

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to June 2007 when the predecessor of our Company (then known as Dongguan Tuosipuda Plastic Machinery Manufacturing Co., Ltd. (東莞市拓斯達塑膠機械製造有限公司)) was established under the laws of the PRC. Over the years of development, we have become a leading industrial robotics company in Chinese Mainland and have developed the first embodied AI deployed in injection molding scenarios in Chinese Mainland, according to Frost & Sullivan.

In March 2014, our Company was converted into a joint stock limited company and renamed as Guangdong Topstar Technology Co., Ltd. (廣東拓斯達科技股份有限公司). From December 2014 to January 2017, our Company was quoted on the NEEQ. Since February 2017, our A Shares have been listed on the ChiNext Market of the Shenzhen Stock Exchange with the stock code of 300607. As of the Latest Practicable Date, the issued share capital of our Company was RMB476,972,412 comprising 476,972,412 A Shares of nominal value of RMB1.00 each.

OUR KEY MILESTONES

The following is a summary of our Group’s key business development milestones:

Year	Milestone
2007	<p>Focused on auxiliary equipment for plastic injection molding production processes</p> <p>Developed one of the Chinese Mainland’s first energy-saving three-in-one auxiliary units</p>
2011	Expanded into the Cartesian coordinate robot market and launched self-developed Cartesian coordinate robots to break the foreign monopoly
2013	Established the automation project department to expand into multi-field automation application scenarios
2014	Quoted on the NEEQ (stock code 831535)
2015	Initiated the R&D of multi-joint robots, enhanced the SCARA and six-axis product series
2017	Listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300607), becoming the first listed robotics company in Guangdong Province, the PRC
2020	Developed the injection molding machine business line to provide turnkey solutions for injection molding plants
2021	<p>Acquired a controlling stake in Dongguan AFMING to expand our product portfolio to metal processing through the high-end CNC machining center</p> <p>Achieved a full portfolio of processing equipment for plastic and metal materials</p>
2023	<p>Co-developed the new-generation X5 intelligent robot control platform (the “Industrial Small Brain” (工業小腦)) with openEuler</p> <p>Launched vertical large model for the industrial robot field</p>

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Year	Milestone
	Launched intelligent workstations for sorting, palletizing, and vibration-assisted loading and unloading in the consumer electronics and toy manufacturing industries
	Developed proprietary foundational technologies, specifically for robot controllers, servo drives and core vision algorithms
2024	Launched the Chinese Mainland’s first robot control platform with “Cloud-Edge-End” deployment and integrated “Sensing-Computing-Control”
2025	Introduced intelligent single-arm and dual-arm robots
	Jointly established our subsidiary Guangdong Matrix Zhituo Technology Co., Ltd. (廣東矩陣智拓科技有限公司) with Knowledge Atlas Technology Joint Stock Company Limited (北京智譜華章科技股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 2513), propelling robotics technology from the programming-driven era into the AI-driven era; For details, please refer to “— Corporate Structure — Corporate Structure Immediately Before the [REDACTED]” in this section
	Introduced “Xiaotuo” (小拓), Chinese Mainland’s first intelligent humanoid robot deployed in the injection molding scenario
2026	Introduced an intelligent quadruped robot “Xingzai” (星仔)

OUR MAJOR SUBSIDIARIES

The following table sets forth detailed information of the major subsidiaries of our Company that made a material contribution to our results of operations during the Track Record Period:

Name of subsidiary	Place of establishment	Date of establishment	Equity or partnership interests attributable to our Group	Principal business activities
Topstar Intelligent Technology (Dongguan) Co., Ltd. (拓斯達智能科技(東莞)有限公司) (“ Topstar Intelligent Technology ”). . .	PRC	February 27, 2012	100%	Production, manufacturing, sales and delivery of automation systems
Dongguan Topstar Intelligent Environment Technology Co., Ltd. (東莞拓斯達智能環境技術有限公司) (“ Topstar Intelligent Environment (Dongguan) ”).	PRC	May 21, 2018	100%	Sales, building and installation of intelligent energy and environmental projects

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Name of subsidiary	Place of establishment	Date of establishment	Equity or partnership interests attributable to our Group	Principal business activities
Jiangsu Topstar Intelligent Environment Technology Co., Ltd. (江蘇拓斯達智能環境科技有限公司) (“ Topstar Intelligent Environment (Jiangsu) ”) . .	PRC	June 30, 2021	100%	Sales, building and installation of intelligent energy and environmental projects
Dongguan AFMING Numerical Control Equipment Technology Co., Ltd. (東莞市埃弗米數控設備科技有限公司) (“ Dongguan AFMING ”) . .	PRC	June 17, 2015	53.60%	R&D, production, manufacturing, wholesale and retail trade of CNC machine tools
Topstar Worldwide Group Limited (拓斯達環球集團有限公司) (“ Topstar (HK) ”) . .	Hong Kong	November 13, 2017	100%	Wholesale and retail trade of the Group’s all types of products
Topstar (Vietnam) Technology Company Limited (“ Topstar (Vietnam) ”)	Vietnam	November 29, 2019	100%	Wholesale and retail trade of the Group’s all types of products

For information on Dongguan AFMING and our other subsidiaries, see “— Corporate Structure” in this section and Note 1 to the Accountants’ Report in Appendix I to this Document. For changes in the registered capital of our subsidiaries, see “Statutory and General Information — Further Information about Our Group — Changes in the Share Capital of Our Subsidiaries” in Appendix VII to this document.

COMPANY CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment, Early Development and Conversion into a Joint Stock Company

On June 1, 2007, the predecessor of our Company (then known as Dongguan Tuosipuda Plastic Machinery Manufacturing Co., Ltd. (東莞市拓斯普達塑膠機械製造有限公司)) was established under the laws of the PRC as a limited liability company with an initial registered capital of RMB500,000, which was contributed as to (i) 80% by Mr. Wu, being our key founder, our Single Largest Shareholder, chairperson of the Board, executive Director and general manager; and (ii) 20% by Mr. Yang Shuangbao (楊雙保), being our former director. For the biographical details of Mr. Wu, please refer to “Directors and Senior Management” in this document. Between our establishment to November 2013, our Company underwent several rounds of capital increases, transfers and upon completion of which our registered capital increased to RMB6,397,778.

On March 24, 2014, our Company (then known as Dongguan Tuosipuda Machinery Technology Co., Ltd. (東莞市拓斯普達機械科技有限公司)) was converted from a limited liability company into a joint stock limited company and renamed as Guangdong Topstar Technology Co., Ltd. (廣東拓斯達科技股份有限公司), with a registered capital of RMB50 million divided into 50 million Shares with a par value of RMB1.00 each, which were subscribed by all of the then Shareholders in proportion to their respective equity interests in our Company. For details of the shareholding structure of our Company immediately

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following our conversion into a joint stock limited company, see “Statutory and General Information — Other Information — Promoters” in Appendix VII to this document. Between our conversion into a joint stock company to November 2014, our Company underwent a round of capital increase, upon completion of which our registered capital increased to RMB54,347,827.

Prior Quotation on the NEEQ and Listing on the ChiNext Market of the Shenzhen Stock Exchange

On December 24, 2014, Shares of our Company were quoted on the NEEQ under the stock code 831535. The purpose of the quotation on the NEEQ was to improve our Company’s management and corporate governance and enhance its brand awareness and competitiveness. Having considered the needs of our Group’s business operations and long-term strategic development, as well as to facilitate the preparation for our A Shares’ listing on the ChiNext Market of the Shenzhen Stock Exchange and subsequent equity financing, our Company voluntarily withdrew the quotation of our Shares from the NEEQ (the “**NEEQ Withdrawal**”) and our Shares ceased to be quoted on the NEEQ on January 26, 2017.

Our Directors confirm that (i) when our Shares were quoted on the NEEQ and up to the NEEQ Withdrawal, our Company had been in compliance with all applicable PRC securities laws and regulations as well as rules and regulations of the NEEQ in all material respects, and had not been subject to any material administrative penalty or administrative supervision measures by the NEEQ, the CSRC or other competent securities regulatory authorities; (ii) the NEEQ Withdrawal has fulfilled the required procedures; and (iii) there were no other matters in relation to the prior quotation on the NEEQ and the NEEQ Withdrawal in any material respect that needs to be brought to the attention of the Stock Exchange or [REDACTED] of our Company.

Our PRC Legal Advisor is of the view that, from the PRC legal perspective, our Company (including our subsidiaries) or our Directors (for the performance of their duties as our Directors) had not been subject to any material administrative penalty or administrative supervision measures by the NEEQ, the CSRC or other competent securities regulatory authorities during the period of our quotation on the NEEQ up to the NEEQ Withdrawal. Based on the independent due diligence conducted by the Sole Sponsor and considering our PRC Legal Advisor’s view above, no material matter has come to the Sole Sponsor’s attention that would reasonably cause it to disagree with our Directors’ confirmation with regard to the compliance record of our Company during the period of our quotation on the NEEQ up to the NEEQ Withdrawal.

There was no change in the registered share capital and shareholding of our Company between its quotation on the NEEQ to the NEEQ Withdrawal.

In order to implement our Company’s development strategies, obtain direct access to the mature capital market, enhance our R&D, production and marketing capabilities and optimize our capital structure, our Company applied for the listing of and permission to deal in the shares of our Company on the ChiNext Market of the Shenzhen Stock Exchange. On February 9, 2017, our A Shares were listed on the ChiNext Market of the Shenzhen Stock Exchange under the stock code 300607 (the “**A Share listing**”). In connection with our A Share listing, we issued an aggregate of 18,120,000 A Shares, representing approximately 25.00% of our then enlarged share capital, raising net proceeds of approximately RMB300.84 million. The shareholding structure of our Company immediately following the completion of our A Share listing was as follows:

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Shareholder	Number of Shares	Percentage shareholding
Mr. Wu	29,019,700	40.05%
Mr. Yang Shuangbao ⁽¹⁾	5,966,900	8.23%
Fujian Xingzheng Strategic Venture Capital Enterprise (Limited Partnership) (福建興證戰 略創業投資企業(有限合夥)) (“Fujian Xingzheng”) ⁽²⁾	5,000,000	6.90%
Mr. Huang Daibo ⁽¹⁾	4,622,700	6.38%
Dachen LP ⁽³⁾	3,639,500	5.02%
Other A Shareholders ⁽⁴⁾	24,219,027	33.42%
Total	72,467,827	100.00%

Notes:

- (1) Each of Mr. Yang Shuangbao (楊雙保) and Mr. Huang Daibo (黃代波) is a former director of our Company.
- (2) Fujian Xingzheng is a limited partnership established in the PRC on June 9, 2013, and at the time of our A Share listing, its general partner was Fujian Xingzheng Chuangfu Equity Investment Management Co., Ltd. (福建興證創富股權投資管理有限公司), which was controlled as to 90% by Industrial Securities Co., Ltd. (興業證券股份有限公司), an Independent Third Party.
- (3) Dachen LP, being our employee shareholding platform, is a limited partnership established under the laws of the PRC on October 17, 2013. As of the Latest Practicable Date, Dachen LP held approximately 0.57% of our issued share capital. Yin Jianqiao (尹建橋), a former director of our Company, as the sole general partner of Dachen LP holding approximately 44.93% of its partnership interests, is responsible for the management of Dachen LP and is entitled to exercise the voting rights attached to the Shares of our Company held by Dachen LP in accordance with the partnership agreement.

As of the Latest Practicable Date, the limited partners of Dachen LP included: (i) Wu Fengyi (吳豐義), the brother of Mr. Wu and the director and chief executive in certain of our subsidiaries, holding approximately 25.23% of the partnership interests, (ii) Mr. Zhang Peng, our executive Director, holding approximately 9.16% of the partnership interests, (iii) Yang Shairu (楊曬汝), our former supervisor and a connected person of our Company at subsidiary level due to his former directorship in our subsidiary in the last 12 months, holding approximately 8.54% of the partnership interests, (iv) Mr. Wu holding approximately 7.23% of the partnership interests, and (v) Tang Bo (唐波), our former supervisor, holding approximately 4.91% of the partnership interests.

As of the Latest Practicable Date, all partnership interests reserved on Dachen LP for the purpose of equity incentives to our employees have been granted and our Company will not issue new Shares to Dachen LP after the [REDACTED].
- (4) Other Shareholders represent Shareholders holding no more than 5% of our issued share capital upon the listing of our A Shares.

Share Capital Changes Subsequent to Our A Share Listing

Capitalization Issue

Our capital reserve was converted into paid-in capital from time to time for the purpose of dividend distribution to our Shareholders.

On May 17, 2017, our Shareholders’ meeting resolved to convert our capital reserve into paid-in capital on the basis of eight new Shares for every 10 Shares, and consequently, our Company issued 57,974,261 new A Shares to our then existing Shareholders.

On May 15, 2020, our Shareholders’ meeting resolved to convert our capital reserve into paid-in capital on the basis of eight new Shares for every 10 Shares, and consequently, our Company issued 118,175,469 new A Shares to our then existing Shareholders.

On May 14, 2021, our Shareholders’ meeting resolved to convert our capital reserve into paid-in capital on the basis of six new Shares for every 10 Shares, and consequently, our Company issued 159,701,043 new A Shares to our then existing Shareholders.

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Repurchase of A Shares and Capital Increase Relating to the A-Share Incentive Plans

For the purpose to attract, retain and motivate the employees of our Company, and to align the interests of our Company, our Shareholders and the employees of our Company, our Company adopted the 2019 share option and restricted share incentive plan (the “**2019 Share Incentive Plan**”), the 2023 restricted share incentive plan (the “**2023 Restricted Share Incentive Plan**”) and the 2025 employee shareholding plan (the “**2025 Employee Shareholding Plan**”).

As part of the arrangement in relation to the 2019 Share Incentive Plan, from its adoption in March 2019 to October 2023, our Company completed rounds of capital increase upon the vesting of restricted shares and repurchased and canceled restricted shares in respect of certain employees who became ineligible under the 2019 Share Incentive Plan. As of the Latest Practicable Date, there was no outstanding restricted A Shares granted under the 2019 Share Incentive Plan, and the restricted A Shares granted pursuant to the 2019 Share Incentive Plan had either been released from the restriction period and had become A Shares without restrictions on sale or been canceled. As of the Latest Practicable Date, there was no outstanding Share options under the 2019 Share Incentive Plan.

For details of the 2023 Restricted Share Incentive Plan and the 2025 Employee Shareholding Plan, see “Statutory and General Information — A-Share Incentive Plans” in Appendix VII to this document.

Secondary Public Offering of A Shares in 2019

In November 2019, our Company completed a secondary public offering of 16,065,249 new A Shares at an issue price of RMB40.46 per A Share, which was determined based on, among others, the average price of the 20 trading days prior to the pricing date, and the subscription demand of the shares by potential investors. The net proceeds of approximately RMB609.17 million raised from the secondary public offering has been fully utilized for, among others, our robotics and automated manufacturing equipment project and injection molding machine projects. Following the completion of this secondary public offering of A Shares, our registered share capital increased to RMB147,934,337 in November 2019.

Public Issuance of 2021 Convertible Bond and its Conversion and Redemption

In March 2021, our Company conducted a public issuance of convertible bonds (the “**2021 Convertible Bonds**”) in the principal amount of RMB670 million with a maturity period of six years to fund, among others, the projects for the R&D and industrialization of comprehensive smart manufacturing solutions. The 2021 Convertible Bonds were listed on the Shenzhen Stock Exchange (bond code: 123101) with an initial conversion price of RMB42.25 per Share (subject to adjustment under the terms of issue) and were convertible from the first trading day (i.e. September 16, 2021) after six months from the completion date of the issuance of the 2021 Convertible Bonds (i.e. March 16, 2021) to the maturity date of the 2021 Convertible Bonds (i.e. March 9, 2027). The initial conversion price of the 2021 Convertible Bonds was determined having regard to, among others, the average trading price of the Shares prior to the date of the offering circular of the 2021 Convertible Bonds.

On November 25, 2024, the Board resolved to exercise our Company’s redemption right under the 2021 Convertible Bonds, and all outstanding 2021 Convertible Bonds were redeemed, ceased to be convertible and were then delisted from the Shenzhen Stock Exchange on December 25, 2024. As of the close of trading on 16 December 2024, a total of 52,151,731 A Shares were issued upon conversion and our Company’s registered share capital was increased to RMB476,972,412.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

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

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OUR A SHARE LISTING AND REASONS FOR THE H SHARE [REDACTED]

Our A Share Listing and A Share Regulatory Non-compliance Incidents

Since February 9, 2017, our A Shares have been listed on the ChiNext Market of the Shenzhen Stock Exchange with the stock code of 300607.

On December 24, 2021, our chairperson and president, Mr. Wu Fengli (吳豐禮) (“**Mr. Wu**”), received a regulatory letter from the Shenzhen Stock Exchange, and on January 30, 2022, Mr. Wu and Mr. Zhang Peng (張朋) (in his capacity as our Director) received a warning letter from the Guangdong Regulatory Bureau of the CSRC (中國證券監督管理委員會廣東監管局) (the “**CSRC Guangdong Bureau**”), in relation to their short-term trading within six months after purchase of the 2021 Convertible Bonds (the “**2021 Incident**”). For details of 2021 Incident, see “Directors and Senior Management — Further Information about our Directors and Senior Management” in this document.

On August 2, 2022, our Company received a regulatory letter from the Shenzhen Stock Exchange in relation to the use of idle funds raised from the secondary public offering of A Shares in 2019 and the public issuance of 2021 Convertible Bond for cash management (namely, the purchase of structured deposits) in excess of the time and amount limits approved by the then Board, respectively (the “**2022 Incident**”). Specifically, our Group (i) reinvested RMB289 million in structured deposit products from December 2020 to March 2021 notwithstanding that the relevant board authorization had expired in November 2020; and (ii) exceeded the authorized cash management limit, entering into 13 structured deposit transactions aggregating approximately RMB130 million in principal amount. The 2022 Incident resulted from the negligence of individual employees: (i) the employee responsible for reviews failed to note the expiry of the authorization; and (ii) the employees responsible for reviews mistakenly classified the transactions as bank deposits rather than cash management products, thereby exceeding their actual scope of authorization.

Our Board became aware of such incidents during the regular internal reviews. Immediately upon becoming aware of the 2022 Incident, our Company has taken rectification measures including redeeming the aforementioned structured deposits upon maturity and arranging training sessions for departments of securities and finance to reinforce their knowledge of securities laws and regulations. Our Company is of the view that the 2022 Incident did not involve any fraudulent or dishonest conduct on the part of our Directors, nor did it reflect any issue affecting the suitability or competence of our Directors. Having considered the nature of the 2022 Incident, the rectification measures taken by our Company and the subsequent enhancement of our internal control procedures, our Company is of the view that the 2022 Incident does not have any material adverse impact on the adequacy and effectiveness of our internal control system. As advised by our PRC Legal Advisor, the regulatory letter issued by the Shenzhen Stock Exchange does not constitute an administrative penalty under the PRC laws, regulations or rules and is not regarded as a material non-compliance.

On December 30, 2025, our Company and responsible personnels received a warning letter from the Guangdong Regulatory Bureau of the CSRC (中國證券監督管理委員會廣東監管局) (the “**CSRC Guangdong Bureau**”), identifying several accounting and disclosure-related issues (the “**Incidents Concerned**”). Our Company also received a relevant regulatory letter from the Shenzhen Stock Exchange in relation to the Incidents Concerned on the same date. Details of the Incidents Concerned are set out as follows.

(i) Inaccurate timing in recognizing certain operating revenue in 2023 and 2024

In respect of the supply of goods to a customer, our Company recognised revenue of RMB7,968,600 in the financial year of 2023 before the customer had obtained control of the goods and before the relevant conditions for revenue recognition had been met as at the end of 2023. As a result, revenue and profit for the financial year of 2023 were overstated by RMB7,968,600 and RMB2,382,900, respectively, and revenue and profit for the financial year of 2024 were correspondingly understated by the same amounts.

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(ii) Inaccurate timing in recognizing certain costs in 2023 and 2024

Of the costs recognized by our Company in its books for the financial year of 2024, RMB4,036,900 related to work that was completed in 2023 and should have been recognized as costs for the financial year of 2023. As a result, costs for the financial year of 2023 were understated and profit for that year was overstated by RMB4,036,900, while costs for the financial year of 2024 were overstated and profit for that year was understated by the same amount.

(iii) Inappropriate provision for bad debts on certain accounts receivable in 2023 and 2024

In 2024, when assessing the impairment of accounts receivable due from a customer, our Company did not fully take into account the ownership of funds subject to litigation preservation measures, resulting in an understatement of the provision for bad debts of RMB1,130,100 for the financial year of 2024. In addition, in 2023, our Company applied different bad debt provision policies and rates to the accounts receivable and contract assets relating to the same project for that customer.

(iv) Inappropriate use of funds raised from the public issuance of 2021 Convertible Bond

The document for the public issuance of the 2021 Convertible Bond disclosed that only RMB22,500,000 of pre-investment would be replaced with the proceeds from the issuance. This was inconsistent with the pre-investment amount of RMB23,199,127.60 subsequently resolved by the Board of Directors and actually replaced, with the difference of RMB699,127.60 mainly attributable to design fees, construction payments and other related expenses.

(v) Deficiencies in the management of inside information

The registration of insiders for our Company’s 2023 and 2024 annual reports was incomplete, and the records relating to inside information were not properly maintained. In August 2023, when our Company prepared a memorandum on the progress of a material matter involving inside information, the relevant personnel were registered as insiders and reported to the Shenzhen Stock Exchange, but such personnel did not sign to confirm on the memorandum. In 2024, there were inconsistencies between the time at which certain insiders were recorded in the memorandum on the progress of a material matter as having become aware of inside information and the corresponding records submitted to the Shenzhen Stock Exchange, and the names of certain individuals in those records did not correspond to the actual insiders. Such non-compliance matter did not involve any monetary amount, and no monetary fine or other penalty was imposed on our Group or any of our Directors as a result of that.

The Incidents Concerned were primarily attributable to the inadvertent oversight of the responsible personnels of our Group. Following the warning letter and the regulatory letter, to fully remedy the Incidents Concerned, we implemented comprehensive remedial and enhancement measures to prevent the recurrence of similar incidents. For accounting deficiencies in the Group’s financial statements for 2023 and 2024, we have implemented the following rectification measures:

- (i) refining our internal accounting policies and revenue and cost recognition procedures, including clarifying the responsibilities of relevant departments and personnel in collecting, reviewing and recording accounting information, and specifying the approval and review requirements for key accounting treatments;
- (ii) upgrading the CRM information management system to improve the accuracy, completeness and traceability of business data used for financial reporting, to reduce the risk of human errors;
- (iii) strengthening coordination between the business and finance departments, clarifying the control principles and responsibilities at each stage of cost accounting, and ensuring that the finance department can obtain relevant cost accounting information on a timely basis, so as to prevent accounting discrepancies from the source;

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- (iv) enhancing the finance department’s internal review and reconciliation procedures, including conducting regular reconciliations between business records, CRM system records and accounting records, requiring follow-up review and correction of any discrepancies identified, optimizing the control mechanism for asset impairment assessment under special circumstances, and establishing a joint review mechanism among the finance, legal and business departments for litigation matters, so as to ensure that impairment provisions, potential bad debt losses and provisions arising from litigation matters are properly assessed, supported and accurately recorded; and
- (v) providing targeted training sessions to the business and finance teams on accounting practices, revenue and cost recognition requirements, financial reporting procedures and relevant regulatory requirements, with a view to improving the responsible personnel’s understanding of accounting standards and internal reporting obligations.

For improper use of funds, we have implemented the following rectification measures:

- (i) redeeming all deposit products concerned and ensuring that the relevant funds were returned to the designated accounts in accordance with the applicable requirements on the management of raised funds;
- (ii) holding Board meetings in March and August 2021, respectively, to address the relevant breaches by re-granting the relevant Board authorizations and confirming the scope, amount, term and use of idle raised funds for cash management;
- (iii) strengthening the internal approval and monitoring procedures for the use of raised funds, including requiring prior review by the finance department and the Board office before any cash management arrangement is entered into, and establishing a mechanism to monitor the approved amount, investment term, maturity date and redemption status of cash management products;
- (iv) enhancing the management of designated accounts for raised funds and requiring regular checks on the use and balance of raised funds to ensure that any use of such funds is within the scope and limits approved by the Board and disclosed to the public; and
- (v) providing internal training sessions on securities laws, information disclosure requirements and the Group’s policies on the management of raised funds to Directors, senior management and relevant personnel from the finance department and Board office.

For deficiencies in the management of inside information, we have implemented the following rectification measures:

- (i) refining the workflow of inside information management by clarifying the identification, reporting, registration, review and disclosure procedures for inside information, and specifying the responsibilities of relevant departments and personnel in each step of the process;
- (ii) enhancing the internal review mechanism of the securities affairs department of the Company, strictly implementing review and cross-checking procedures, and further clarifying and optimizing relevant job responsibilities and work processes, so as to reduce the risk of individual human error or omission;
- (iii) improving the inside information registration mechanism by requiring timely recording of the relevant matter, persons informed, circulation scope, time of awareness, approval status and confidentiality measures, and maintaining proper records for subsequent review;

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- (iv) strengthening confidentiality management before public disclosure, including reminding relevant personnel of their confidentiality obligations and limiting the circulation of inside information to personnel with a genuine need to know; and
- (v) providing training on inside information management, securities law requirements and information disclosure obligations to Directors, senior management and relevant employees to strengthen their compliance awareness.

We have submitted a written rectification report to the CSRC Guangdong Bureau in relation to the Incidents Concerned, the contents of which have been published on the website of the Shenzhen Stock Exchange on January 14, 2026. The rectification report sets out the previously identified deficiencies relating to the Incidents Concerned and the remedial measures implemented by us, which have been summarized above.

We have assessed the impact of the Incidents Concerned and concluded that the Incidents Concerned were immaterial to our consolidated financial statements as a whole and did not affect the understanding of our operations and results as presented in the published annual reports and the Accountants’ Report. As advised by our PRC Legal Advisor, each of the regulatory letter and the warning letter issued by the relevant authorities does not constitute an administrative penalty under the PRC laws, regulations or rules and is not regarded as a material non-compliance.

As of the Latest Practicable Date, our Directors confirmed that we had no instances of non-compliance with all applicable [REDACTED] rules and securities laws and regulations in any material respects during the Track Record Period and up to the Latest Practicable Date, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the [REDACTED]’s attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisor is of the view that, (i) during the Track Record Period and up to the Latest Practicable Date, there had been no instances of non-compliance of our Group with the rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations in any material respects and (ii) our Company has complied with all laws and regulations, in all material respects, applicable to the A Share Listing throughout the two full financial years immediately preceding the new [REDACTED] application and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor’s attention that would reasonably cause it to disagree with the Directors’ confirmation with regard to the compliance records of our Company on the Shenzhen Stock Exchange.

Our Directors and the Sole Sponsor are of the view that the Incidents should not be considered material non-compliance for the following reasons:

- (i) The Incidents are non-systemic and case-based in nature, with no continuing or recurring pattern;
- (ii) The Incidents were inadvertent in nature and did not involve any dishonesty, fraud, or deliberate misconduct on the part of the Group or any of the Directors;
- (iii) The Sole Sponsors is of the view that the Incidents have no material adverse impact on the Group’s normal business operations or financial condition, because the Incidents are unrelated to the Group’s principal business activities, and did not result in any loss of any material customers or revocation of any material business licences, permits, or qualifications. Furthermore, the Group’s liquidity, solvency, and going concern status have not been materially affected;
- (iv) As advised by the PRC Legal Advisor of the Company, the Incidents shall not be regarded as material non-compliance. The warning and regulatory letters do not constitute administrative penalties under applicable PRC laws, regulations, or rules, and the likelihood of further enforcement action by the CSRC Guangdong Bureau or the SZSE is remote;

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- (v) The Group has implemented rectification measures, such as enhanced internal control policies, which our Internal Control Consultant considered adequate and effective. The Group has also conducted training sessions across the relevant departments, and employees of the Group have developed heightened awareness of the applicable laws and regulations;
- (vi) Up to the Latest Practicable Date, our Directors have confirmed that our Group has not been accused of any material breach of applicable laws and regulations other than the Incidents as disclosed above.

Our Directors and the Sole Sponsor are further of the view that the Incidents will not affect our Directors’ suitability under Rules 3.08 and 3.09 for the following reasons:

- (i) The occurrence of the short-term trading by Mr. Wu and Mr. Zhang was solely due to their misunderstanding of the rules and regulations regarding the calculation of the six-month restriction period, and did not involve any dishonesty or fraud on the part of Mr. Wu and Mr. Zhang or impugn their integrity or competence, nor was any insider trading involved;
- (ii) The occurrence of the other Incidents was mainly due to the negligence of individual employees and did not involve any negligence, dishonesty or fraud on the part of our Directors. The Sponsor’s due diligence indicates an overall consistent record of compliance by our Directors with applicable laws and regulations;
- (iii) As advised by the PRC Legal Advisor of the Company, under applicable PRC laws and regulations, our Directors will not be disqualified to serve as Directors as a result of the Incidents;
- (iv) Subsequent to the Incidents, our Directors are minded and alert to any issues that might result in any non-compliance, and there are in place related measures for preventing the recurrence of non-compliance, and such measures are considered adequate and effective by the Internal Control Consultant;
- (v) Following the training sessions provided to our Directors, our Directors are fully aware of the requirements and obligations as directors of a [REDACTED] issuer pursuant to the Listing Rules and have undertaken to observe and comply with all the relevant rules and regulations; and
- (vi) Since the implementation of the rectification measures and up to the Latest Practicable Date, our Directors confirmed that they had not been accused of any material breach of applicable laws and regulations other than the Incidents as disclosed above.

Our Directors and the Sole Sponsor are of the view that the Incidents will not affect the Company’s suitability for [REDACTED] under Rule 8.04, having regard to the factors explained above, including the non-material and non-systemic nature of the Incidents, the absence of intentional wrongdoing and the lack of basis to impugn the Directors’ integrity, the lack of material adverse impact on the Company’s business operations and financial condition, and the effectiveness of the rectification measures. In addition, the Company has been listed on the SZSE since 2017 with no other material non-compliances. Its near-decade listing status on the SZSE since 2017 demonstrates a sustained track record of regulatory compliance and ongoing business operations under public market scrutiny.

Reasons for the H Share [REDACTED]

We seek to [REDACTED] our H Shares on the Stock Exchange to raise additional capital for technical R&D and product development, and business growth and expansion, diversify our fundraising channels, reinforce our industry standing, enhance global brand awareness and competitiveness and optimize our capital structure and Shareholder composition to support sustainable development and governance. See “Business — Our Strategies” and “Future Plans and Use of [REDACTED]” in this document for more details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PUBLIC FLOAT

Rule 19A.13A(2) of the Listing Rules requires that there must be an open market in the securities for which [REDACTED] is sought. Where a new applicant is a PRC issuer with other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public, at the time of [REDACTED], must: (a) represent at least 10% of the issuer’s total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK\$3,000,000,000.

So far as our Directors are aware, all [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED], representing approximately [REDACTED]% of our total issued share capital immediately upon the [REDACTED] (excluding the 2,342,668 A Shares held by our Company as Treasury Shares assuming that the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), will be counted towards the public float for the purpose of Rule 19A.13A(2) of the Listing Rules at the time of the [REDACTED], which is higher than the prescribed percentage of H Shares required to be held in public hands of 10% under Rule 19A.13A(2)(a) of the Listing Rules. Accordingly, at the time of the [REDACTED], we will be able to satisfy and maintain a sufficient public float as required under Rule 19A.13A(2) of the Listing Rules where at least 10% of our Company’s total number of issued shares (excluding treasury Shares) will be held by the public.

FREE FLOAT

Under Rule 19A.13C(2) of the Listing Rules, a PRC issuer with other listed shares at the time of [REDACTED] must ensure that the portion of H shares for which [REDACTED] is sought that are held by the public and that are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of [REDACTED] (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK\$50,000,000, or (b) have an expected market capitalization of not less than HK\$600,000,000.

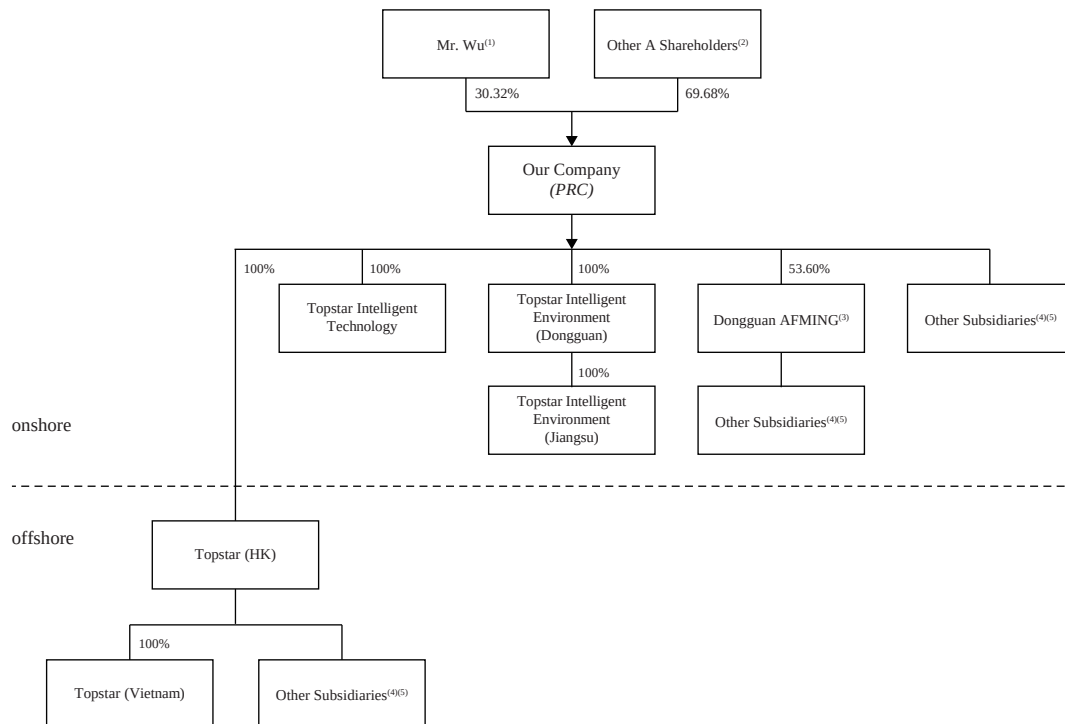
Based on an [REDACTED] of HK\$[REDACTED] per H Share, being the low-end of the indicative [REDACTED], our Company will satisfy the free float requirement under Rule 19A.13C(2) of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

The following chart illustrates a simplified shareholding structure of our Group immediately prior to the completion of the [REDACTED] (assuming no changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]):



Notes:

- (1) Mr. Wu is our Single Largest Shareholder, chairperson of our Board, executive Director and general manager. For further details, see “Relationship with Our Single Largest Shareholder” in this document.
- (2) None of such A Shareholders held more than 5% interests in our Company as of the Latest Practicable Date.
- (3) As of the Latest Practicable Date, Dongguan AFMING was held as to approximately 53.60% by our Company, approximately 31.86% by Huang Yongsheng (黃永生) (a connected person of our Company at subsidiary level due to his directorship and shareholding in certain of our subsidiaries), approximately 4.32% by Yang Zijian (楊子健) (the supervisor of our certain subsidiary), approximately 2.16% by Feng Shun (馮順) (the supervisor of our certain subsidiary), and approximately 8.06% by three employee shareholding platforms at subsidiary level, including (i) approximately 3.28% by Ruichang Tuochen Enterprise Management Center (Limited Partnership) (瑞昌拓晨企業管理中心(有限合夥)), which was managed by its general partner Mr. Zhou Yongchong, our executive Director, and was held by Wu Fengyi (吳豐義, the brother of Mr. Wu and the director and chief executive of our certain subsidiaries), Mr. Zhou Yongchong, Mr. Zhang Peng, Mr. Lan Haitao, Dr. Wang Zhicheng and Mr. Huang Jing, each being our executive Director, as to approximately 41.68%, 6.40%, 6.40%, 4.00%, 1.60% and 1.60%, respectively, and Liu Shaojie (劉少傑, a connected person of our Company at subsidiary level by virtue of his being the director and chief executive of our certain subsidiary) as to approximately 2.16%, with none of its other limited partners (each being a current or former employee of our Group and an Independent Third Party) holding more than 30% of its partnership interests, (ii) approximately 2.62% by Ruichang Aihe Enterprise Management Center (Limited Partnership) (瑞昌埃合企業管理中心(有限合夥)), which was managed by its general partner Tang Manli (唐滿莉) (an employee of our Group and an Independent Third Party) and was held by Huang Yongsheng (黃永生) as to approximately 52.43% of its partnership interests, with none of its other limited partners (each being an employee of our Group and an Independent Third Party) holding more than 30% of its partnership interests, and (iii) approximately 2.16% of Ruichang Aizhong Enterprise Management Center (Limited Partnership) (瑞昌埃眾企業管理中心(有限合夥)), which was managed by its general partner Chen Weifeng (陳衛鋒) (an employee of our Group and an Independent Third Party) and was held by Huang Yongsheng (黃永生) as to approximately 4.73% of its partnership interests, with none of its other limited partners (each being an employee of our Group and an Independent Third Party) holding more than 30% of its partnership interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

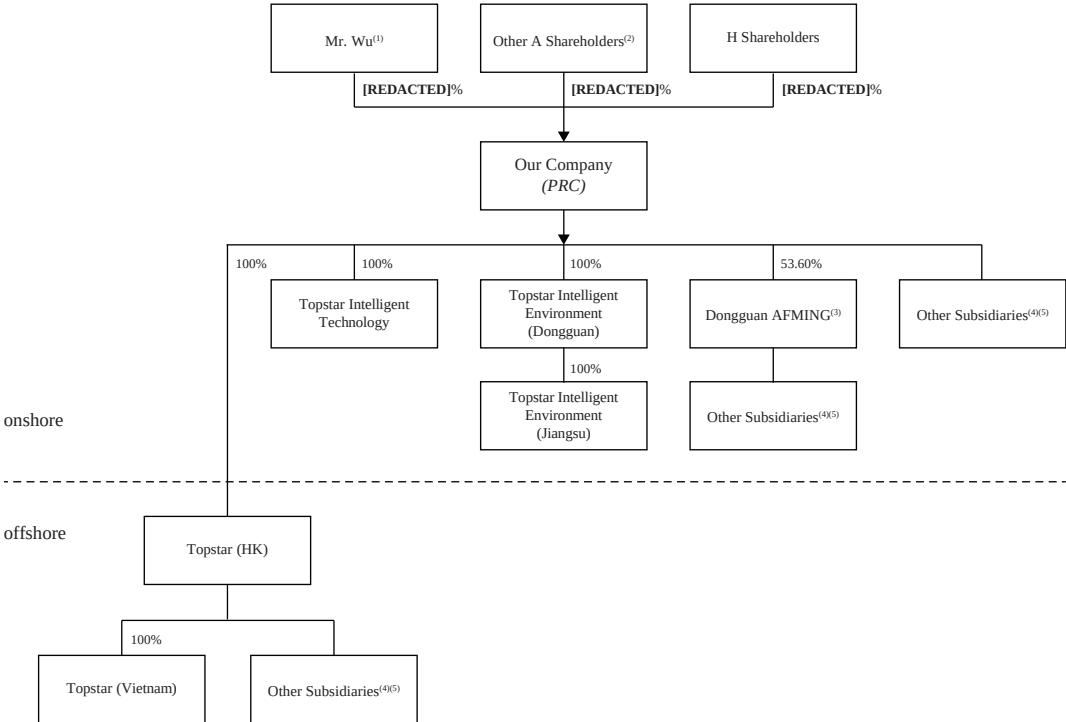
Prior to the acquisition of Dongguan AFMING, Dongguan AFMING’s principal business encompassed the independent research, development, production and sale of five-axis CNC machine tools, graphite machining centers, high-speed machining centers, grinding machines, and other industrial mother machine CNC machine tools. It possessed core proprietary technologies for its five-axis CNC machine tools, aiming to establish a domestic high-end brand capable of replacing imported products and serve leading enterprises across high-end manufacturing sectors, including aerospace, automotive, medical equipment, precision molds and mechanical component machining. In 2021, we completed the acquisition of Dongguan AFMING, extending our product portfolio to metal processing through the high-end CNC machining center.

- (4) As of the Latest Practicable Date, our other subsidiaries consist of 23 subsidiaries established in various jurisdictions. For information on our other subsidiaries, see Note 1 to the Accountants’ Report in Appendix I to this Document.
- (5) Among the other 23 subsidiaries, there are 14 wholly-owned subsidiaries and 9 non wholly-owned subsidiaries. Details of such non wholly-owned subsidiaries as of the Latest Practicable Date are set out below:
 - (i) Dongguan Tuosi Beida Energy Saving Technology Co., Ltd. (東莞拓斯達節能科技有限公司, “**Dongguan Tuosi Beida**”) was held as to 70% by Dongguan Topstar Technology Co., Ltd. (東莞拓斯達技術有限公司, “**Dongguan Topstar Technology**”, formerly known as Dongguan Topstar Equity Investment Co., Ltd. (東莞拓斯達股權投資有限公司)), a wholly-owned subsidiary of our Company, and 30% by He Yuchuan (賀玉川), a supervisor of Dongguan Tuosi Beida.
 - (ii) Dongguan Topstar Intelligent Clean Technology Co., Ltd. (東莞市拓斯達智能潔淨技術有限公司, “**Topstar Intelligent Clean**”) was held as to 55% by Dongguan Topstar Technology, 20% by Yang Jing (楊靖) (the director of Topstar Intelligent Clean and Dongguan Topstar Intelligent System Technology Co., Ltd. (東莞拓斯達智能系統技術有限公司)), 10% by Yang Xiaohong (楊小紅) (an Independent Third Party), 10% by Wang Jiankai (王建開) (the supervisor of Topstar Intelligent Clean), 2.5% and 2.5% by Mao Zhiyuan (毛志遠) and Mao Lingyun (毛凌雲), respectively, each an Independent Third Party.
 - (iii) Dongguan Topstar Intelligent System Technology Co., Ltd. (東莞拓斯達智能系統技術有限公司, “**Topstar Intelligent System**”, formerly known as Hezhong Jingyi Technology (Guangdong) Co., Ltd. (和衆精一科技(廣東)有限公司)) was held as to 80% by Dongguan Topstar Technology and 20% by Yang Jing (楊靖) (the director of Topstar Intelligent System and Topstar Intelligent Clean).
 - (iv) Matrix Intelligent Control Technology (Dongguan) Co Ltd. (矩陣智控技術(東莞)有限公司) was held as to 70% by Dongguan Topstar Technology and 30% by Dongguan Chentuo Zhihi Enterprise Management Center (Limited Partnership) (東莞市晨拓智米企業管理中心(有限合夥)), which was managed by its general partner Mr. Zhang Peng, our executive Director, and was held by Mr. Zhang Peng and Mr. Huang Jing, each being our executive Director, as to 70% and 30%, respectively.
 - (v) Thai Top Star Technology Co., Ltd., a company incorporated in Thailand, was held as to 49% by Topstar Tech Pte. Ltd. (“**Topstar (Singapore)**”), a wholly-owned subsidiary of Topstar (HK), and 27% and 24% by two Thailand individuals, respectively, each being an Independent Third Party.
 - (vi) PT Topstar Indonesia Technology, a company incorporated in Indonesia, was held as to approximately 10.00% by Topstar (Singapore), approximately 57.00% by Topstar (HK) and approximately 33.00% by PT BERKAH SINERGI REKAYASA, a company incorporated under the laws of Indonesia.
 - (vii) Dongguan AFMING Precision CNC Machine Tool Co., Ltd. (東莞市埃弗米精密數控機床有限公司) and Everson (Beijing) Software Technology Co., Ltd. (埃弗生(北京)軟件技術有限公司), each being a company incorporated in the PRC, were wholly-owned subsidiaries of Dongguan AFMING.
 - (viii) Guangdong Matrix Zhituo Technology Co., Ltd. (廣東矩陣智拓科技有限公司) was held as to 51% by our Company, 30% by Knowledge Atlas Technology Joint Stock Company Limited (北京智譜華章科技股份有限公司) (“**Knowledge Atlas**”), an AI company in China, dedicated to developing general-purpose large models and listed on the Hong Kong Stock Exchange (stock code: 2513), 10% by Hainan Hezun Investment Co., Ltd. (海南何尊投資有限公司), which was owned by Wang Yihan (王一涵) and Fu Bo (付波), each being an Independent Third Party, as to 99% and 1%, respectively, and 9% by Dongguan Tuopusi Enterprise Management Center (東莞市拓譜思企業管理中心), our employee shareholding platform at subsidiary level, which was managed by its general manager Mr. Huang Jing (our executive director) and was held by Mr. Huang Jing and Wang Qi (王琪) (an employee of our Group and an Independent Third Party) as to 50% and 50%, respectively. This collaboration with Knowledge Atlas aims to leverage its expertise in self-developed GLM large models and the field of agentic GLM to co-develop embodied AI robots.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate Structure Immediately After the [REDACTED]

The following chart illustrates a simplified shareholding structure of our Group immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]):



Notes:

(1) - (5) Please see “Corporate Structure — Corporate Structure Immediately Before the [REDACTED]” in this section.