing service providers, we are able to broaden our end-user reach and expand our addressable market. Our management is of the view that the financial leasing arrangements we enter into are compliant with market practices and are supported by our internal risk control system.

Salient terms for our financial leasing service arrangements are set forth below:

- ***Ownership.*** Ownership of the agricultural machinery transfers to users upon full settlement of the repurchase price by the lessee to the financial leasing service provider. In the event of a lessee default, if the distribution partner fails to fulfill its repurchase obligations and we are subsequently required to exercise our repurchase obligation, ownership of the agricultural machinery reverts to us.
- ***Term.*** The duration typically ranges from six months to 24 months.
- ***Predetermined price to repurchase agricultural machinery by end-user.*** After the full performance of the financial leasing service contract, the user will pay a nominal repurchase price, after which the financial leasing service provider will transfer the ownership of the agricultural machinery to the user.

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- ***Supplementary repurchase obligation of our Group.*** Our repurchase obligation may be triggered upon the occurrence of certain events, including (i) in the event the leased item is agricultural machinery (excluding agricultural implements), when the lessee defaults on payment for more than 15 days; (ii) in the event the leased item is agricultural implements, when the lessee failed in providing periodic rental payments for three installments in aggregate; (iii) if the leased item is lost or damaged beyond repair; or (iv) if the lessee commits a serious breach of obligations under the financial leasing agreement. Our repurchase obligation is supplementary in nature and is only activated upon the distribution partner’s failure to fulfill its repurchase obligations. During the Track Record Period and up to the Latest Practicable Date, our repurchase obligations have not been triggered under any circumstances.
- ***Repurchase price when repurchase obligation of our Group is triggered.*** When the repurchase obligation of our Group is triggered upon the foregoing events, and only when the distribution partner fails to fulfill its repurchase obligations, we will be required to pay the repurchase price for the agricultural machinery, which primarily comprises: (i) any overdue rental payments, penalties or default interest; (ii) any unpaid future rental obligations; and (iii) any reasonable costs incurred by the financial leasing service provider in connection with the enforcement of its rights, net of any deposit paid by the lessee.
- ***Insurance.*** The financial leasing service provider does not impose mandatory requirements regarding insurance policies when offering financing services to users.

User Engagement and After-sales Services

We value user experience and are committed to delivering attentive user service. We believe that our reputation is built upon our ability to provide quality and effective after-sales and technical support to our users to their satisfaction. Additionally, we systematically capture insights into product performance gaps and market demand through the process of our user relationship management, such as user satisfaction surveys during equipment maintenance, or regional operator training or roundtable events. By utilizing various customer feedback mechanisms, we may reflect customer preferences in our R&D process to ensure a full response to market demands through iterations of existing products and development of future products.

After-sales Services

We maintain timely communication with our customers through after-sales services to ensure problem identification and risk control. We generally provide a one-year product warranty, with a two- to three-year warranty period for certain key components to our customers to address any quality defects of our products, such as transmission housings, rear axle housings, tow frame and suspension rods.

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Certain warranties provided by us are eligible for reimbursement from our suppliers based on our contracts with them, such as warranty costs due to supplier-related quality issues (such as component deformation, fractures, weld cracks, rubber bulging or electronic failures). We typically estimate our supplier reimbursement amounts by multiplying the historical reimbursement ratio (which is calculated by dividing supplier claims income by service costs) and the estimated warranty expenses for the period (which may be derived from historical trends and service records). Given that (i) there is a meaningful correlation between historical compensation ratios and the current period, supporting comparability; and (ii) the data used in the estimation process is sourced from reliable systems such as our CRM and ERP platforms, which are fully integrated into daily operations, our management are of the view that the current estimation methodology and data sources are reliable.

Users may reach out to our staff either through off-line service stations or on-line contacts, including our hotline or mobile application for after-sales support. Substantially all of our users operate in rural areas and primarily during peak harvesting seasons. Additionally, the majority of our users are full-time operators who frequently work across multiple regions and require cross-regional technical support. Correspondingly, we maintain an extensive after-sales network, primarily through integrated sales and service stations. We also provide resources support and collaborate with commercialized service stations to offer services. While integrated sales and service stations enable seamless alignment between machinery sales and after-sales support, providing clearer accountability for service delivery and maintaining a consistent and reliable user experience, commercialized service stations help extend timely support to remote or underserved areas, further enhancing the accessibility and coverage of the service network. Together, these stations expand our geographic coverage into regions where maintaining a direct presence would be inefficient, leveraging their local user familiarity to deliver targeted and effective services. As of December 31, 2025, we had 814 integrated sales and service stations, as well as 114 commercialized service stations, ensuring our extensive coverage of after-sales services nationwide. Salient terms of the service contract with the service providers are set forth below: (i) ***Service Periods***. The standard term of the service contract is one year. (ii) ***Qualifications***. Service providers must hold valid business license issued by relevant authorities and meet baseline operational requirements including adequate facilities, equipment and transportation capacity to ensure timely service delivery. (iii) ***Payment terms***. After-sales service fees are typically calculated and settled in accordance with the applicable annual service fee standards. (iv) ***Scope of after-sales service***. The service provider shall provide maintenance services for the agreed categories of agricultural machinery within the designated service area. (v) ***Liability of the service provider***. At the time of machinery handover, the service provider must conduct machinery inspections and provide safety and maintenance training to users in accordance with our standards. Failure to do so will render the service provider fully liable in the event of machinery malfunction or user misuse resulting in damages. (vi) ***Confidentiality***. All information exchanged during the execution of the service contract, including customer data, machinery details, service policies, technical specifications and training materials, shall not be disclosed to any third party without our prior authorization. (vii) ***Termination***. We reserve the right to terminate the service contract at any time in the event of a breach by the service provider.

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Training

We deliver technical training through our Smart Agriculture Lovol application platform, covering agricultural machinery maintenance, component adjustments and operational best practices, helping operators develop stronger technical reliance on our intelligent agricultural machinery and smart agriculture services, reinforcing long-term brand engagement. We also collaborate with local governments to organize hands-on agricultural machinery workshops, expanding our social influence and allowing potential users to experience our products firsthand, thereby fostering brand loyalty and generating new sales opportunities.

PROCUREMENT, INVENTORY MANAGEMENT AND LOGISTICS

Procurement

Our procurement primarily covers raw materials, including sheets and pipes, components or assemblies such as engines, drive axles and transmissions, rough castings and unfinished parts, as well as indirect materials to facilitate our production, such as cloths, filter bags and packaging materials. Most of our raw materials, components and indirect materials are sourced from China, with a small portion of components and indirect materials originating overseas, including from Japan, Italy and the US. We maintain reasonable procurement cycles. Throughout the Track Record Period, we did not have any major shortages, delays or difficulties in procuring essential raw materials or components from suppliers.

Our procurement department also monitors the quality of raw materials. We conduct preliminary evaluations of suppliers based on price and quality terms. A review team composed of various departments will then quantitatively evaluate and select qualified suppliers, followed by an on-site inspection by our quality department and our research institutes to ensure compliance with national standards or industry standards. We continuously monitor supplier performance and conduct periodic evaluations based on certain criteria such as quality, delivery and cost efficiency. It is at our discretion to redetermine the supply arrangement if a supplier’s performance is unsatisfactory.

We also mitigate risks associated with fluctuation in raw materials by employing the following mechanisms: (i) price adjustment mechanisms, including clauses in supply contracts that link component prices to raw material costs at purchase, allowing us to lock in prices in advance; (ii) advance procurement, based on historical trends to forecast movements for six months or longer, purchasing at opportune times and reminding suppliers to do the same, while making prepayments to secure favorable pricing; and (iii) forming a supplier portfolio, maintaining at least three suppliers for most product categories and avoiding exclusive arrangements to prevent reliance on a single source. During the Track Record Period and up to the Latest Practicable Date, we did not have any difficulty in obtaining adequate production raw materials and components, and do not anticipate significant difficulties in obtaining alternative sources of supply if necessary; we did not experience any major price fluctuations, overstock, delays or shortages in the supply of production raw materials and components. We generally enter into an annual supply contract with our suppliers. Salient terms of the annual

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supply contract with our suppliers include: (i) **Delivery**. We primarily accept delivery at our suppliers’ own cost and risk. (ii) **Credit Terms**. The credit terms will be determined by the credit terms confirmation sheet we sign with our suppliers on a case-by-case basis. (iii) **Payment**. We typically settle payments through bank acceptance drafts and transfers. (iv) **Product quality and warranty**. The product quality should adhere to the factory standards of the manufacturers, but must not be lower than national or other applicable standards. The warranty should not be less than what we promise the users. Higher national, industry or manufacturer standards for the warranty shall apply if they exist. (v) **Exclusivity**. We never enter into exclusive arrangements with our suppliers.

Inventory Management

Our inventories primarily comprise raw materials, work-in-progress and finished goods stored in our warehouses at our production plants or leased warehouses. We have implemented stringent inventory management measures to maintain an optimal level of stock for our inventory. To improve our inventory efficiency, we adopted a unified distribution system and continuously enhanced inventory turnover. We implement policies and guidelines in accordance with ISO 9001 standards, including periodic asset audits, real-time monitoring and on-site or supplier-assisted inventory inspections. These measures enable strong inventory performance and rapid responsiveness to market demands.

Our Inventory Management Policies and Revenue Recognition

Under our buy-out model for domestic sales, we typically ship our goods to the distribution partner’s designated location, and thereafter recognize revenue at the point when our distribution partner completes revenue recognition confirmation in the CRM system (CRM Confirmation), after which the distribution partner assumes all inventory risks. The timing of the CRM Confirmation is at the discretion of the distribution partner following the delivery of goods but shall be no later than three days after the actual sale to end-user. See “— Sales, Marketing and Customer Service — Our Sales and Distribution Network — Management of Our Distribution Partners in China.” For overseas transactions, we typically adopt FOB terms, under which ownership and inventory risk transfer at the point of shipment.

We have chosen CRM Confirmation as the timing for revenue recognition after prudent consideration of industry dynamics and practical needs, as such revenue recognition policy allows distribution partners to exercise discretion over timing to accommodate their financial capacity, which helps reduce their inventory pressure that in turn strengthens our collaboration with the distribution partners and fosters our sustainable channel development. As a practice that has increasingly gained traction in the industry, certain industry peers have also adopted similar revenue recognition and inventory risk transfer policy, according to Frost & Sullivan.

To address potential concerns regarding inventory risks, we implemented robust protective inventory management measures which primarily include: (i) **contractual risk allocation**, where any loss or damage arising from storage conditions shall be borne by the distribution partner upon delivery of goods to the distribution partner, and does not permit

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returns solely on the basis of exceeding the advisory storage period; (ii) **advisory storage period**, referring to an advisory storage period of 180 days, and we proactively explore reallocation of products near or past this period among distribution partners, including facilitating inter-distributor transfers to stronger markets upon request, subject to internal compliance processes that ensure traceability and transparency; a distribution partner’s inventory practices are also factored into decisions on continuing or expanding collaboration; and (iii) **insurance policy**, under which we cease to bear product liability insurance upon CRM confirmation, and the distribution partner assumes full responsibility for coverage.

Logistics

Raw materials are delivered to our production plants at the suppliers’ cost and risk. For the delivery of our products, we typically arrange for transportation from our production plants to our customers in the PRC outsourcing logistic activities to third-party service providers during the Track Record Period. The services cover long-haul delivery, short-distance transfers and loading operations. Pursuant to the agreements with the logistic companies, the logistic companies are responsible for any direct losses caused by them during shipment. Our products sold to overseas distribution partners are generally shipped on agreed terms, typically on a FOB basis. 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. We generally enter into annual logistics agreements with third-party service providers. Salient terms of the agreements include: (i) **Delivery and area**. We typically require delivery via road transport, and will adjust the awarded delivery area according to the requirements of the actual delivery plan. (ii) **Pricing**. We have standards for freight settlement and mileage, and will adjust them according to market changes. (iii) **Payment and credit term**. We typically settle payments through bank transfer and repaying the debt in kind, and usually obtain a credit term of 90 days. (iv) **Risk allocation**. The risk is generally transferred to the third-party service providers upon their obtaining the products. We typically collect a business risk deposit from third-party service providers before signing the annual logistics agreements. (v) **Guarantee**. We typically require guarantors to provide a guarantee for the third-party service providers for a period of five years.

QUALITY CONTROL AND PRODUCT LIABILITY

Quality Control

We have established a complete set of quality management systems covering supplier management, incoming materials, production processes, finished products and after-sale services. We have a quality control department with a team of approximately 130 employees responsible for quality assurance. Each of our production plants has passed ISO 9001 quality management system certification. During the Track Record Period, our rigorous quality management system has achieved industry-leading product quality with our first-pass yield rates of 95.1%, 96.3% and 96.8% in 2023, 2024 and 2025, respectively, while our product qualification rates were consistently maintained at 100%.

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Our major quality control procedures are as follows: (i) for raw materials, we enforce a strict supplier admission system, conducting holistic selection and annual assessments, and we periodically inspect incoming materials against national or industry standards, (ii) during production, we perform regular comprehensive equipment inspections and set control points at key stages, and (iii) for finished products, our quality control department conducts routine inspections following national standards (such as GB/T 21962-2020 for corn combine harvesters and GB/T 20864-2021 for rice transplanters), industry standards (such as B/T 5117-2017 for whole-feed combine harvesters and JB/T 11895-2014 for lawn and garden tractors), and in-house standards (such as Q/0704LWZ 001-2018 for wheeled tractors and Q/0704LW 112-2018 for self-propelled peanut harvesting machines), including performance tests and appearance examinations before delivery. As a result of our commitment to stringent product quality, 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; (ii) we had not undertaken any material product recalls with respect to defective products; (iii) we had not experienced any material product returns; and (iv) we had not been involved in any material dispute with customers in connection with product quality.

Product Liability

We comply with the applicable laws and regulations regarding product quality, including the Production Quality Law of the People’s Republic of China, the Provisions on the Liability of Repair, Replacement and Return of Agricultural Machinery Products, and the Safety Supervision and Management of Agricultural Machinery. We also adhere to the terms stipulated in the cooperation agreements with distribution partners. In instances where a product issue arises due to inherent defects, we shall assume responsibility in the capacity as the manufacturer. Conversely, if the issue is attributable to errors in the distribution partner’s sales, storage or handling processes, the distribution partner shall bear the relevant liability. Where specific arrangements are contractually agreed, such provisions shall prevail.

OUR CUSTOMERS

We primarily sell our products to distribution partners and direct sales customers (mainly comprising agricultural enterprises). In 2023, 2024 and 2025, the aggregate revenue from sales to our top five customers in each year accounted for 6.0%, 5.2% and 6.2% of our total revenue, respectively, and revenue from sales to our largest customer in each year during the Track Record Period accounted for 1.4%, 1.3% and 1.7% of our total revenue for the same periods.

We generally enter into standardized distribution agreements with our distribution partners and standardized sales agreements with our direct sales customers. See “— Sales, Marketing and Customer Service — Our Sales and Distribution Network.” To the best of our knowledge, except for Shandong Heavy Industry India Pvt. Ltd., which is among one of our five largest customers in 2025, our five largest customers in each year/period during the Track Record Period were all Independent Third Parties and none of our Directors, their close

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associates or any Shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company’s issued share capital, had any interest in any of our five largest customers in each year/period during the Track Record Period.

OUR SUPPLIERS

Our suppliers primarily comprise suppliers of raw materials, parts and components and vehicle engines. We generally enter into annual supply contracts with our suppliers. See “— Procurement, Inventory Management and Logistics — Procurement.” The following tables set forth the details of our five largest suppliers in each year during the Track Record Period by purchase amount in each year during the Track Record Period:

Financial Year ended December 31 2023

Supplier	Products/services provided	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit period	Primary payment method
		(RMB'000)				
Shandong Heavy Industry	Supplier of materials	2,424,141	16.6	2018	30 to 60 days	Acceptance bill
Supplier A ⁽¹⁾	Supplier of materials	527,257	3.6	1999	60 days	Acceptance bill
Supplier B ⁽²⁾	Supplier of materials	411,555	2.8	2006	60 days	Acceptance bill
Supplier C ⁽³⁾	Supplier of materials	366,184	2.5	2018	30 days	Acceptance bill
Supplier D ⁽⁴⁾	Supplier of materials	224,160	1.5	1999	60 days	Acceptance bill
Total		3,953,297	27.0			

Notes:

- (1) Supplier A is a company based in Anhui, China, primarily engaged in production of diesel engines, automobile parts and plastic pipes. It is listed on the Shanghai Stock Exchange.
- (2) Supplier B is a company based in Jiangsu, China, primarily engaged in production of engineering tires, high-performance tires, high-performance tires and specialized rubber products.
- (3) Supplier C is a company based in Shandong, China, primarily engaged in production of components for agricultural machinery, construction machinery and engines.
- (4) Supplier D is a company based in Shandong, China, primarily engaged in production of drive axles and gearboxes for agricultural machinery.

Financial Year ended December 31 2024

Supplier	Products/services provided	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit period	Primary payment method
		(RMB'000)				
Shandong Heavy Industry	Supplier of materials	2,683,553	19.3	2018	30 to 60 days	Acceptance bill

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Supplier	Products/services provided	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit period	Primary payment method
		(RMB'000)				
Supplier C	Supplier of materials	404,093	2.9	2018	90 days	Acceptance bill
Supplier B	Supplier of materials	378,500	2.7	2006	90 days	Acceptance bill
Supplier A	Supplier of materials	338,841	2.5	1999	90 days	Acceptance bill
Supplier E ⁽¹⁾	Supplier of materials	184,979	1.3	2006	90 days	Acceptance bill
Total		3,989,966	28.7			

Note: (1) Supplier E is a company based in Shandong, China, primarily engaged in production of components for agricultural machinery and vehicles.

Financial year ended December 31, 2025

Supplier	Products/services provided	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit period	Primary payment method
		(RMB'000)				
Shandong Heavy Industry	Supplier of materials	2,633,303	17.6	2018	30 to 60 days	Acceptance bill
Supplier C	Supplier of materials	405,606	2.7	2018	60 to 90 days	Acceptance bill
Supplier A	Supplier of materials	368,806	2.5	1999	90 days	Acceptance bill
Supplier B	Supplier of materials	347,190	2.3	2006	90 days	Acceptance bill
Supplier F ⁽¹⁾	Supplier of materials	244,412	1.6	1998	60 to 90 days	Acceptance bill
Total		3,999,317	26.7			

Note: (1) Supplier F is a company based in Shandong, China, primarily engaged in production of sheet metal components including grain tanks, cab assemblies and loose parts.

To the best of our knowledge, except for Shandong Heavy Industry, each of our five largest suppliers in each year during the Track Record Period was an Independent Third Party, and none of our Directors, their close associates or any Shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest suppliers in each year during the Track Record Period.

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THIRD-PARTY PAYMENT ARRANGEMENTS

Background and Reasons Relating to Third-Party Payment Arrangements

During the Track Record Period, certain of our customers (individually or collectively, the “Relevant Customers”) settled payments with us through accounts that do not belong to the contractual parties under the corresponding sales and purchase agreements (the “Third-Party Payment Arrangements”). The Relevant Customers during the Track Record Period primarily consisted of customers in the form of small and medium-sized enterprises and corporate entities, the vast majority of whom were our distribution partners. To the best of our knowledge, the third-party payors primarily consisted of persons affiliated with the Relevant Customers, such as shareholders, legal representatives, controllers, relatives (of the owners, shareholders or controllers), or employees of the Relevant Customers, or, in a few cases, financial institutions which made payments to us pursuant to the financing arrangements with the Relevant Customers. In 2023, 2024 and 2025, the number of the Relevant Customers was approximately 99, 145 and 47, respectively. The aggregate amount they settled under the Third-Party Payment Arrangements was RMB181.5 million, RMB319.8 million and RMB100.7 million, respectively, which respectively accounted for 1.2%, 1.8% and 0.6% of our total revenue in the same periods. No individual Relevant Customer has made a material contribution to our revenue during the Track Record Period.

According to Frost & Sullivan, it is a common commercial practice for businesses in the agricultural machinery sector in China to settle their payments through third-party payors with their suppliers or customers for convenience and flexibility. Based on the representations of the Relevant Customers and to the best of the knowledge of our Directors, the Relevant Customers utilized Third-Party Payment Arrangements primarily because: (i) it is more convenient for or in line with the internal financial management practice of some Relevant Customers to use the accounts of certain affiliated persons such as their legal representatives or actual controllers (and/or their family members), due to limitations on their transfer amounts or especially during the holiday seasons; and (ii) our overseas Relevant Customers make payments through third parties in cross-border transactions for payment convenience and faster transaction times.

During the Track Record Period, we implemented internal control measures to monitor the Third-Party Payment Arrangements. During the Track Record Period, we required the Relevant Customers to provide written confirmation of payment delegation that the designated third-party payors are authorized by the Relevant Customers to settle payments with us (the “Written Delegation”) prior to making payments under the Third-Party Payment Arrangements, which generally specified that: (i) the designated third-party payor is authorized by the Relevant Customer and thus is allowed to settle payments with us on behalf of the Relevant Customer; (ii) payment from the designated third-party payor shall be deemed as payment from the Relevant Customer; and (iii) the Relevant Customer undertakes that any disputes or legal liabilities associated with or arising from the Third-Party Payment Arrangements shall be borne by the Relevant Customer instead of our Group and shall not concern our Group, and be resolved by the Relevant Customer and the designated third-party payor directly. During the Track Record Period, all Relevant Customers provided us with Written Delegation before making payments under the Third-Party Payment Arrangements. We also had know-your-customer procedures in place for onboarding our customers. Furthermore, in order to ensure that the Third-Party Payment Arrangements are for *bona fide* transactions, we only accept

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payments from third-party payors of the Relevant Customers and deliver our products and services to the Relevant Customers on the condition that the information of the designated third-party payors matches that in the corresponding Written Delegation. We communicated with our customers periodically to understand the nature of their businesses, business models and ownership. Based on the above, our Directors believe that the Third-Party Payment Arrangements during the Track Record Period, to the best of our knowledge, have been recorded completely and accurately in our accounting books and records in all material respects.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not provide any discount, commission, rebate or other benefits to any of the Relevant Customers or the designated third-party payors to facilitate or incentivize the Third-Party Payment Arrangements, (ii) we did not initiate any Third-Party Payment Arrangements, and the Third-Party Payment Arrangements were arranged based on the Relevant Customers’ requests, and (iii) we had not encountered any refund requests, actual or pending dispute or disagreement due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements. To the best of our knowledge, during the Track Record Period, the relevant payments were based on *bona fide* underlying transactions and valid contractual relationships. The pricing and payment terms we provided to the Relevant Customers were in line with those customers not involved in the Third-Party Payment Arrangements. To the best of our knowledge, we were not the subject of any investigations, enquiries, penalties or surcharges as a result of our involvement in the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

Legal Consequences of Third-Party Payment Arrangements

As advised by our PRC Legal Advisor, in light of the above: (i) our Third-Party Payment Arrangements during the Track Record Period and as of the Latest Practicable Date were not in breach or contravention of mandatory requirements of applicable laws or regulations in China; (ii) as for Relevant Customers who provided the duly executed Written Delegation mentioned above, the risks were low for our Group to be found obligated to return funds to Relevant Customers or their designated third-party payors under the Third-Party Payment Arrangements; and (iii) our Company has not been found to be involved in any money laundering activities, activities that could be related to money laundering or any relevant investigations, and, as such, the risk of the Third-Party Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (《中華人民共和國刑法》) for the purpose of covering up or concealing the source and nature of proceeds or gains is low.

Based on the foregoing, our Directors confirm that, to the best of their knowledge and based on the know-your-customer procedures and internal control measures implemented, (i) during the Track Record Period, the relevant payments were based on *bona fide* underlying transactions and valid contractual relationships and (ii) there were no instances of commercial bribery, money laundering, tax evasion, or existing or potential disputes with our Group related to the Third-Party Payment Arrangements. During the Track Record Period and up to the Latest Practicable Date, to the best of the knowledge of our Directors and based on publicly available information, all Relevant Customers and the designated third-party payors who settled payments under the Third-Party Payment Arrangements were independent third parties.

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Enhanced Internal Control Measures of Third-Party Payment 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: (i) we initiated the implementation of Third-Party Payment Arrangements enhancement measures and informed our employees regarding the enhanced internal control measures; (ii) we amended our policy and required that a third-party payor be designated concurrently with the execution of the sales contract, or, alternatively, that a payment authorization agreement be duly executed prior to the payment, and the payment authorization agreement would make third-party payors become contractual parties with us; and (iii) to prevent fraud or money-laundering activities and ensure the accuracy and completeness of our accounting books and records, we further strengthened our know-your-customer procedures to gain a comprehensive understanding of our customers and perform verification of payment details against our records to confirm payments are made in accordance with the agreements. If any abnormalities are detected, we will promptly liaise with such customers for verification and correction. In addition, our sales team will hold regular meetings with customers to gain insights into their business operations, thereby reducing the risk of involvement in fraudulent or money-laundering activities.

Pursuant to the aforementioned enhancement measures, we only allow payments (i) directly from the accounts of the customers or (ii) if not directly from the accounts of the customers, through the accounts of payors entrusted by our customers, such as their legal representatives, actual controllers and their subsidiaries within the same corporate group. Such parties allowed to make payments to us are required to enter into the amended payment authorization agreements together with the respective customers and become contractual parties with us. Our amended delegation letters specify, among other things, the detailed information and payment obligation of the respective contractual parties. We regularly check the effectiveness of our internal control measures in relation to the Third-Party Payment Arrangements and promptly address any abnormalities. Based on the review of the implementation of the abovementioned measures, our Directors are of the view that such measures are effective and adequate in identifying the sources of funds from the Relevant Customers, ensuring the accuracy and completeness of our accounting books and records and preventing risks associated with Third-Party Payment Arrangements, including money laundering risks, tax evasion risks or other risks relating to violation of applicable laws and regulations. Our Directors will oversee the effectiveness of these measures in the future.

As of the Latest Practicable Date, we were in the process of ongoing implementation of the enhancement measures and had made considerable progress in enhancing substantially all Third-Party Payment Arrangements. Our Directors consider that the enhancement of the Third-Party Payment Arrangements did not have, nor will have, any material adverse effect on the Group, taking into account the relationship with our customers, liquidity, business operation and financial performance, as: (i) substantially all of the Relevant Customers cooperated with our enhancement process; (ii) the enhancement of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Customers to us, under which we typically require our Relevant Customers to settle payments before we provide the products; and (iii) we continued to generate positive net cash from our operating activities before and after the enhancement of Third-Party Payment Arrangements.

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INFORMATION TECHNOLOGY AND DATA PROTECTION

Information Technology Systems

Information technology systems are essential to competitiveness and efficient operations. We have instituted a systematic information technology system covering all material aspects of our operations, including quality control, customer services, R&D, production and business operations. Through data integration and real-time synchronization, these systems improve the efficiency of our daily business operations. Our information technology team is responsible for developing, upgrading and maintaining IT systems and customizing them to meet our business needs. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

Data Privacy and Protection

In providing our products and services, we may have access to and collect certain personal information, including: (i) agricultural operation information from agriculture platform services to our customers; and (ii) basic customer information such as names, phone numbers and contact addresses collected during our business operations in China. We are committed to complying with data protection and privacy laws and protecting data security through the implementation of strict policies governing the collection, processing, storage and use of data in accordance with applicable laws and prevailing industry practices, which primarily covers: (i) data sourcing, where compliance assessments are required to be conducted when collecting data; (ii) data processing, during which data is processed for specific and legitimate purposes and limited to the minimum scope necessary to achieve such purposes; (iii) data storage, whereby data is stored in encrypted form with appropriate access control and backup arrangements in place; and (iv) data usage, which is subject to a data classification and authorization framework governing access and use of different categories of data. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material violation of any mandatory requirements under applicable laws and regulations in respect of the collection, storage, use and protection of personal data.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we held 2,927 patents in China as well as 59 patents overseas. See “Appendix IV — Statutory and General Information — Further Information About Our Business — Intellectual Property Rights.” We rely on a combination of patent, copyright, trademark and trade secret protection laws in the PRC and other jurisdictions, along with confidentiality procedures and contractual provisions to safeguard intellectual property rights.

Our intellectual Property Management Policy outlines procedures including the assessment of patent application feasibility and confidentiality measures. To prevent infringement of third-party rights, our policy mandates that all written agreements contain clauses for intellectual property protection with specific provisions on the allocation of rights. We have also implemented the following patent-risk warning measures: (i) during the planning phase, we conduct preliminary screening of competitor patents related to our products, followed by tiered risk assessment for the potential infringement; (ii) during the designing

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phase, we implement design-around measures for identified high-risk patents. For patents with unavoidable infringement risks, we perform validity analysis and formulate strategic response plans. We did not have any material disputes or any other pending legal proceedings concerning intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

The market in which we operate is undergoing a transformation from non-intelligent agricultural machinery to intelligent models. Driven by the rapid growth of large-scale farming entities and agricultural social service organizations, the acceleration of farmland consolidation in China and supporting national policies, demand for intelligent agricultural machinery continues to expand. Technological integrations and breakthroughs within the industry including electro-hydraulic control, remote communication and artificial intelligence, also provide intelligent agricultural machinery with robust support for functional upgrades and broadened application scenarios, collectively accelerating the industry’s transition toward large-scale, high-end and intelligent agricultural machinery products. According to Frost & Sullivan, the market size of China’s intelligent agricultural machinery market is projected to reach approximately RMB102.8 billion by 2030, representing a CAGR of approximately 37.9% between 2025 and 2030. By 2030, the development of China’s intelligent agricultural machinery sector is expected to reach the global level, with a degree of intelligence of 33.8%. We compete with both domestic and international players in the smart agriculture and intelligent agricultural machinery industries. Key competitive factors include product performance, quality and reliability, pricing, brand strength, customer experience and after-sales services. We believe that our strong brand recognition, advanced technological expertise, broad sales and distribution network and disciplined production and quality control systems provide us with a competitive edge as the industry continues to evolve. See “Industry Overview.”

RISK MANAGEMENT AND INTERNAL CONTROL

We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal and market risks identified in relation to our operations. To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted, among other things, the following risk management measures: (i) established an Audit Committee to review and supervise our financial reporting process and internal control system. See “Directors and Senior Management — Board Committees — Audit and Risk Committee;” (ii) adopted policies to ensure compliance with the Listing Rules, including aspects related to risk management, connected transactions and information disclosure; we have also organized training sessions on the Listing Rules and duties of directors of companies [REDACTED] in Hong Kong for our Directors and senior management; (iii) established emergency procedures for major quality-related issues and provided enhanced training programs on quality assurance and production safety; and (iv) distributed employee handbooks to enhance compliance with laws and regulations.

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ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We consider environmental, social and corporate governance (“ESG”) matters as integral to our operations and have implemented policies covering environment, employee welfare and corporate governance, which we believe are in line with industry standards and regulatory requirements. Our Board takes primary responsibility for overseeing the development and reporting of our ESG direction and strategy. In the future, our Board will focus on identifying and managing material ESG-related risks, reviewing ESG performance, and ensuring that our ESG practices remain aligned with applicable regulatory requirements.

Environmental Protection

We have established the management philosophy of “Prioritizing Environmental Protection and Clean Production,” systematically developing green production regulations including the Environmental Protection Management Regulation, while reducing waste and pollutant emissions throughout our operations. We closely monitor metrics indicative of the environmental effects of our business operations and adhere to the standards and targets established by our management and competent authorities (such as electricity, water and wastewater consumption, as well as air and solid pollutant discharge). Furthermore, we are actively employing various measures to manage our GHG emissions. For example, we have incorporated green energy equipment, such as electric forklifts, in our production processes to reduce emissions from the usage of gasoline and diesel fuel.

Consumption of Resources

The following table presents our use of resources and emissions-related indicators for the periods indicated:

		Year ended December 31,		
	Unit	2023	2024	2025
Resource consumption				
Electricity	kWh	59,399,962.0	63,342,451.0	67,373,968.0
Intensity	kWh/thousand RMB	4.1	3.6	3.7
Water	thousand tons	457.2	425.2	440.3
Intensity	thousand tons/employee	–	–	–
Heated water	kJ	65,142,000,000	73,232,000,000	78,580,620,000
Intensity	kJ/employee	7,017,343.5	7,280,970.4	7,733,551.8
Natural gas	thousand m ³	8,461.7	7,317.8	6,480.9
Intensity	thousand m ³ /thousand RMB	–	–	–
Emissions				
GHG emissions	tCO ₂ e	57,941.9	58,967.1	60,328.8
– Scope 1	tCO ₂ e	16,412.4	14,198.4	12,608.5
– Scope 2	tCO ₂ e	41,529.5	44,768.7	47,720.3
GHG emission intensity	tCO ₂ e/thousand RMB	–	–	–

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Waste and Pollutant Management

Our production facilities in operation discharge waste and pollutants such as wastewater, solid waste and volatile substances. Our manufacturing activities involves the usage of hazardous chemicals such as diesel, paint and thinner. The procurement, use and storage of these hazardous chemicals are managed according to hazardous chemical management regulations, with risks under stringent control. In practice, we have taken multiple measures to minimize the environmental impacts of our manufacturing, and the actual discharge of waste and pollutants stemming from our production facilities is well below the permitted levels. During the Track Record Period and up to the Latest Practicable Date, we did not materially violate any environmental laws and regulations applicable to our operations.

We have established and implemented stringent treatment procedures for waste and pollutants from our production facilities covering the following areas: (i) wastewater, where we implement policies on wastewater collection, storage and treatment, engage qualified third-party service providers, upgrade production processes and equipment to reduce discharge, as well as monitor wastewater discharge indicators in compliance with applicable local laws and regulations; (ii) solid waste, which is classified and handled in accordance with applicable national standards and supported by proper record-keeping, (iii) volatile substances, for which we maintain emission monitoring records, conduct routine inspections and maintenance, and analyze monitoring data to support air pollution control, and (iv) noise pollution, which is managed through the use of low-noise processes and equipment, installation of soundproofing, sound absorbing materials and silencing facilities where appropriate, and optimization of facility layout to reduce noise generation and transmission.

Building on our rigorously implemented environmental pollution prevention and control management system, we were awarded the national-level Green Factory certification in 2023. This achievement demonstrates that our operations across multiple dimensions, ranging from production infrastructure and energy conservation, consumption reduction and clean production upgrades, have been systematically implemented throughout our manufacturing processes, ensuring transparent compliance with sustainability commitments.

Social Responsibility

Sustainable Agricultural Development

We take advancing sustainable agriculture development as one of our core missions. By providing and improving an integrated set of intelligent agricultural machinery for the full cycle of field operations that leverage smart agriculture capabilities, we significantly reduce farmers’ labor intensity, facilitating the transformation and upgrading of traditional agricultural production toward digitalization and precision farming. Through optimizing cultivation management, our offerings are capable of improving crop yields, which in turn contributes to increased income for agricultural producers and strengthens national food security.

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Community Contribution

Our commitment to social responsibility extends to our assistance to farmers during farming and harvesting seasons in agricultural technical guidance and agricultural machinery usage support. During the Track Record Period, our key community contribution initiatives included: (i) agricultural technical training, which includes on-site guidance and hands-on training provided to farmers across various regions in China, aimed at helping them acquire practical skills and systematic knowledge in the operation and use of agricultural machinery, and facilitating the effective adoption of modern agricultural technologies in daily farming activities; (ii) harvesting season supports, which include the launch of the National Cross-Regional Agricultural Machinery Operations Platform during harvesting seasons in collaboration with the Ministry of Agriculture and Rural Affairs of the PRC, through which we integrated nationwide agricultural machinery operation data using CRM systems and vehicle of IoT platforms, coordinated service resources and experts, experience to provide remote diagnostics and emergency support to ensure smooth machinery operations during peak harvesting periods; and (iii) rural community development, which includes the implementation of the “Caring for Left-behind Children” program since 2011, under which we have organized over 70 charitable activities across 15 provinces in China, benefiting more than 13,000 children, with total contributions exceeding RMB5.8 million.

Corporate Governance

Employee Welfare and Occupational Safety

We strive to create a fair and equal workplace to promote diversity and inclusivity within our workforce. We hire employees based on merit and are committed to providing equal opportunities without regard to gender, age, race, religion or any other social or personal characteristics. Our workplaces are governed by strict policies to prevent any form of discrimination or physical or verbal harassment. Our commitment to employee welfare is further evidenced by comprehensive employee development programs, see “— Employees.”

Pursuant to our Production Safety Management Policy, we implemented a management system for manufacture and employee welfare. Effectively implementing these measures, no material accidents occurred in our production processes during the Track Record Period, as advised by our PRC Legal Advisor. We provide our employees with insurance packages as required by PRC laws regulations, and offer supplementary insurance options and organize production safety training programs. We also regularly organize third-party assessments of occupational disease hazards and promptly update and rectify occupational disease prevention measures to ensure employee health and safety.

Anti-corruption

We are committed to maintaining high standards of integrity in all our business operations. We have established and rigorously enforce behavior guidelines to ensure strict compliance with applicable laws and regulations, as well as regulating the acceptance of gifts and entertainment by employees. Any violations or reports of violations are promptly investigated by our Discipline Inspection Commission. During the Track Record Period and up

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to the Latest Practicable Date, we had not engaged in, supported or conspired with any individual to commit unlawful activities. No instances of non-compliance with relevant laws and regulations related to corruption, bribery, fraud or money laundering that have a significant impact on us have been identified during this period.

EMPLOYEES

As of December 31, 2025, we had 10,161 full-time employees, the majority of whom are based in Weifang, Shandong. As of the same date, we also engaged 175 dispatched workers. Set forth below is a breakdown of our employees by function as of December 31, 2025:

Business Function	Number of Employees	Percent (%)
R&D	2,830	27.9
Production	5,414	53.3
Sales and marketing.	1,001	9.8
Procurement and supply chain management	200	2.0
Logistics and warehousing.	133	1.3
Administration and others	583	5.7
Total	10,161	100.0

We utilize various recruitment channels, including on-campus recruitment, professional recruitment websites, referrals and recruiting agencies to attract talent. We motivate and provide relatively competitive salaries, comprehensive welfare packages and merit-based incentive schemes based on their performance. We regularly conduct external market salary surveys and provide multiple salary adjustment mechanisms, including annual performance-based reviews and promotion-related adjustments. We have also established a dual career development framework, offering both professional and managerial pathways to support employees’ long-term career progression. We participate in various employee social security plans in accordance with applicable PRC laws and regulations. We offer training for employees at all levels, including induction training for new joiners and skill training programs for technical professional and management personnel. We also provide specialized training programs tailored for employees in different departments.

We have maintained a good relationship with our employees. During the Track Record Period, we did not have any strikes, protests or other material labor disputes that may impair our business and image. As of the Latest Practicable Date, we and our subsidiaries have established labor unions that protect employees’ rights, help fulfill our and our subsidiaries’ economic objectives, and encourage employee participation in management decisions.

INSURANCE

We maintain insurance coverage over our daily operations. During the Track Record Period, our principal insurance policies primarily include property all-risk insurance, machinery breakdown insurance and insurance on product liability (including the first (set of) key technological equipment insurance). See “Risk Factors — Risks Relating to Our Business

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and Industry — Our insurance coverage may be insufficient to cover all of our potential losses.” We believe that our insurance coverage is adequate for our business and in line with industry standards and general market practice. During the Track Record Period, we did not make any material insurance claims in relation to our business.

PROPERTIES

Our headquarter is located in Weifang, Shandong. As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of the Latest Practicable Date, we owned the land use rights of 14 properties in the PRC with an aggregated gross land area of approximately 1,992,370.0 sq.m. Additionally, we owned 22 buildings in the PRC, all of which have all obtained property ownership certificates, with a total floor area of approximately 568,841.3 sq.m.. The abovementioned owned properties are primarily for use as manufacturing facilities and offices. As of the Latest Practicable Date, we had obtained the state-owned land use right certificates for all of our owned properties. See “— Legal Proceedings and Compliance — Historical Non-compliance Incidents — Owned Properties with Defective Titles.”

Leased Properties

As of the Latest Practicable Date, we lease 74 properties in China, including 23 land parcels and 51 buildings. The gross land area of the leased land parcels is approximately 2,387,199.2 sq.m., and the gross floor area of the leased buildings is approximately 96,043.8 sq.m. We also lease one property with a gross floor area of approximately 480.0 sq.m. in Indonesia, primarily used for business operations, manufacturing and warehousing. See “— Legal Proceedings and Compliance — Historical Non-compliance Incidents — Leased Properties with Defective Titles” and “— Legal Proceedings and Compliance — Historical Non-compliance Incidents — Leased Properties with Registration Defects.”

LICENSES, PERMITS AND APPROVALS

We are required to obtain a number of licenses, permits, approvals and certificates for our business. We monitor our compliance with the relevant laws and regulations to ensure that we have the requisite licenses, permits, approvals and certificates for our operations. As advised by our PRC Legal Advisor, we had duly obtained the requisite licenses, permits, approvals and

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certificates from applicable authorities which are material to our operations, and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date, and there is no material legal impediment to their renewal.

Specifically, as of the Latest Practicable Date, we and one of our subsidiaries hold the value-added telecommunications business operating license, with the scope of business covering (i) online data processing and transaction process services (limited to e-commerce operations), and (ii) information services (limited to internet information services). Under current PRC applicable laws and regulations, the foreign shareholding ratio in Internet Information Services shall not exceed 50%. As advised by our PRC Legal Advisor, since our foreign equity ratio will not exceed 50% following the [REDACTED], we will remain compliant with the requirements under the Negative List and may continue to operate our business within the permitted scope of value-added telecommunications services.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

From time to time, we may be involved in court, arbitral and administrative proceedings arising in the ordinary course of our business operations. See “Risk Factors — Risks Relating to Our Business and Industry — We may become party to litigation, other legal and contractual disputes, claims and administrative proceedings that may adversely affect our business and reputation.” Our management has confirmed that during the Track Record Period and up to the Latest Practicable Date, we were not involved in any other litigation or arbitration proceedings or administrative proceedings pending against us which, in our opinion, are likely to have a material and adverse effect on our business, financial condition or results of operations.

Historical Non-compliance Incidents

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any non-compliance incident which, individually or taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations. The summary below outlines historical instances of non-compliance with applicable regulations during the Track Record Period, which our Directors believe did not, and are not expected to have, any material adverse impact on our business operations or financial performance.

Social Insurance and Housing Provident Funds

During the Track Record Period, we did not pay social insurance and housing provident fund in full using actual wages as the contribution basis. Considering that such shortfall in social insurance and housing provident fund contributions for each period accounted for less than 0.2% of our total revenue during the Track Record Period, we had not made relevant provisions. As of the Latest Practicable Date, we had not received any notice from the relevant authority in mainland China requiring us to pay shortfalls or imposing penalties related to

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social insurance and housing provident fund contributions. Our PRC Legal Advisor has advised us that the risk of us being fined for failing to make social insurance and housing provident fund contributions in full amount on time is relatively low. See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to additional contributions of social insurance and housing provident funds and late payments and fines imposed by relevant governmental authorities.”

Since 2024, we have commenced full contributions to the housing provident fund. We are committed to fully complying with the applicable laws and regulations by making statutory contributions to the social insurance based on the actual salary level of our employees going forward. To ensure ongoing compliance with relevant laws and regulations to the extent practicable, we plan to strengthen internal control policies, under which our legal and human resources departments will regularly monitor the compliance status of social insurance and housing provident fund contributions, enhance personnel training on compliance-related matters, and periodically consult our PRC Legal Advisor for advice on PRC laws and regulations relating to social insurance and housing provident funds.

Owned Properties with Defective Titles

During the Track Record Period, we did not obtain the real property ownership certificates for certain structures erected on our land parcels, including (i) 28 units of properties at the Fangzi Production Base with an aggregated gross floor area of 36,913.5 sq.m., (ii) eight units of properties at the Zhucheng Production Base with an aggregated gross floor area of 1,060.0 sq.m., and (iii) eight units of properties at the Pingyi Production Base with an aggregated gross floor area of 10,756.1 sq.m. Considering that: (i) such structures are ancillary facilities of our principal operations with no value of independent use, and account for a relatively small portion of our total properties; and (ii) we have received confirmations including certificates issued by the competent Planning and Natural Resources Bureau and Department of Housing and Urban-rural Development confirming that we had not been subject to any penalties nor were there any material violations in relation to our land use, construction or operational activities related to the properties involved, our PRC Legal Advisor is of the view that the title defects associated with these properties will not have any material adverse impact on our overall operations.

Leased Properties with Defective Titles

As of the Latest Practicable Date, among our 74 leased properties, 14 leased land parcels have not obtained land use right certificates, corresponding to a gross land area of approximately 2,066,708.0 sq.m., and 23 leased buildings have not obtained property ownership certificates or other supporting documents proving the right to lease, corresponding to a gross floor area of approximately 12,271.5 sq.m. We believe that the lessors’ failure to provide the relevant documentation is due to reasons beyond our control. According to our PRC Legal Advisor, without valid property ownership certificates or proper authorizations, our use of these buildings may be invalid or subject to third-party claims or disputes. Furthermore, if the lessors lack the legal right, we may be required to vacate these leased buildings and relocate

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our operational sites. Considering that: (i) as advised by our PRC Legal Advisor, lack of property ownership certificates or other supporting documents proving the right to use of our leased property will not impose material adverse effects on our business operations; (ii) no property ownership disputes have arisen during the lease term that would affect our use of the premises; and (iii) the properties with title defects are highly substitutable, and in the unlikely event that relocation is necessary, we believe we can readily secure alternative sites with equivalent functionality and scale, and the estimated relocation cost is approximately RMB1.6 million, our management is of the view that the above incidents would not have any material adverse effect on our business, financial condition and results of operations.

Leased Properties with Registration Defects

As of the Latest Practicable Date, 49 of our leased properties have not been properly registered with the relevant real estate authorities, primarily due to the reluctance of property owners despite our repeated efforts. Our PRC Legal Advisor has confirmed that the lack of registration does not affect the validity or enforceability of these leases, although we may face fines ranging from RMB1,000 to RMB10,000 per unregistered lease. Considering the above, we believe that the unregistered leases will not, individually or in the aggregate, have a material impact on our business and results of operations, on the grounds that we were advised by our PRC Legal Advisor that, if the lease registrations can be completed in accordance with relevant laws and regulations within a reasonable time from the date of application or the period specified by the competent authorities, the risk of such authorities imposing a material penalty on us with respect to these leased properties is relatively low.

Compliance

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

AWARDS AND RECOGNITIONS

Set forth below are the major awards and recognitions we received up to the Latest Practicable Date:

Year	Awards/Certifications	Awarding authority
2025	Machinery Industry Science and Technology Award, First Prize	China Machinery Industry Federation, Chinese Mechanical Engineering Society
2025	Smart Factory Project of Excellency	Ministry of Industry and Information Technology of the PRC

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Year	Awards/Certifications	Awarding authority
2025	Innovative Achievements in Agricultural Machinery and Equipment Award, Shandong Province	Shandong Agricultural Machinery Industry Association
2024, 2023 . . .	First Prize of the Agricultural Machinery Science and Technology Award	China Association of Agricultural Machinery Manufacturers, Chinese Society for Agricultural Machinery
2024.	Shandong Province Science and Technology Prize	Shandong Provincial People’s Government
2022.	National Manufacturing Single-Product Champion (2023-2025)	Ministry of Industry and Information Technology of the PRC
2021.	National Science and Technology Progress Award Second Prize	State Council of the PRC
2021.	First Prize of the Agricultural Machinery Science and Technology Award	Shandong Agricultural Machinery Society, Shandong Agricultural Machinery Industry Association
2021.	First Prize of the Shen Nong China Agricultural Science and Technology Award	Ministry of Agriculture and Rural Affairs of the PRC, China Association of Agricultural Science Societies
2018.	First Prize of the Agricultural Machinery Science and Technology Award	China Association of Agricultural Machinery Manufacturers
2017.	Red Dot Award	Red Dot Committee, Germany
2016.	Gold Award of the Shandong Provincial Governor’s Cup Industrial Design Competition	Committee of the Shandong Provincial Governor’s Cup