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OVERVIEW

Who We Are

We are a renowned 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. We operate an integrated and self-developed business covering core robotic components, robot bodies and automation systems, rendering us a leader in the intelligent robotics value chain in Guangdong Province (廣東省智能機器人產業鏈「鏈主」企業) awarded by the Department of Industry and Information Technology of Guangdong Province (廣東省工業和信息化廳). Backed by nearly two decades of experience in the intelligent manufacturing sector, we have established our expertise in injection molding equipment and CNC machining centers, being the primary processing equipment for both fundamental materials for industrial applications, plastics and metals, respectively. In order to fulfill our mission of making industrial manufacturing better, we are actively exploring overseas markets such as Southeast Asia and Mexico, which align with the outbound pace of Chinese manufacturing.

Our broad downstream customer base, spanning domestic and overseas markets, offers multiple potential application scenarios for the deployment of our robotic products, which would also serve as a rich real-world data source for us to refine our process expertise and continuously enhance the generalization capabilities of our AI models. We enjoy the synergies among the scenarios, robots, data and AI in our business operations:

- **Scenario:** We leverage our experience in injection molding and CNC machining to identify high-value industrial application scenarios. These real-world production environments define the functional requirements for our products.
- **Robot:** Based on these defined scenarios, we have developed a comprehensive industrial robot portfolio ranging from Cartesian and multi-joint robots to collaborative robots (including modular sensing joints) and humanoid robots.
- **Data:** Through the deployment of our robots, we aim to utilize multi-sensor fusion technologies (including spatial, visual and force sensing) to capture high-quality data from real-world operations.
- **AI:** We will then use the data to continuously train and iteratively upgrade our AI models, thereby strengthening our competitive position for expanding to broader industrial applications and, ultimately, to all commercial scenarios.

Our Overseas Markets

Beyond Chinese Mainland, we have expanded our business to selected overseas markets. During the Track Record Period, we had sales to overseas customers including customers from Vietnam and Indonesia, among other countries. Our overseas revenue was principally derived from sales of products and solutions across our industrial robots and automation systems, injection molding equipment, and intelligent energy and environmental projects. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, revenue generated from our overseas sales accounted for 11.0%, 20.9%, 26.3%, 11.9% and 26.6% of our total revenue, respectively, demonstrating strong growth momentum. Going forward, we intend to sustain our global expansion efforts and capitalize on the business opportunities in international markets.

Our Business

Our business is primarily centered on industrial robots and automation systems and supported by high-end 5-axis linkage CNC machining centers and injection molding equipment. We also provide intelligent energy and environmental projects in addition to our core businesses.

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Industrial Robots and Automation Systems

We have developed a comprehensive product portfolio comprising Cartesian robots, multi-joint robots and embodied AI robots. In addition, we provide integrated automation solutions anchored by our industrial robots and equipped with ancillary devices such as vision systems and sensors. Our industrial robots and automation systems are widely used in various industries, including consumer electronics, automotive components, household appliances, household chemical products, packaging, toy manufacturing and medical devices. Our customer base covers substantially all of the top five consumer electronics manufacturers in 2024 in Chinese Mainland, according to Frost & Sullivan.

We have expanded our offerings into embodied AI. We launched the first intelligent humanoid robot in Chinese Mainland, deployed in injection molding production scenarios, and our quadruped robots “Xingzai” (星仔) are capable of performing multiple tasks across different application scenarios, including autonomous patrolling and inspection, firefighting operations in forests and specialized operations in complex environments. Moreover, we have launched flexible sorting and loading workstations, embodied AI palletizing workstations and AI-driven creative block assembly workstations, continuously expanding the deployment of embodied AI in industrial applications. For details, see “— Our Products and Solutions — Industrial Robots and Automation Systems.”

CNC Machining Centers

Our 5-axis linkage CNC machining centers are designed to process components to facilitate multi-process integrated machining, delivering enhanced processing efficiency and precision and providing advantages in the machining of complex metal components for humanoid robots, such as structural parts, joint components, housings and other critical mechanical parts. Our 5-axis linkage CNC machining centers are widely applied in metal processing scenarios across industries such as civil aviation, automotive, humanoid robots, semiconductors, and low-altitude aircraft.

Injection Molding Equipment

Our injection molding equipment portfolio includes injection molding machines and auxiliary equipment such as three-in-one auxiliary units, mold temperature controllers and automatic feeding systems, which together form a comprehensive turnkey plastic injection molding plant solutions. Such solutions are widely applied in plastic injection molding scenarios across industries such as consumer electronics, automotive components, household appliances, household chemical products, packaging, toy manufacturing and medical devices.

Intelligent Energy and Environmental Projects

During the Track Record Period, a significant portion of our revenue was generated from our intelligent energy and environmental projects. Under this business, we primarily provide two types of services: (i) injection molding-related electromechanical engineering services, which primarily involve utilities installation such as water, electricity and compressed air systems, designed to support injection molding production environments; and (ii) non-injection molding electromechanical engineering services, which include cleanroom construction, ventilation systems and large-scale integrated electromechanical engineering projects for broader industrial applications. Unlike our other product offerings, our intelligent energy and environmental projects business is more project-oriented in nature, relying on field implementation with limited scalability. In line with our strategic focus on our core businesses, we have primarily scaled down the non-injection molding electromechanical engineering services during the Track Record Period, as such services are more project-based in nature, involve broader engineering scope and do not align with our core product-oriented business model, and have phased down most of this non-core service in the first half of 2026. Our injection molding-related electromechanical engineering services, which are more closely connected with our injection molding equipment business, continue to be maintained but on a selective basis. In selecting projects under this sub-segment, we primarily consider: (i) in relation to projects for new customers, whether the project would facilitate the introduction of our injection molding equipment products and generate synergies with our other product offerings; and (ii) in relation to projects for existing customers, whether the project would

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enhance customer loyalty and satisfaction. We also generally require the project to meet our internal profitability thresholds and contract size parameters.

We expect to substantially complete the scale-down of non-injection molding electromechanical engineering services by the end of 2026. Following the scale-down, we will operate the services under an agency model by engaging Suzhou Boyi Intelligent Technology Co., Ltd. and Dongguan Junye Green Energy Environmental Technology Co., Ltd., each an associate of Mr. Huang Daibo, our former executive Director previously responsible for this business, to undertake the relevant works pursuant to the Green Energy Projects Master Framework Agreement. Under this arrangement, we act as an agent and receive a service fee calculated at approximately 3% of the relevant contract amount, which is recognized as revenue on a net basis. Based on the applicable annual caps, the maximum annual revenue contribution from this business line is expected to be approximately RMB15.0 million going forward. For details, see “Continuing Connected Transactions.” As of March 31, 2026, we had completed, in a prudent and orderly manner, the reallocation of the approximately 100 personnel previously associated with this business line who were no longer required, and the related office properties are expected to be redeployed, including for leasing to third parties. The financial impact of the scale-down will be gradually reflected with the revenue generated from this business line continuing to decrease in 2026. Since the gross profit margin of this business line was relatively low and volatile during the Track Record Period, the reduced contribution from this business line is expected to improve and stabilize our gross profit margin, which would better reflect the profitability of our core business lines going forward. We also expect the trend of our net income to be consistent with that of our gross profit, as we do not expect to incur operational expenses under the agency model. This business line operates independently from our other core business segments and is not materially related to them in terms of operations, technology or customer base, and accordingly, we do not expect the scale-down to have a material adverse impact on our other business segments.

Our Technical Strength and Product Competitiveness

In the embodied AI era, large models, control systems, and mechanical structures and drives constitute the “brain,” “cerebellum” and “body” of a robot, respectively. The “cerebellum” facilitates the connection of digital and physical worlds, while the “brain” and “body” adapt to increasingly diverse application scenarios through continuous iteration.

Leveraging over a decade of experience in the robotics sector, we have accumulated extensive expertise in underlying technologies, such as controllers and servo drives as well as core algorithms and overall system design, providing critical technical support for high-precision operations in our robots. We have achieved breakthroughs in core algorithms, including multi-stage filtering and suppression, multi-axis synchronous control and compliant control, supporting the body resilience and flexibility of our robots. Moreover, building on years of accumulated capabilities in control technology and hardware-software integration, we launched our self-developed, open and compatible X5 Robot Control System, which performs real-time motion control enabling instant responses to real-world requests. We also established 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) to jointly conduct R&D aimed at enhancing robot interaction capabilities, environmental and task adaptability and autonomous decision-making.

With nearly 20 years of experience in the manufacturing sector, we have developed robotic products that embed numerous mature process application solutions covering production stages such as palletizing, handling, assembly, embedding and pad/UV printing in a wide array of light industrial sectors, including consumer electronics, automotive components, home appliances, household chemical products, packaging, toy manufacturing and medical devices. These application solutions serve as detailed operational blueprints. In addition, real industrial scenarios are a valuable potential source of high-quality training datasets. We intend to continue deepening our presence in various process application fields, integrating data chains across different scenarios and enhancing the generalization capabilities of our AI models.

As of March 31, 2026, we held 262 invention patents and 361 utility model patents, and 90 software copyrights in Chinese Mainland. As of March 31, 2026, our R&D team consisted

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of 803 personnel, representing 37.8% of our total workforce. We have established talent and research platforms, including a Guangdong Provincial Key Laboratory, a Guangdong Provincial Engineering Technology Research Center and a Guangdong Provincial Doctoral Workstation. In 2025, we launched our new global R&D headquarters, which houses multiple high-standard laboratories such as an embodied AI laboratory, an environmental reliability laboratory and an electromagnetic compatibility laboratory, providing technical support for product innovation.

Our Financial Performance

We have maintained healthy operating cash flows. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our net cash generated from operating activities was RMB277.4 million, RMB131.8 million and RMB428.3 million, and our net cash used in operating activities was RMB59.3 million and RMB129.8 million, respectively.

According to Frost & Sullivan, the profitability of our industrial robots and automation system business ranks among the leading levels in the industry. During the Track Record Period, we achieved gross profit of RMB254.1 million, RMB261.2 million, RMB245.5 million and RMB107.9 million for this business line, respectively. In addition, our CNC machining centers business lines are demonstrating strong competitiveness and are expected to continue contributing to our business development and revenue.

COMPETITIVE STRENGTHS

Two fundamental Automated Manufacturing Equipment Lines as Customer-Growth Engines Driving Global Leading Customer Coverage and Operations

Our business is primarily centered on industrial robots and automation systems and supported by our two industry-leading automated manufacturing equipment business lines, namely our (i) injection molding equipment and (ii) CNC machining centers, which unlocks a vast customer base to support the adoption of our industrial robots and automation systems.

- ***Injection Molding Equipment:*** According to Frost & Sullivan, we ranked first in Chinese Mainland in terms of revenue of injection molding auxiliary equipment in 2025. Moreover, we are capable of providing turnkey solutions for customers, allowing us to cultivate deep customer loyalty and achieve prominent industry position.
- ***CNC Machining Centers:*** According to Frost & Sullivan, we ranked ninth among domestic manufacturers in terms of revenue of 5-axis linkage CNC machining centers in 2025 in Chinese Mainland. Through Dongguan AFMING, we have successfully mastered core proprietary technologies in CNC Machining Centers, such as high-rigidity spindles and GTRT gear-driven turntables, breaking international technological monopolies, enabling our expansion into high-end manufacturing sectors, including civil aviation, automotive, humanoid robots, semiconductors, and low-altitude aircraft.

Leveraging our industry-leading positions in injection molding equipment and high-end CNC machining centers, as of March 31, 2026, our CRM system has registered over 200 thousand potential customers, including four thousand overseas potential customers, serving more than 15 thousand customers cumulatively. Our global customer base includes both domestic and overseas industry leaders from consumer electronics, automotive components, home appliances, household chemical products, packaging, toy manufacturing and medical devices. We will continue to seize incremental opportunities in overseas markets with localized operational and service capabilities supported by our Vietnam operation bases.

Our international expansion has demonstrated sustained growth potential. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue generated from overseas markets accounted for 11.0%, 20.9%, 26.3%, 11.9% and 26.6% of our total revenue, respectively. Notably, the gross profit margin of our core businesses, including our industrial robots and automation systems, injection molding equipment and CNC machining centers, in overseas markets was 42.4%, 45.9%, 46.6% and 32.4% during the Track Record Period, respectively, reflecting strong profitability.

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Renowned Industrial Robot Provider in Chinese Mainland Extending Accumulated Technological Advantages to Embodied AI

We are a renowned industrial robot provider in Chinese Mainland and recognized as a leader of the intelligent robotics value chain in Guangdong with capabilities covering core robotic components (upstream), robot bodies(midstream) and system applications (downstream). According to Frost & Sullivan, we are among the few enterprises in Chinese Mainland with in-house R&D and production capabilities for the three essential components of industrial robots: controllers, servo drives and cognitive systems.

Our control algorithms incorporate our deep understanding of specific manufacturing processes and optimize motion precision and cycle speeds, enabling our ultra-high-speed robots to achieve globally leading standard cycle time of 0.24 seconds and repeat positioning accuracy of up to 0.01 millimeters, according to Frost & Sullivan. Moreover, utilizing core algorithms such as multi-stage filter suppression, multi-axis synchronous control, compliance control, motion compensation and automatic load identification, we developed servo drives ensuring stability and end-effector positioning accuracy during high-speed motion, with torque control accuracy of $\pm 1\%$ and speed control accuracy of $\pm 0.1\%$. To reduce the latency and errors associated with traditional vision guidance solutions, we developed multi-dimensional cognitive system which requires less than 0.2 seconds from target acquisition to command issuance.

Our years of accumulated capabilities in control technology have culminated in the next-generation intelligent robot control platform, X5 Robot Control System. This platform, co-developed with the Industrial Software Development Center of the Greater Bay Area National Center of Technology Innovation, performs the motion control functions of robot “cerebellum.” With the support of a flexible cloud-edge-end three-tier computing architecture, our X5 platform is capable of reducing the motion control cycle to an industry-leading 1 millisecond. The cloud-edge-end architecture is a collaborative computing framework where terminal devices collect data, edge servers perform real-time processing and inference close to the data source, and cloud platforms provide centralized computing power for large-scale storage, analysis and model training. The X5 platform also caters to over 90% of industrial robotic requirements, bridging AI models and robot bodies.

We have also been proactively developing vertical AI models to empower our robots with a smart “brain.” In collaboration with the Industrial Software Development Center of the Greater Bay Area National Center of Technology Innovation, we launched an integrated solution covering industrial on-site data acquisition, model training, online inference and control. Moreover, we have established a subsidiary with Knowledge Atlas Technology Joint Stock Company Limited (北京智譜華章科技股份有限公司) to co-develop embodied AI robots. These robots are equipped with chain-of-thought reasoning capability.

Leveraging our technological capabilities for core components of industrial robots and our ability to migrate technologies across platforms, our product portfolio is evolving from specialized automation to general purpose intelligent robots. Starting with Cartesian robots dedicated to injection molding scenarios, we have progressed to multi-joint robots, enabling flexible handling and replacement of complex processes. We have also been actively developing collaborative robots (modular sensing joints) and humanoid robots. Our humanoid robot “Xiaotuo” (小拓) is Chinese Mainland’s first embodied AI deployed in injection molding scenarios, according to Frost & Sullivan, and our quadruped robots “Xingzai” (星仔) are capable of performing multiple tasks across different application scenarios, including autonomous patrolling and inspection, as well as firefighting operations in forests and specialized operations in complex environments.

Synergies among the Scenarios, Robots, Data and AI Driven by Deep Process Know-How and High-Quality Data

Our products and solutions closely serve our customer in their actual production environments, which render us deep understanding of relevant production workflows and material characteristics in various application scenarios. During the course of our business, we analyze and deconstruct key manufacturing modules, including workflow sequences,

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motion patterns, force control and cycle time settings, which facilitated us in building a portfolio of nearly 100 mature process application solutions. These solutions are the foundation of our standardized products and enable us to deploy our industrial robots across a wide range of manufacturing scenarios. As a result, we were able to provide products and solutions covering our customers’ entire production workflow. For example, in our collaboration with a leading global provider of exterior structure and module solutions for smart devices, we have achieved a comprehensive process encompassing loading and unloading to screen printing, coating, inspection, precision assembly and cleaning, demonstrating our strong capability in deepening the vertical process.

Moreover, our industrial robots collect high-quality real-time data directly from actual production lines through their built-in integrated sensors, which can help us precisely understand customers’ actual production requirements and specifically optimize robotic control algorithms and end-effector capabilities. Our stable customer relationships and acquaintance with actual production environment and workflow render us access to massive real-world industrial data that is critical for training and iterating our industrial robots. Such access advantages us in establishing synthetic training environments for embodied AI that mirror real world industrial settings. The synergies among the scenarios, robots, data and AI in our business operations efficiently convert our scenario know-how and manufacturing data into commercial value.

Experienced and Insightful Management Team and Integrated Operational Systems Driving Efficient Operations

Our core management team is experienced, energetic and unified. With an average tenure exceeding 11 years, our core management team members have developed deep synergy and efficient collaboration, ensuring the continuity of our corporate strategy and the effectiveness of its execution. We have recruited top-tier talent from Fortune 500 companies across key departments, including R&D, supply chain, IT and human resources. Guided by our core values of “wholehearted customer service, collective dedication and shared success”, our team exhibits strong cohesion.

Leveraging decades of accumulated manufacturing process experience in the industrial sector, we have established a scalable, standardized and lean manufacturing and delivery system. Our clear competitive advantages in supply chain management, cost control, quality assurance, as well as delivery efficiency and reliability enables us to respond rapidly to customer orders and ensure stable and timely product delivery. As a result, we are able to efficiently transform our research and development achievements into commercial value. Moreover, we have deeply integrated three core process systems: Integrated Product Development (IPD), Lead to Cash (LTC), and Issue to Resolution (ITR). These systems form a comprehensive end-to-end operational framework that spans from market insight to value delivery and customer feedback empowerment.

OUR STRATEGIES

Strengthen R&D in Embodied AI and Core Technologies to Build Technological Barriers and an Integrated Portfolio of Robotic Products

- ***Focus on General AI Models to Build Vertical Industrial Intelligence:*** We aim to drive the deep integration of information technology and operational technology, achieving a seamless interface between the physical and digital worlds. In particular, we plan to continuously strengthen the “brain” of industrial intelligence by focusing on general AI models. Our goal is to empower embodied AI with autonomous, agile and intelligent operational capabilities, enabling robots to truly understand and perform work. We will deepen our cooperation with leading domestic AI companies in areas such as large AI models and computing power and carry out industrial scenario adaptation and model optimization based on their mature technological foundations. At the same time, we actively utilize international open-source foundation models for synchronous iterative optimization.

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- **Strengthen Key Robotic Body Technologies:** We will continue to invest in core technologies of the robot body, including control technologies, servo drives and vision systems, with the objective of achieving high performance, intelligence and integrated design. Additionally, we plan to research the synergistic and self-learning capabilities of various models and develop intelligent fault diagnosis and prediction technologies to enable self-optimization and enhance the overall system capabilities and operational stability.
- **Develop Key Hardware and Enhance Control over Key Components:** To improve the movement precision and environmental adaptability of our embodied AI products, we plan to strengthen our R&D efforts on modular sensing joints with a gradual and phased strategy. We will initially focus on verifying customer needs and product adaptability, subsequently increasing R&D resource allocation based on market feedback. Moreover, to strengthen the market competitiveness of our products, we will proactively strengthen our supply chain management regarding key robotic components, including motors, reducers, encoders and force sensors.

Based on the above technological advancement, we intend to expand our scenario-defined product portfolio into an all-scenario embodied AI system. Starting from our launched embodied AI products such as “Xiaotuo” (小拓), we plan to continuously enhance their core capabilities, including autonomy, operational efficiency, flexible production capacity and hardware reliability. For embodied AI workstations, we aim to optimize the performance of generative models to further improve intelligence and workflow efficiency. Upon successful validation in specific scenarios, we plan to apply the proven technologies into replicable modules and platforms to gradually extend the application scenarios of our embodied AI products from injection molding to a wider range of industrial scenarios. We also plan to develop bipedal humanoid intelligent robots and other products according to downstream demands.

Broaden Application Scenarios and Capitalize on the Value of Process and Data

During the course of our business operation, we have accumulated insights into the actual manufacturing workflows of various industries, including consumer electronics, automotive components, home appliances, household chemical products, packaging, toy manufacturing and medical devices. Going forwards, we plan to further expand the breadth of our downstream application scenarios to include high-potential fields such as semiconductors and the low-altitude economy. We also aim to increase our penetration in existing markets to strengthen our understanding of downstream applications.

In parallel with the expansion of application scenarios, we plan to continuously enhance our capabilities to fully unlock the value of process know-how and data assets. First, we intend to continuously improve our data acquisition capabilities and broaden our data acquisition scenarios. By enriching our datasets through both simulation and real-world collection, we aim to establish embodied AI training grounds and enhance the training efficiency of our vertical models. Our goal is to enable intelligent robots to continuously accumulate data during operations and enhance generalization capabilities with gradually improved intelligence levels and applicability.

Expand Our Global Network and Enhance Our Customer Base

We intend to actively seize the historical opportunity presented by the global layout of Chinese Mainland’s manufacturing sector by providing automated manufacturing equipment and services for downstream industry leaders’ international production bases. This model provides us with stable initial orders and valuable market entry points, reducing the risks associated with overseas expansion.

Based on detailed market data analysis, we plan to prioritize high-growth markets such as Southeast Asia and Mexico, which align with the outbound pace of Chinese manufacturing. We are progressively building localized operations encompassing sales, service and the supply chain, which also includes establishing regional technical support and service centers, planning overseas warehousing and assembly capabilities, and recruiting local

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talent. These initiatives are designed to bring us closer to customers, streamline supply chains and enable rapid response to customer demand, while gradually establishing our international brand positioning in high-end products.

Prudently Pursue Strategic Acquisitions and Investments to Accelerate Ecosystem Development

While we maintain a focus on the growth of our existing business, we view strategic M&A, equity investments and strategic alliances as key levers to accelerate the realization of our corporate vision. Centered on the goal of building a full-stack embodied AI technology system and industrial ecosystem, we plan to identify high-quality targets that can accelerate the commercialization of embodied AI, reinforce our core technologies and key industry process knowledge or expand high-potential sales channels. Through these initiatives, we strive to accelerate our development into a globally leading embodied AI technology company.

OUR PRODUCTS AND SOLUTIONS

The following table sets forth a breakdown of our revenue by business line, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year Ended December 31,						Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Types of goods and services:										
Industrial Robots and Automation										
Systems	968,532	21.3	754,930	26.3	685,139	27.3	177,646	49.1	321,888	59.9
Injection Molding Equipment . . .	430,796	9.5	511,215	17.8	498,686	19.9	97,726	27.0	109,668	20.4
Computer Numerical Control										
(CNC) Machining Centers. . . .	349,056	7.7	308,164	10.7	325,053	12.9	32,677	9.0	53,115	9.9
Intelligent Energy and										
Environmental Projects	2,685,951	59.0	1,229,495	42.8	915,312	36.5	38,882	10.7	30,351	5.6
Others ⁽¹⁾	105,074	2.3	45,754	1.6	48,591	1.9	7,531	2.1	12,756	2.4
Subtotal	4,539,409	99.7	2,849,558	99.2	2,472,781	98.5	354,462	97.9	527,778	98.2
Revenue from other source:										
Rental income	13,297	0.3	22,078	0.8	37,300	1.5	7,552	2.1	9,905	1.8
Total	4,552,706	100.0	2,871,636	100.0	2,510,081	100.0	362,014	100.0	537,683	100.0

Note:

(1) Others primarily include sales of spare parts and rendering repair services.

Our product offerings cover multiple stages of industrial manufacturing and are designed to work either as standalone equipment or as integrated automation solutions. Our industrial robots and automation systems are designed to automate repetitive production tasks such as loading and unloading materials, transferring workpieces between machines, assembly and inspection. These systems help customers improve production efficiency, reduce labor intensity and enhance production consistency. Our injection molding equipment and CNC machining centers primarily serve as core production equipment used by manufacturers to produce plastic parts or precision metal components. These machines perform the core manufacturing processes such as molding, cutting and machining.

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Depending on customers’ needs, our products may be sold either as standalone equipment or as part of integrated automation solutions. In particular, our industrial robots and automation systems are often deployed as integrated automation solutions tailored to customers’ production lines, and our injection molding machines and auxiliary equipment can be sold together as a whole set of solution. Moreover, our CNC machining centers are typically sold to customers as standalone equipment that can be incorporated into their existing manufacturing systems.

Industrial Robots and Automation Systems

Industrial Robots

We offer a diversified portfolio of industrial robots and integrated automation systems. Our product offering in this business line is anchored by our proprietary underlying technologies, specifically our self-developed motion control platforms, servo drives and vision systems. Our industrial robot sales were approximately 7.2 thousand, 9.2 thousand, 10.4 thousand, 2.0 thousand and 1.9 thousand units in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The selling price of our industrial robots typically ranges from approximately RMB9.4 thousand to RMB128.3 thousand* per unit, depending on factors such as differences in axis configuration, functional capabilities and application requirements.

Our industrial robot portfolio primarily comprises (i) multi-joint robots (ii) Cartesian robots (iii) intelligent robots. Our multi-joint robots include 4-axis robots, namely selective compliance assembly robot arm (“SCARA”) robots, and 6-axis robots, which are designed to replicate complex human arm movements and perform operations, including loading and unloading, polishing and grinding, welding and palletizing, among others. Our Cartesian robots, also known as robotic manipulators, are orthogonal axis systems primarily used for injection molding automation which we design and manufacture in-house using proprietary servo motors and control systems for precise multi-dimensional movement and automated part extraction. Our intelligent robots are designed for industrial automation and special-purpose operating scenarios, including intelligent humanoid robots “Xiaotuo,” launched in September 2025, and intelligent quadruped robots “Xingzai” (星仔), launched in January 2026, which are designed to support manufacturing operations and conduct inspection and related tasks in complex or unstructured environments. The following table summarizes our major products.

* The selling prices of our products within each business line may vary within a relatively wide range. This is primarily because our products are offered in multiple series, specifications and configuration levels, and are often tailored to meet customers’ specific production requirements. Differences in technical complexity, functionality, performance requirements, degree of customization and component selection contribute to variations in unit prices across products within the same product line. To present more meaningful pricing information and better reflect the prevailing transaction levels of our major products, the price ranges disclosed are based on representative models that collectively account for a majority of the revenue of each product line during the Track Record Period.

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Products	Key features	Main applications
Multi-joint Robots – 4-axis Robots (SCARA Robots) 	<ul style="list-style-type: none"> • Rated payload ranging from 1 kg to 20 kg, with maximum load capacity of 5 kg to 30 kg and self-weight ranging from 13.5 kg to 70 kg • Motion radius ranging from 300 mm to 1,000 mm, supporting deployment in both compact and extended work environments • Equipped with advanced control systems to deliver high precision, fast cycle times and stable operation • Designed with a high-strength structure to ensure stable performance under high-speed operation 	<ul style="list-style-type: none"> • 3C Electronics: pick-and-place, assembly, inspection and dispensing for mobile phones, computers and electronic components • Photovoltaic and New Energy: wafer and module handling, assembly, and loading/unloading • Pharmaceutical and Medical: pharmaceutical packaging, consumables assembly and cleanroom operations • Food Packaging: food sorting, carton packing, material handling and sealing • Home Appliance Manufacturing: assembly of small appliance components, screw fastening, labeling and material transfer • Toys and Consumer Goods Industry: pick-and-place and assembly of plastic and metal parts, and production line operations
– 6-axis Robots 	<ul style="list-style-type: none"> • Payload capacity ranging from 7 kg to 35 kg, with arm reach spanning 715 mm to 2,000 mm • Equipped with precision drive and control systems to support stable and accurate operation • Designed with a high-strength mechanical structure to ensure stable performance under high-speed operation 	<ul style="list-style-type: none"> • 3C Electronics Industry: pick-and-place, assembly, polishing, inspection and dispensing for mobile phones, tablets, laptops and precision components • Injection Molding Industry: automated part extraction from injection molding machines, insert embedding, product handling and tray arrangement, and deburring • Automotive Parts Industry: welding, assembly, loading and unloading, adhesive dispensing, inspection, polishing and material handling • New Energy Industry: battery loading and unloading, assembly, adhesive dispensing, inspection, handling and palletizing

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Products	Key features	Main applications
Cartesian Robots 	<ul style="list-style-type: none"> Servo drives integrated with the in-house control system Designed to support stable operation in molding applications Gear transmission structure for smoother and quieter operation Lightweight aluminum alloy arm Real-time remote monitoring and data management functions Energy-saving power management technology 	<ul style="list-style-type: none"> Injection molding scenarios: primarily used for part extraction, stacking, gate trimming and insert embedding, enhancing production efficiency, ensuring product quality and reducing labor costs. Machine tool scenarios: mainly applied in automated loading and unloading for CNC lathes, reducing labor costs and ensuring safe production and machining, particularly suitable for applications with short processing cycle times and large production volumes. Other scenarios: including material handling, loading and unloading, and related applications.
Intelligent Humanoid Robots (“Xiaotuo”) 	<ul style="list-style-type: none"> Industrial-grade embodied intelligent agent designed for reliable operation, with high positioning accuracy and adjustable height to suit different working environments. Integrated perception system combining vision and sensor technologies with AI capabilities to enable real-time sensing, positioning, decision-making and task execution. Advanced on-device computing capability that supports deployment of AI models directly on the device. Flexible power solutions supporting extended continuous operation, with options including automatic charging, battery swapping and plug-in power supply. 	<ul style="list-style-type: none"> Warehousing and Logistics: undertaking material picking, carton handling, packing and mobile sorting in dynamic operational environments. Production Loading/Unloading and Sorting: autonomously navigating within workshops to perform multi-station material replenishment, product sorting and tray arrangement.
Intelligent Quadruped Robots (“Xingzai”) 	<ul style="list-style-type: none"> High mobility, capable of operating at up to 5 m/s and navigating slopes and stairs. Strong load capacity for both static and operational use. Equipped with autonomous navigation functions to support obstacle avoidance and positioning. 	<ul style="list-style-type: none"> Emergency Rescue and Firefighting: assisting personnel in transporting supplies in forested or disaster-affected areas, entering hazardous zones to conduct detection and on-site data collection, and performing basic operational tasks in high-risk environments. Inspection: conducting equipment and instrument status identification, data reading, environmental monitoring, and detection and on-site data collection in complex or hazardous environments.

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Automation Systems

Our automation systems are designed to address customers’ specific production processes and site requirements through the integrated application of robotics, control systems, intelligent software and peripheral equipment. Our automation systems are primarily delivered as integrated hardware-and-software solutions, typically in the form of robot-based workstations or production line modules. Such systems enable one or more industrial robots, together with supporting equipment and control programs, to perform a series of coordinated and relatively complex manufacturing operations within a defined production process. Our automation systems sales were approximately 2.5 thousand, 1.8 thousand, 1.3 thousand, 0.3 thousand and 1.0 thousand units in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The selling price of our automation systems typically ranges from approximately RMB12,982.3 to RMB14,690,265.5* per set, depending on factors such as the number and type of industrial robots deployed, system complexity, level of customization, integration scope and application scenarios.

Within our automation systems, robot-based workstations typically serve as standardized and modular functional units. Each workstation is an autonomous unit featuring application-specific control logic and coordinated motion capabilities. In practice, a robot-based workstation typically consists of one or more industrial robots integrated with sensors, control units and application-specific tooling, forming a self-contained production unit capable of executing defined tasks such as assembly, handling or inspection. Certain robot-based workstations are further enhanced with advanced capabilities through the integration of perception algorithms, motion planning and, where applicable, AI-related functionalities, enabling more adaptive and intelligent operations in complex scenarios. These robot-based workstations can be flexibly combined and configured into broader automation systems to support a wide range of industrial applications, including industrial palletizing, high-speed sorting, robotic training and other automated production processes.

As part of our embodied AI-related product development efforts, we have developed several AI-enhanced robot-based workstation solutions, including flexible sorting and loading workstations, embodied AI palletizing workstations and AI-driven creative block assembly workstations, which were launched in January 2024, January 2024 and April 2024, respectively. During the Track Record Period, the aggregate revenue generated from each of these three workstation solutions amounted to RMB11.2 million, RMB11.4 million and RMB5.5 million, respectively. Flexible sorting and loading workstations are designed for sorting and loading applications involving multi-variety and small-batch materials. By integrating AI-based recognition and adaptive control capabilities, such workstations enable rapid product changeovers with limited manual intervention and can be applied in scenarios such as electronic component sorting, hardware component sorting and post-injection-molding product handling. Embodied AI palletizing workstations integrate industrial robots with AI algorithms, 3D vision systems and motion planning capabilities to support palletizing and depalletizing operations involving different object types and configurations. Such workstations are designed to enhance deployment flexibility and operational adaptability in scenarios including palletizing and depalletizing of boxes and bags, material loading and unloading, industrial inspection and measurement, and precision assembly. AI-driven creative block assembly workstations similarly integrate AI-based recognition and teach-free changeover capabilities to accommodate small-batch, multi-variety block and toy assembly requirements, enabling rapid switching across component types and sizes while improving production efficiency, consistency and cost control. These products are built upon our existing industrial robots and automation systems

* The selling prices of our products within each business line may vary within a relatively wide range. This is primarily because our products are offered in multiple series, specifications and configuration levels, and are often tailored to meet customers’ specific production requirements. Differences in technical complexity, functionality, performance requirements, degree of customization and component selection contribute to variations in unit prices across products within the same product line. To present more meaningful pricing information and better reflect the prevailing transaction levels of our major products, the price ranges disclosed are based on representative models that collectively account for a majority of the revenue of each product line during the Track Record Period.

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technologies, and therefore share the same underlying hardware and automation architecture. Unlike conventional automation systems, which generally operate based on predefined rules and programming logic, these AI-enhanced workstation solutions incorporate perception, recognition and adaptive decision-making capabilities, enabling them to handle more complex, variable and less structured operating environments.

Our automation systems are typically highly customized based on customers’ industry-specific requirements and on-site production processes. The level of customization is reflected in the following aspects: (i) Joint development: we engage in deep collaboration with customers during the product development process, and jointly develop integrated solutions. We participate in the full process covering solution design, engineering design and manufacturing, ensuring alignment with customers’ production requirements; (ii) Process definition and iterative design: we provide customized process definition based on customers’ evolving production requirements. Our solutions are designed to support iterative upgrades in terms of design optimization, manufacturing efficiency and production processes, particularly during the prototyping and trial production stages, so as to ensure both production suitability and long-term adaptability; (iii) Installation, commissioning and training: after product delivery, we are responsible for on-site installation, commissioning, process validation and testing. We also provide training to customers’ technical personnel and operators, enabling them to fully understand and master equipment operation, maintenance and servicing procedures; and (iv) After-sales services: we provide 24-hour customer service hotline support and continuous after-sales maintenance services. Through our nationwide service network, we provide timely fault diagnosis, troubleshooting support and technical guidance to ensure stable production operations. Our engineers also assist customers in analyzing and resolving equipment-related issues.

Our automation systems are primarily applied in application scenarios such as: (i) the opto-electronics industry, where precision, flexibility and cleanliness are of particular importance, to support automated processes such as screen-printing, pad-printing, coating, robotic loading and unloading, in-line inspection and packaging for opto-electronic products; and (ii) the consumer electronics industry, which is shaped by factors such as product iteration, labor shortages and rising labor costs. Our automation systems have been increasingly adopted by major consumer electronics brands and their manufacturers along the supply chain, and are used in the production of smartphones, wearables, tablets and other products for automated handling, assembly, inspection and related processes.

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The following table sets forth a breakdown of our revenue, gross profit and gross profit margin of our industrial robots and automation systems by sub-segments for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,		
	2023			2025		
	2024			2026		
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<i>(unaudited)</i>						
Industrial robots and automation systems						
Industrial robots	244,736	106,697	43.6	275,316	130,859	47.5
Automation systems	723,796 ⁽¹⁾	147,388	20.4	479,614 ⁽¹⁾	130,328	27.2 ⁽²⁾
				384,706 ⁽¹⁾	106,438	27.7
				57,725	28,336	49.1
				119,921	36,954	30.8
				265,368 ⁽³⁾	80,672	30.4
Total / Overall	968,532	254,085	26.2	754,930	261,187	34.6
				685,139	245,542	35.8
				177,646	65,290	36.8
				321,888	107,896	33.5

Notes:

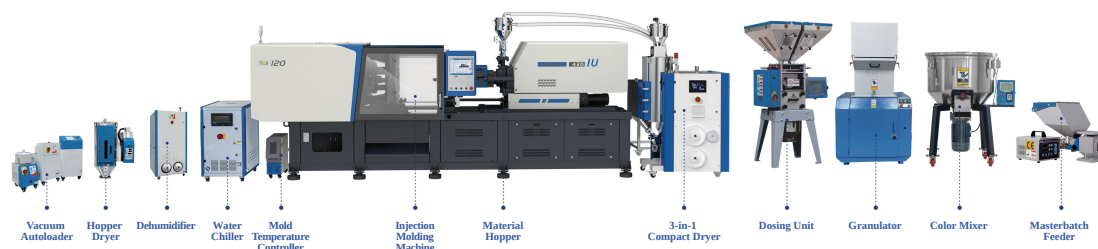
- (1) The revenue generated from our automation systems business continued to decrease from 2023 to 2025, in line with our reduced sales volume, as we strategically concentrated resources on key account customers in the consumer electronics industry for deepening our understanding and delivering more high value-added products and reduced order acceptance from other downstream industries.
- (2) The gross profit margin of our automation systems business increased from 2023 to 2024, as we adopted stricter selection criteria and selectively reduced low-margin orders.
- (3) The revenue generated from our automation systems business increased significantly from the three months ended March 31, 2025 to the three months ended March 31, 2026, in line with our increased sales volume, as our continued focus on serving key account customer in the consumer electronics industry enabled us to deepen our understanding of their production processes and application requirements, leading to greater customer recognition of our products.

The gross profit margin of automation systems was lower than that of industrial robots during the Track Record Period primarily because automation systems are integrated solutions that typically incorporate industrial robots and ancillary automation components, such as fixture and control units, some of which generally carry relatively lower gross profit margins. In addition, automation systems usually involve higher customization, system integration and on-site implementation requirements, which may further affect the overall gross profit margin profile of such business line. For further details, see “Financial Information — Results of Operations.”

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Injection Molding Equipment

We offer an integrated portfolio of injection molding machines together with a full suite of auxiliary equipment and automatic feeding systems, enabling customers to establish complete and standardized injection molding production lines. Our injection molding machines comprise two categories: electric injection molding machines, and hydraulic injection molding machines, designed to meet diverse requirements for precision, efficiency and application-specific performance across a broad range of industries. By combining our auxiliary equipment and automatic feeding systems with our injection molding machines, we provide customers with solutions covering material preparation, feeding, temperature control, cooling and recycling. Our injection molding machine sales were approximately 0.9 thousand, 0.9 thousand, 0.4 thousand, 0.1 thousand and 0.2 thousand units in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, while our auxiliary equipment sales were approximately 16.7 thousand, 18.8 thousand, 24.5 thousand, 4.4 thousand and 4.9 thousand units in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The selling price of our injection molding machine typically ranges from approximately RMB100.0 thousand to RMB863.4 thousand* per unit, depending on factors such as clamping force, configuration, level of automation and application scenarios, whereas the selling price of our auxiliary equipment typically ranges from approximately RMB2.7 thousand to RMB44.9 thousand* per unit, depending on factors such as differences in machine structure, clamping force, precision requirements and configuration levels.



Injection Molding Machines

We offer a portfolio of injection molding machines covering electric and hydraulic platforms, designed to address a wide range of precision molding requirements. Our electric injection molding machines, represented by the TEII Series, are designed for applications requiring high precision, repeatability and fast response. Powered by proprietary intelligent drive technologies and optimized motion control, these machines are well suited for high-end and precision applications such as connectors, medical components, optical products and automotive electronics. Our hydraulic injection molding machines are represented by the TH Series. These machines are designed to provide robust performance, operational stability and cost-effective production, and are widely applied across general-purpose and demanding molding scenarios, including consumer electronics, automotive components, household appliances, household chemical products, packaging, toy manufacturing and medical devices. Our injection molding machines are primarily used for the production of packaging materials and plastic components for household chemical products.

* The selling prices of our products within each business line may vary within a relatively wide range. This is primarily because our products are offered in multiple series, specifications and configuration levels, and are often tailored to meet customers' specific production requirements. Differences in technical complexity, functionality, performance requirements, degree of customization and component selection contribute to variations in unit prices across products within the same product line. To present more meaningful pricing information and better reflect the prevailing transaction levels of our major products, the price ranges disclosed are based on representative models that collectively account for a majority of the revenue of each product line during the Track Record Period.

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Auxiliary Equipment and Automatic Feeding Systems

We provide a comprehensive range of auxiliary equipment and automatic feeding systems that cover key processes such as raw material conveying, drying, temperature control, cooling, mixing and recycling, including mold temperature controllers, integrated three-in-one material handling units, chillers, automatic loaders and material dryers.

We typically deploy auxiliary equipment in conjunction with our injection molding machines to support and enhance various stages of the production process. In terms of raw material preparation, auxiliary equipment are used to ensure that raw materials are properly dried, uniformly mixed and consistently supplied to the injection molding machines, thereby maintaining material quality and reducing defects. During the molding process, auxiliary equipment are used to regulate mold and machine temperatures, which helps maintain stable processing conditions, improve product consistency and reduce cycle times. Following the molding process, auxiliary equipment are used to automate product removal, facilitate material handling and enable recycling of production waste, thereby improving operational efficiency and reducing material costs. Through the integration of auxiliary equipment with injection molding machines, we are able to enhance overall production efficiency, ensure product quality consistency and achieve a higher degree of automation across our manufacturing operations.

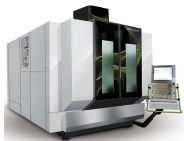
CNC Machining Centers (CNC)

We focus on the research, development and production of advanced CNC machining centers, including our 5-axis linkage CNC machining centers, which are primarily applied in advanced manufacturing sectors such as civil aviation, automotive, humanoid robots, semiconductors, and low-altitude aircraft. In the humanoid robotics industry, our CNC machining centers are used to machine metal parts, such as structural parts, joint components, housings and other critical mechanical parts. A CNC machining center is a computer numerical control machine tool equipped with an automatic tool-changing system, which enables the automated and high-precision machining of metal and other industrial components through computer-programmed instructions. As a key piece of manufacturing equipment, CNC machining centers are widely used to produce precision parts requiring high dimensional accuracy, consistency and production efficiency. These products are supported by our self-developed core components such as the spindle, rotary table, double-swivel milling head, vertical/horizontal gear milling head and power turret, which enable us to achieve a high level of vertical integration and equipment performance stability. Our CNC machining center sales were 310, 252, 283, 35 and 49 units in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The selling price of our CNC machining centers typically ranges from approximately RMB442.0 thousand to RMB4,938.0 thousand* per unit, primarily depending on the differences in machine size, structural design, processing precision and configuration levels.

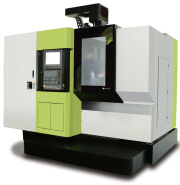
* The selling prices of our products within each business line may vary within a relatively wide range. This is primarily because our products are offered in multiple series, specifications and configuration levels, and are often tailored to meet customers' specific production requirements. Differences in technical complexity, functionality, performance requirements, degree of customization and component selection contribute to variations in unit prices across products within the same product line. To present more meaningful pricing information and better reflect the prevailing transaction levels of our major products, the price ranges disclosed are based on representative models that collectively account for a majority of the revenue of each product line during the Track Record Period.

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5-axis linkage CNC machining centers offer significant advantages over traditional 3-axis CNC machining centers by providing simultaneous linear interpolation across any five axes selected from the X, Y, Z, A, B or C axes, enabling coordinated multi-axis motion. 5-axis linkage technology is particularly effective for machining complex curved-surface components such as impellers, blades, marine propellers, heavy-duty generator rotors, turbine rotors and large diesel engine crankshafts. These centers are also used to manufacture certain metal parts used in humanoid robots, that require multi-axis machining capabilities and tight dimensional tolerances. The following picture illustrates the five axes of our CNC machining centers:

Products	Key features	Main applications
<p>– GMU800 Overhead-Gantry 5-axis Linkage CNC Machining Center</p> 	<ul style="list-style-type: none"> Designed for large and complex components, supporting workpieces up to 1,000 kg, 850 mm diameter and 626 mm height, enabling heavy-duty precision machining Gantry symmetrical structural design ensuring high rigidity and stable machining accuracy under continuous heavy-load cutting conditions 18,000 rpm high-speed spindle with 48-tool automatic tool changer and 5-second tool change cycle, enabling efficient roughing and finishing of hard-to-machine materials such as high-temperature alloys, die steel and cast iron 	<ul style="list-style-type: none"> Aerospace: machining of integrated structural and rotating components, including engine blisks, aluminium alloy impellers, titanium alloy engine casings and aircraft structural parts, involving heavy-duty multi-surface milling, rough-to-finish integrated machining and complex contour finishing Mould manufacturing: machining of large and high-precision mould cavities and curved surfaces, including tyre moulds, large injection moulds and die-casting moulds, involving precision cavity milling and surface profiling
<p>GMU750 Fixed-Beam Gantry-Type 5-Axis Linkage Machining Center</p> 	<ul style="list-style-type: none"> Designed for medium-sized complex components, supporting workpieces up to 500 kg, 700 mm diameter and 532 mm height, enabling stable heavy-duty cutting and high-precision machining Fixed beam gantry structure ensuring structural rigidity and long-term machining stability under continuous heavy-load operations High-speed 20,000 rpm spindle equipped with a 24-tool automatic tool changer, with 2.5-second tool change cycle, supporting efficient precision machining of high-hardness materials such as steel and titanium alloys 	<ul style="list-style-type: none"> Mould manufacturing: machining of automotive mould components and steel mould parts, including cavity machining, contour milling and precision surface finishing

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Products	Key features	Main applications
<p>GMU400 Gear Cradle-Type 5-Axis Linkage Machining Center</p> 	<ul style="list-style-type: none"> Designed for small to medium-sized precision components, supporting workpieces up to 120 kg, 500 mm diameter and 400 mm height, enabling stable high-precision machining of complex parts High-rigidity structural design ensuring dimensional accuracy and stability during continuous precision cutting operations Equipped with 48-tool automatic tool changer, enabling efficient machining of multiple materials including aluminium alloy, titanium alloy, stainless steel and engineering plastics within a single setup 	<ul style="list-style-type: none"> Humanoid robotics: machining of precision structural and transmission components, including joint parts (e.g. fingers, hip connectors, chest structures, foot components and limb assemblies), involving multi-surface milling, contour machining and precision finishing of complex geometries Medical devices: precision machining of implantable and surgical components such as titanium alloy skeletal structures, stainless steel bone reamers, joint prostheses, bone screws and surgical instruments, requiring high-precision shaping and surface finishing

Intelligent Energy and Environmental Projects

In addition to our core businesses, including our industrial robots and automation systems, injection molding equipment and CNC machining centers, we also engage in the intelligent energy and environmental projects business in response to customer demand, which primarily serves to expand our customer base for cross-selling our higher value-added core products. Under this business, we primarily provide two types of services: (i) injection molding-related electromechanical engineering services, which primarily involve utilities installation such as water, electricity and compressed air systems, designed to support injection molding production environments; and (ii) non-injection molding electromechanical engineering services, which include cleanroom construction, ventilation systems and large-scale integrated electromechanical engineering projects for broader industrial applications. Such electromechanical engineering services are primarily service-oriented in nature, under which we are responsible for overall solution design, system integration, installation and project management. Depending on specific customer requirements, we may also procure and supply certain equipment (such as air compressors and other facility-related equipment) from third-party suppliers and integrate them into the overall solution for delivery to customers. Accordingly, our role is not limited to pure service provision but encompasses integrated service offerings combining engineering services and, where required, equipment procurement and delivery. During the Track Record Period, we have primarily scaled down the non-injection molding electromechanical engineering services, as such services are more project-based in nature, involve broader engineering scope and do not align with our core product-oriented business model, whereas the injection molding-related electromechanical engineering services, which are more closely connected with our injection molding equipment business, continue to be maintained but on a selective basis. We would primarily manage injection molding-related electromechanical engineering projects from solution design to delivery, while we may procure raw materials, components, and labor services from third parties in order to ensure project quality and meet delivery schedule.

This business line was initially developed in connection with our injection molding equipment business. Since around 2014, we began undertaking small-scale electromechanical engineering works, such as utilities, upon requests from customers purchasing our injection molding equipment. Such services were initially provided to meet the ancillary needs of our injection molding customers and to enhance our overall solution offering. As customer demand expanded, we gradually extended our capabilities into non-injection molding electromechanical engineering services, including cleanroom engineering and integrated electromechanical engineering projects. Since 2019, we have undertaken larger-scale projects for customers in industries such as consumer electronics, which further expanded the scope of this business. In subsequent years, we also undertook projects serving the lithium-ion battery

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and photovoltaic industries, which drove a rapid increase in order volume for this business line driven by the rapid expansion of these industries by then.

Our development strategy of business line was to acquire and engage with customers across different industries, thereby facilitating the sales of our core products. Having established robust brand recognition and a stable customer base, we have reassessed the strategic positioning of this business line. While this business line has contributed to revenue growth in prior years, we consider that it is less aligned with our long-term strategic focus on product-based and technology-driven automated manufacturing equipment businesses. In particular, this business line is relatively resource-intensive, requiring significant deployment of engineering personnel and management attention, which may otherwise be allocated to the development of our core technologies, including robotics and AI-related capabilities. In addition, the project-based nature of this business line, with longer implementation and settlement cycles, presents higher operational complexity and may affect capital efficiency compared to our core business lines. Accordingly, we have strategically repositioned this business line over the past several years, as reflected by its decreasing contribution to our revenue during the Track Record Period. Moreover, this business line recorded relatively low or volatile gross profit margin during the Track Record Period, amounted to 8.4%, (11.7)%, 14.7% and 4.6% in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Taking into account the foregoing, we believe such transition does not represent a sudden change in our business model, but rather a gradual reallocation of resources toward our core product-oriented businesses. While the scale-down may result in a reduction in revenue, we expect our overall profitability and earnings quality to improve as we reduce exposure to low-margin or loss-making projects. Accordingly, we believe our historical financial performance remains representative of our business and provides a meaningful basis for investors to assess our future performance.

Unlike our other product offerings, our intelligent energy and environmental projects business is more project-oriented in nature, relying on field implementation with limited scalability. In line with our strategic focus on our core businesses, we are progressively scaling down our operation in intelligent energy and environmental projects business line. We have been phasing down this non-core business line during the Track Record Period and expect to complete by the first half of 2026, concentrating management attention, capital resources and research and development efforts on our core businesses with stronger scalability, standardization and long-term growth potential. This business line operates independently from our other core business segments and is not materially related to them in terms of operations, technology or customer base. Accordingly, the modification of the business model of this segment is not expected to have any material impact on our other business segments, either operationally or financially. We have engaged our related parties to undertake certain projects under this business line, which resulted in an increase in the amount of transactions with related parties. As we progressively scale down this business line, approximately 100 personnel associated with this business line will no longer be required, and we plan to reallocate or optimize such workforce in a prudent and orderly manner. For details, see “Continuing Connected Transactions.”

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The following table sets forth a breakdown of revenue, gross profit, gross profit margin and number of projects of our intelligent energy and environmental projects business line by categories of services for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,					
	2023			2024			2025			2026		
	Gross Profit/ (Loss)		Gross Profit/ (Loss)	Gross Profit/ (Loss)		Gross Profit/ (Loss)	Gross Profit/ (Loss)		Gross Profit/ (Loss)	Gross Profit/ (Loss)		Gross Profit/ (Loss)
	Revenue	(Loss)	Margin	Revenue	(Loss)	Margin	Revenue	(Loss)	Margin	Revenue	(Loss)	Margin
	RMB'000		%	RMB'000		%	RMB'000		%	RMB'000		%
Non-injection molding electromechanical engineering services	2,644,385	219,915	8.3	1,050,392	(158,686)	(15.1)	727,327	116,544	16.0	34,567	(5,862)	(17.0)
Injection molding-related electromechanical engineering services	41,566	5,386	13.0	179,103	15,311	8.5	187,985	17,764	9.5	4,315	1,361	31.5
Total/Overall	2,685,951	225,300	8.4	1,229,495	(143,755)	(11.7)	915,312	134,308	14.7	38,882	(4,501)	(11.6)
										30,351	1,394	4.6

We recorded gross profit of RMB225.3 million, RMB134.3 million and RMB1.4 million, with gross profit margins of 8.4%, 14.7% and 4.6%, from this business line in 2023, 2025 and the three months ended March 31, 2026, respectively, and a gross loss of RMB143.4 million and RMB4.5 million with a gross loss margin of 11.7% and 11.6% in 2024 and the three months ended March 31, 2025. In 2023, 2024, 2025 and the three months ended March 31, 2026, we obtained 117, 66, 62 and nil non-injection molding electromechanical engineering services projects, respectively, and 73, 111, 66 and nil injection molding electromechanical engineering services projects, respectively. Among all such projects obtained in 2023, 2024, 2025 and the three months ended March 31, 2026, 15, 18, seven and nil projects, respectively, recorded overall gross losses as of March 31, 2026. Following our entry into the Green Energy Projects Master Framework Agreement, we do not expect to undertake any new non-injection molding electromechanical engineering services projects from 2026 onwards, as the relevant services will be provided by Suzhou Boyi and Dongguan Junye. See “Continuing Connected Transactions — Partially-exempt and Non-exempt Continuing Connected Transactions — Supply of Products, Lease of Property and Procurement of Services (Suzhou Boyi and Dongguan Junye)” for details.

The gross loss recorded in 2024 was primarily attributable to our non-injection molding electromechanical engineering services, which recorded a gross loss of approximately RMB158.7 million and a gross loss margin of 15.1% in 2024, whereas our injection molding electromechanical engineering services remained profitable, with a gross profit of approximately RMB15.3 million and a gross profit margin of 8.5% in the same year. In 2024, our loss-making projects recorded aggregated gross loss of approximately RMB285.7 million, among which 24 loss-making projects, each recording a gross loss of more than RMB2.0 million, collectively accounted for over 75%.

The gross losses recorded by such projects were primarily attributable to the following:

- Downward adjustments to project settlement amounts.* For our non-injection molding electromechanical engineering services, revenue is recognized over time with reference to the percentage of completion of the performance obligation, which is measured using an input method based on the ratio of cumulative actual costs incurred over the estimated total costs for the project. The revenue recognized for a project is calculated by applying the percentage of completion to its estimated total revenue. The estimated total revenue of a project is determined based on the latest available information as of the end of each reporting period, having

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regard to the expected recoverable amount of the project, and may be revised upward or downward from period to period as updated information becomes available. Our contracts for non-injection molding electromechanical engineering services, whether entered into on a fixed lump-sum basis or on the basis that the final contract sum is settled by reference to the actual work performed, contain settlement provisions which entitle the customer to review and verify the quantities of the work performed before the final settlement amount is agreed. Where the final settlement amount agreed or negotiated with a customer is lower than the estimated total revenue previously adopted for revenue recognition purposes, we are required to revise the estimated total revenue of the relevant project downward, resulting in a corresponding reduction in revenue previously recognized while the related project costs had already been incurred. Such downward adjustments accounted for approximately 95.0% of the aggregate gross losses of such loss-making projects in 2024.

Such downward adjustments were primarily attributable to the challenging operating environment faced by our downstream customers in the lithium battery and photovoltaic industries since 2023, characterized by industry overcapacity, intensified competition and financial constraints. Under such circumstances, certain customers imposed deductions during the settlement process, including deductions to settlement quantities and the discounts applied to certain variation orders and additional works which the customers had instructed during project execution, resulting in final settlement amounts that were lower than originally estimated. Of the total downward adjustments, approximately 59.0% were attributable to deductions imposed during customers' settlement reviews, approximately 27.8% were attributable to deductions relating to variation orders and on-site work records, and approximately 13.2% were attributable to other deductions.

- (ii) *Cost overruns and additional costs incurred during project execution, acceptance and settlement.* For certain projects, the actual costs incurred exceeded the original estimated project costs, thereby reducing project profitability and, in certain cases, resulting in gross losses. Such cost overruns accounted for approximately 5.0% of the aggregate gross losses of such loss-making projects in 2024. These cost overruns were primarily attributable to additional construction work, rework arising from on-site coordination among multiple contractors, higher-than-expected material procurement costs during project execution, and additional costs incurred to satisfy customers' enhanced acceptance requirements during prolonged acceptance and settlement processes.

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The turnaround from a gross loss margin to a gross profit margin in 2025 and the three months ended March 31, 2026 was primarily attributable to (i) our deliberate strategy of exercising stricter selection criteria in order acceptance, prioritizing projects with more favorable profit margins over volume-driven revenue growth in line with our strategic focus on sustainable profitability, under which we scaled down our engagements with customers in the photovoltaic and lithium battery industries, thereby reducing our exposure to projects susceptible to significant downward settlement adjustments; (ii) our strategic focus on long-standing customers and production processes with which we had extensive experience, enabling us to enhance project execution efficiency, improve delivery quality and facilitate the timely settlement of project consideration; and (iii) the implementation of refined cost management measures, including more rigorous cost controls across the full project lifecycle, from tendering and budgeting through execution, dynamic cost monitoring and post-completion settlement. In particular, we implemented more stringent internal policies governing the review, approval and management of variation orders, which constitute an important basis for project settlement, and strengthened our coordination with customers to facilitate the timely confirmation of such variation orders, thereby improving the efficiency and certainty of project settlement. We also strengthened our budgeting and cost monitoring throughout project execution and enhanced our on-site coordination with other contractors, so as to reduce rework and additional costs and to mitigate the cost overruns experienced in prior periods.

OUR TECHNOLOGIES

We develop our core technologies based on a scenario-driven and system-oriented design philosophy. Under this approach, we define key performance objectives according to specific downstream application scenarios and then design and optimize the underlying technologies accordingly. We focus on achieving optimal system-level performance for targeted robotic and automation applications through integrated development across core components and the overall equipment system. In particular, in industrial robotics applications, our technology development emphasizes deep customization and dedicated architectures tailored to robotic motion characteristics, real-time control requirements and compact system layouts, enabling our core components to function as an integrated whole and to fully realize the performance potential of the robotic platform.

Within this system-oriented framework, our core technologies are organized around three closely integrated pillars, namely control technology, servo drive technology and vision systems. Control technology serves as the central coordination layer, responsible for motion planning, real-time control, multi-axis synchronization and system-level execution. Servo drive technology functions as the execution layer, translating control instructions into precise and responsive physical motion through accurate regulation of position, speed and torque. Vision systems act as the perception layer, enabling robots and automation equipment to acquire, interpret and utilize visual information from the physical environment to guide motion and process execution. The coordinated and scenario-driven development of these three technology domains support high-performance, intelligent and reliable operation across a wide range of industrial robotic and automation scenarios.

We have also developed and applied AI technologies, in particular embodied intelligence technologies, to enhance the functionality and adaptability of our robotic solutions. Embodied intelligence refers to equipping robots with the ability to perceive the environment and make decisions in real time, similar to how humans respond to changing situations. Traditional robots typically operate based on pre-programmed instructions and may not function effectively when operating conditions change. In contrast, our AI-enabled systems allow robots to process real-time data through sensors and adjust their actions accordingly, enabling operation in dynamic and unstructured environments.

Our technologies improve ease of use and flexibility. For example, tasks that previously required manual reprogramming can be adjusted more efficiently, including through simplified instruction methods such as natural language inputs. In addition, our robots are capable of handling both standardised and irregular objects and can adapt to changes in the operating environment. Our solutions have been applied in scenarios such as robotic plating and AI-enabled sorting workstations.

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The effectiveness of our technologies is measurable. For instance, task switching time can be reduced from several hours to approximately half an hour, and deployment time can be shortened from two to three days to one to two hours. Our systems also demonstrate improved tolerance to environmental changes. Overall, our embodied AI technologies enable robots to operate more flexibly and efficiently by transitioning from fixed, pre-programmed execution to adaptive, real-time decision-making.

Control Technology

Our control technology capabilities encompass motion planning, trajectory interpolation, drive and motor control, distributed Input/Output (“I/O”) control, Ethernet for Control Automation Technology (“EtherCAT”) bus communication, and sensor integration. We have developed a fully proprietary, localized general-purpose motion control platform that integrates motion control, PLC logic, and network control into a unified hardware and software architecture. This platform supports rapid adaptation to different downstream application requirements across industrial robots and automation systems and injection equipment.

Robotics Application (The X5 Robot Control System)

To support the integration of AI with industrial robotics, we have developed and launched the X5 Robot Control System based on a new-generation control platform. The X5 Robot Control System is built on a domestic controller platform compatible with the openEuler operating system, enabling a localized and scalable foundation for intelligent robotic applications. The system applies virtualization and containerization technologies to achieve layered decoupling between software and hardware. Through standardized interface design and the opening of application process modules, RGM interfaces and multi-language API toolkits, the system lowers the development threshold for users and facilitates flexible application development and secondary customization. This design enhances usability and supports broader adoption of intelligent robots across diverse industrial scenarios. Additionally, the system is designed based on a cloud-edge-end collaborative architecture, enabling real-time and accurate transmission of device-side data to edge and cloud layers. It supports data integration and interaction between AI models and physical robotic hardware, ensuring accurate execution of inference-driven motion control and providing an open ecosystem for the deployment and expansion of AI applications in industrial environments.

Injection Molding Application (The TMCP Series)

We have deployed our proprietary TMCP Series controllers across our injection molding machines. These controllers facilitate comprehensive data interconnection and interoperability between the injection molding machine and peripheral equipment, including our proprietary robotic arms, mold temperature controllers, chillers, and “three-in-one” auxiliary units. They also support the establishment of integrated and standardized injection molding production lines, and this connectivity creates a digitized production chain, allowing for centralized equipment management and enhanced operational intelligence for our customers.

Servo Drive Technology

Servo drives are the “muscle” of our equipment, directly controlling the position, speed and torque of moving parts. We develop our servo drive technologies to align with the mechanical characteristics and dynamic requirements of specific equipment, particularly robotic systems operating under high-speed and high-precision conditions. Accordingly, our servo drive technology focuses on the specific mechanical characteristics and dynamic requirements of particular equipment, and we conduct in-depth customized development of high-speed, high-precision and high-response control algorithms tailored to such equipment, thereby enabling the motion control of industrial robots, injection molding equipment and CNC machine tools to achieve optimal control performance.

Through techniques such as parameter identification, automatic tuning and vibration suppression, we further optimized our servo drive systems to maintain stability and end-effector positioning accuracy. This system-level matching approach enables our servo

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drive systems to operate in close coordination with control algorithms and mechanical structures. Moreover, we have developed proprietary servo control technology, which is tailored for different application scenarios, including high-performance “drive-and-control” integrated cabinets for industrial robots, cost-effective multi-axis integrated drives for Cartesian coordinate manipulators, and hydraulic servo drives featuring high-response pressure closed-loop control specifically engineered for the hydraulic processes of injection molding. These application-oriented designs support compact system integration, reliable long-term operation and efficient deployment across our product portfolio.

Vision Systems

Our vision systems use mathematical models to interpret images, extract data and guide mechanical execution. Our visual system technologies overcome significant technical barriers in image processing, including adaptive pyramid image layering for correlation matching, image registration, instruction set acceleration, and OMP parallel processing. These breakthroughs provide the underlying data structure and algorithmic foundation for our autonomous equipment. Our vision systems are integrated into our automation equipment and robotic workstations to perform: (i) guidance and positioning, including high-precision alignment for optoelectronic components, film lamination and multi-camera guidance for SCARA, six-axis and other robots in pick-and-place operations; (ii) defect inspection through automated optical inspection for screen printing, pad printing and soft-pack battery defects; and (iii) measurement, including precision dimensional measurement and code recognition.

RESEARCH AND DEVELOPMENT

We focus our R&D efforts on developing cutting-edge technologies and advanced manufacturing processes to meet the evolving demands of our end customers in high-growth sectors. Our R&D activities are designed to enhance our product performance, optimize our manufacturing efficiency and expand our portfolio of high-value, differentiated products.

R&D team

As of March 31, 2026, our R&D team consisted of 803 employees, accounting for 37.8% of our total employees. Our team focuses on the development of three core automated manufacturing equipment and components: industrial robots, injection molding equipment and auxiliary equipment, and CNC machining centers, comprehensively covering key technologies such as control technology, servo drive technology, and vision system.

Structured R&D Approach and Process

We have established a structured R&D approach to systemically manage our R&D activities across different departments. Set forth below are key aspects of our R&D approach:

R&D Process	Description
Product Concept and Feasibility Assessment	Defining product concepts, value propositions and core functional requirements based on market analysis, followed by assessments of technical feasibility, supply chain readiness, regulatory considerations and preliminary commercial viability.
Product Planning and System Design	Defining product positioning, functional scope and performance objectives, and translating them into an overall system design, modular structure and interface standards to support efficient development, scalability and consistent product implementation.
System Integration, Prototyping and Validation	Integrating hardware, software and structural modules, fabricating engineering prototypes and conducting comprehensive system-level testing, including functional, performance, environmental and reliability tests, with independent validation against predefined specifications.
Pilot Production and Customer Validation	Performing trial production runs to validate manufacturing processes, production lines, supply chain readiness and quality control systems, and engaging selected customers for validation testing in practical application scenarios.

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R&D Process	Description
Mass Production and Market Launch	Approving mass production based on quality, cost and delivery readiness, scaling up manufacturing capacity, and executing go-to-market activities, including product delivery, sales support and after-sales service arrangements.

R&D Collaboration

Besides in-house R&D, we occasionally conduct collaborative R&D projects with universities, research institutions and selected companies along the industry value chain. These collaborations primarily target the advancement and industrialization of critical technologies, including industrial control systems, real-time and embedded operating systems, intelligent robot control and drive-control integration, while supporting the localization, reliability and practical application of such technologies. Such collaborative projects typically accelerate product development, enhance product performance and usability, and support the deployment of flexible and efficient manufacturing solutions. In all cases, we seek to retain sufficient rights to commercialize the technologies and products attributable to us under the relevant cooperation projects to support our long-term development. Key contractual terms of our intellectual property cooperation agreements include that any technologies, results or intellectual property independently developed or completed by a party in connection with the cooperation project shall be owned by the respective developing party. Background intellectual property owned by each party prior to the commencement of the cooperation shall remain the property of the respective party and shall not be altered by the implementation of the project.

Key R&D Projects

We have been continuously investing in advanced automation and control technologies to strengthen our core competitiveness across industrial robots, automation systems, injection molding equipment, CNC machining centers and related integrated solutions. Our principal R&D initiatives aim to enhance the autonomy of key components, improve overall system performance and expand industrial application scenarios. We are committed to developing next-generation technologies, including heterogeneous SoC-based control, large model-integrated motion control platforms and integrated drive-control robotic systems.

Flexible Intelligent Sorting Workstation

We are developing a flexible intelligent sorting workstation that integrates artificial intelligence technologies to address sorting and placement requirements for multi-variety and small-batch materials. The workstation adopts a modular hardware architecture and combines edge computing with cloud-based data collaboration, enabling AI-based material recognition and intelligent placement. By integrating vision sensors, robotic arms and control systems, it can adapt to variations in material characteristics and improve sorting accuracy and efficiency. The project has completed prototype development and initial testing, and is expected to be applied primarily in injection molding and related manufacturing scenarios involving frequent product changeovers.

Energy Regeneration Technology for Robotic Power Systems

In response to increasing energy efficiency requirements in manufacturing industries, we are developing energy regeneration technologies for robotic control cabinet power systems. Traditional robotic systems dissipate regenerative energy during motor braking through resistors, resulting in energy loss and heat generation. We are developing hardware designs and control algorithms for energy regeneration modules to improve energy efficiency and support more sustainable robotic operations. The project has passed internal TR3 review, with key progress in hardware architecture and core algorithm development.

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PRODUCTION

Production Capabilities

During the Track Record Period, the majority of our manufacturing was conducted in house.

Our Production Base

As of March 31, 2026, we operated a production base in Dongguan, Guangdong Province with a total gross floor area of approximately 252,985.4 sq. m. These facilities are situated at No. 35, Lianhuan Road, Daling Mountain Town. This centralized production hub is dedicated to the manufacture of industrial robots, injection molding equipment, and CNC machining centers. In March 2024, we relocated our subsidiary, Dongguan AFMING’s manufacturing operations to our current production base in Dongguan (the “Relocation”). The Relocation was undertaken to address capacity constraints at the former premises, which had become insufficient to support Dongguan AFMING’s growing production requirements, and to consolidate operations into a larger facility to better accommodate our expansion needs.

Our Production Capacities

The following table sets forth the details of the production capacity, production volume and utilization rate by key product categories for the periods indicated.

	Year Ended December 31,			Three Months Ended March 31,
	2023	2024	2025	2026
Industrial Robots				
Production capacity ⁽¹⁾	8,399	11,365	15,670	2,701 ⁽³⁾
Production volume	7,128	10,113	13,100	2,256
Utilization rate (%)	84.9%	89.0%	83.6%	83.5%
Injection Molding Equipment				
Production capacity ⁽¹⁾	14,230	19,305	26,754	5,738 ⁽³⁾
Production volume	11,911	17,101	24,047	5,350
Utilization rate (%)	83.7%	88.6%	89.9%	93.2%
CNC Machining Centers (CNC)				
Production capacity ⁽¹⁾	372	363 ⁽²⁾	404	107 ⁽³⁾
Production volume	314	260	300	79
Utilization rate (%)	84.3%	71.7%	74.2%	73.8%

Notes:

- (1) Production capacity in 2023, 2024 and 2025 is calculated assuming that all production lines operate 12 months per year and on the basis of 25 days per month and 10 hours per day; and to account for the national holidays in February, production capacity for the three months ended March 31, 2026 is calculated assuming that all production lines operate three months on the basis of 22 days per month and 10 hours per day.
- (2) The decrease in our production capacity of CNC machining centers from 372 units in 2023 to 363 units in 2024 was primarily attributable to the relocation during 2024. During the relocation period, the utilization of production personnel temporarily declined and certain production processes and equipment had not yet fully resumed normal operating conditions.
- (3) Our production capacity of industrial robots and injection molding equipment for the three months ended March 31, 2026 was lower than one-fourth of the annual production capacity in 2025, primarily due to fewer scheduled operating days in the first quarter of 2026 and lower employee attendance rates surrounding the national holidays in February 2026.

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Our Production Process

We operate an integrated production model that covers key stages from component procurement to final assembly and quality assurance. Our production base is comprised of dedicated production lines for different product categories. Each category of production line is designed to support both standardized mass production and flexible, customized manufacturing.

Procurement and Incoming Inspection

Our production activities generally begin with the sourcing of key components and raw materials such as controllers, servo systems, precision machined components, sheet-metal parts and electronic modules. We procure them from qualified suppliers that meet our procurement and quality requirements. Incoming materials undergo inspection designed before entering our production lines.

We primarily develop in-house our core algorithms, application process packages and control software across our major product lines. Our in-house development efforts focus on motion control algorithms, process optimization and system integration, which form the foundation of our core technological capabilities and differentiated competitive advantages.

With respect to hardware components, we adopt a combination of in-house development and external procurement, and the extent of external procurement varies by product type. For our 5-axis linkage CNC machining centers, we develop core algorithms and application process packages in-house, while controllers and servo drives are externally procured. For our injection molding machines, core algorithms are developed in-house; controllers are primarily self-developed, except for certain large hydraulic models where controllers are externally sourced; and servo drives are externally procured. For our industrial robots, we develop core algorithms in-house and self-develop controllers for our X1 and X5 series, while approximately 95% of servo drives are externally sourced, primarily to leverage cost-efficient and industry-proven components while maintaining overall system performance and reliability. For our cartesian robots, both core algorithms and controllers are self-developed, and approximately 90% of servo drives are self-developed, as our in-house solutions are better tailored to our system requirements and enable more consistent performance compared to externally available alternatives. For our automation system business, we develop application software and control programs in-house, while controllers are procured in the form of external PLCs and servo drives consist of industry-standard products sourced from external suppliers.

CNC machine tools differ from our other products in that high-end five-axis machines impose particularly stringent requirements on control and servo performance, including nanometer-level interpolation, high dynamic response, multi-axis coordination and full closed-loop precision control, which directly affect machining accuracy, surface quality and efficiency. As we primarily target high-end applications such as aerospace and precision mold manufacturing and the machining of complex metal components for humanoid robots, customers generally require compatibility with established high-end CNC systems to meet process and certification standards. The external procurement of mature control and servo systems for such products enables us to ensure precision and stability while concentrating our resources on mechanical structure design and system integration. For our other product segments, externally procured items mainly consist of standardized products with general market specifications or products required only for small-batch application needs.

Machining, Fabrication and Subsystem Assembly

Following material acceptance, we conduct machining, fabrication and subsystem assembly based on product characteristics. For precision components such as robot joints and drive modules, we utilize CNC machining and automated equipment to ensure accuracy and consistency. For injection molding equipment, mechanical, hydraulic and electrical systems are assembled in parallel in accordance with standardized workflows.

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Final Assembly and Integration

Final assembly integrates mechanical structures, drive systems, control units and software into complete units. We perform functional testing, safety checks and calibration procedures, including load testing and system validation, to ensure operational stability. For robots and CNC systems, controller configuration, communication testing and software debugging are also conducted.

Quality Assurance and Final Acceptance

Finished products undergo final inspection and acceptance before delivery. Throughout the process, we implement quality control, traceability and continuous improvement measures to enhance manufacturing efficiency and product reliability.

Our Production Expansion Plan

We plan to further boost our overall production capacity progressively by expanding our production base. Such expansion is primarily intended to support the manufacturing of new product categories under our CNC machining centers. The following table summarizes details of our key production expansion plans.

<u>Production Base</u>	<u>Major Product(s) Category</u>	<u>Maximum Annual Production Capacity</u>	<u>Expected Operation Year</u>
Lianping Tanshan Industrial Park, Daling Mountain Town, Dongguan	CNC Machining Centers	3,900 units	2027

Our increase in production capacity is planned for the introduction of new product types. Our existing 5-axis CNC machining centers are high-end, customized equipment primarily used in aerospace, precision moulding and new energy vehicle applications, as well as for the machining of complex metal components for humanoid robots, characterized by small-batch production and high unit prices. By contrast, the new CNC machining center we intend to produce relates to standardized precision engraving machines and grinding machines targeting the 3C and semiconductor industries, with different technical specifications, market positioning and production models. Accordingly, the planned capacity expansion corresponds to the demand of the new product types.

Outsourced Manufacturing

We engage qualified third-party manufacturers to undertake limited outsourced processing tasks during the Track Record Period, primarily involving component or module assembly, testing and packaging. We have established a structured management framework to ensure the quality and reliability of outsourced production. Outsourced manufacturers are required to undergo a formal qualification process prior to approval, which typically includes qualification review, on-site audits, sample verification and small-batch trial runs. Approved manufacturers are subject to ongoing tiered management and periodic performance evaluations, jointly conducted by our engineering, planning, quality, logistics and outsourcing management teams.

Our outsourced manufacturing arrangements are generally conducted on an order-by-order basis, with purchase orders placed as needed. Processing fees are determined based on mutually agreed quotations and are typically settled by bank transfer. We grant outsourced manufacturers a limited and non-transferable right to use our intellectual property solely for order fulfillment purposes, subject to confidentiality obligations. Outsourced manufacturers generally provide a warranty covering processing quality for a limited period, and we may terminate the relevant arrangements in the event of material breach, insolvency or failure to meet our operational or compliance requirements.

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QUALITY CONTROL

We are committed to maintaining the highest level of quality across our products. Our comprehensive quality management system ensures full lifecycle quality control. Our quality policy serves as the foundation for all quality-related activities and is guided by the principles of employee involvement, overall quality control, fulfillment of customer quality needs, and systematic continuous improvement toward the “zero-defect” objective. Our quality control team is equipped with advanced inspection instruments and is responsible for formulating, managing and supervising our quality control system. All employees in the quality control team have completed training in quality management systems and regularly undergo training on quality management regulations.

Quality Control over Procurement

We enforce strict supplier audits, evaluating potential partners based on quality track record and regulatory compliance. Only raw materials that pass our qualification and certification process are approved. Throughout the procurement cycle, we maintain full-process quality management, ensuring that all raw materials meet our specifications and environmental compliance standards. We implement multi-layered quality checks, from incoming material inspections to critical material sealing procedures. This proactive approach enables us to minimize quality risks, strengthen supplier accountability, and ensure stable supply chain performance.

Quality Control over Production

We have established a comprehensive quality control system across various stages of our production. Our quality control staff conduct routine inspections and periodic sample checks throughout the entire production process. Our quality control measures include: (i) Quality standards and inspection planning: We formulate and release quality standards and inspection plans; (ii) Incoming material: We perform routine inspections of incoming materials to ensure that only qualified components enter the production line; (iii) In-process monitoring: We conduct in-process quality control patrol inspections, process-wide inspections, and quality control point checks; (iv) Finished product inspection: We conduct inspections and routine reliability tests; and (v) Post-production assurance: We implement re-inspections of inventory and continuous monitoring measures to further strengthen the reliability of our products before delivery.

SALES AND MARKETING

Our sales and marketing strategy focuses on expanding market coverage, strengthening customer relationships and enhancing brand visibility in both domestic and overseas markets. During the Track Record Period, we expanded our sales network and optimized our channel structure. We primarily adopt a direct sales model, supplemented by a limited number of distributors, to serve customers across industries and regions. Leveraging our domestic presence and overseas expansion, we provide pre-sales consultation, technical support and after-sales services, while continuing to enhance our marketing efforts through industry exhibitions, digital channels and ecosystem collaborations to support sustainable business growth.

We have engaged in technical exchanges, scenario validation and discussions regarding potential cooperation opportunities with Huawei. As of the Latest Practicable Date, no transaction or transaction amount had arisen from such potential cooperation, and such interactions had not had any impact on our business operations or financial performance.

Our Sales Network

We are actively expanding into the global market. As of March 31, 2026, we have established 33 offices in Chinese Mainland. We have successively established branches in Vietnam and Mexico, and customer service centers in Thailand and Indonesia, gradually enhancing our competitiveness in overseas markets.

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Our Sales Channel

Our Direct Sales

Under our direct sales model, we engage customers through our in-house sales and technical teams, who work closely with end-users to understand their production needs and provide tailored product configurations and automation solutions. This model enables us to closely monitor pricing, product quality, delivery schedules and after-sales services. During the Track Record Period, revenue generated from direct sales amounted to RMB4,340.3 million, RMB2,677.9 million, RMB2,351.3 million and RMB513.2 million, respectively, representing 95.3%, 93.3%, 93.7% and 95.5% of our total revenue in the corresponding year/period, respectively.

Salient terms of our typical direct sales agreements are as follows:

- *Term and Termination:* Our customers generally make purchases from us on an order-by-order basis. Termination may occur by mutual agreement or by either party upon prior written notice under specified events, including insolvency, material breach, or change of control, with the terminating party, if at fault, paying liquidated damages.
- *Pricing Policy:* We sell our products to direct sales customers at mutually agreed prices, determined by reference to agreed bills of materials and inclusive of installation and related costs, if applicable.
- *Payment and Credit Term:* We generally require our direct sales customers to pay upon mutually agreed terms, which could incorporate requests such as paying certain amounts in advance, or retention of titles before full payments. Generally, credit periods of up to six months are granted, subject to mutual agreement. For the non-injection molding intelligent energy and environmental projects business, payments are typically made based on project milestones, with payments tied to the completion of specific stages of the project.
- *Purchase Amount:* Quantities, prices and VAT rates are specified in individual purchase orders.
- *Delivery and Transfer of Risks:* For domestic sales, freight, insurance and risks during transit are generally borne by us. Products are considered to be delivered upon arrival at the agreed delivery location, and risk of losses will be transferred to customers. For overseas sales, delivery is generally conducted on a FOB basis, pursuant to which the risk of loss will be transferred to customers when products are loaded onto at designated ports of shipment, unless otherwise agreed between the parties.
- *Project Implementation, Installation and Acceptance:* While our standard product sales are generally completed upon delivery and transfer of risks, certain business lines involve additional implementation, installation, testing and acceptance procedures. For our automation system business, contracts generally include installation arrangements following delivery. Final acceptance is conducted after installation and testing are completed, based on agreed technical specifications, and may be deemed accepted if no objection is raised within a specified acceptance period. For our non-injection molding intelligent energy and environmental projects business, contracts typically provide for staged inspection and acceptance, including sub-section acceptance and final completion acceptance. Project completion and customer acceptance are key milestones for confirming performance obligations and project completion, and in certain cases, acceptance may be deemed completed if the customer fails to respond within a prescribed period or has put the project into use.
- *Confidentiality and IP Protections:* Both parties are restricted from disclosing confidential information of the other contractual parties. All business or technical data supplied by us remain our exclusive intellectual properties. Customers may not copy, de-compile, reverse-engineer, print, transmit or disclose such materials to any third party without our prior written consent.

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- Product Warranty:** We typically provide warranties up to 12 months from the date of equipment delivery. During the warranty period, we provide free maintenance and repair services for our equipment, except for intentional damage by customers, normal wear and tear, or other circumstances excluded under the applicable warranty terms.

Our Distributors

During the Track Record Period, we also distributed our products through distributors to supplement our direct sales channels in both domestic and overseas markets. Such distributor sales covered various product categories, with a larger proportion attributable to CNC machining centers. We maintain seller and buyer relationships with distributors. We primarily adopt the distributorship in regions or application scenarios where distributors possess established local market access, customer resources or after-sales service capabilities. Our distributors typically assist in product promotion, customer identification and development, and provision of localized sales support and after-sales services. We believe that such arrangements enable us to expand market coverage, enhance customer responsiveness and improve sales efficiency without materially increasing our fixed sales and service costs. Revenue from sales to distributors is recognized upon delivery of products to the distributors and the transfer of control in accordance with our revenue recognition policies. We do not recognize revenue based on distributors’ subsequent resale to end-customers. We typically do not allow product returns except for cases involving verified quality defects. The following tables set forth the revenue, gross profit and gross profit margins by sales channel.

	Year Ended December 31,						Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Direct Sales	4,340,327	95.3	2,677,895	93.3	2,351,292	93.7	334,211	92.3	513,230	95.5
Distribution	212,379	4.7	193,741	6.7	158,789	6.3	27,803	7.7	24,453	4.5
Total	4,552,706	100.0	2,871,636	100.0	2,510,081	100.0	362,014	100.0	537,683	100.0

	Year Ended December 31,						Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Direct Sales	735,975	17.0	358,204	13.4	658,303	28.0	107,451	32.2	166,984	32.5
Distribution	67,184	31.6	60,902	31.4	50,918	32.1	8,809	31.7	7,725	31.6
Total	803,159	17.6	419,106	14.6	709,221	28.3	116,260	32.1	174,709	32.5

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The following table sets forth the movement in the number of our distributors for the periods indicated.

	Year Ended December 31,			Three Months Ended March 31,
	2023	2024	2025	2026
As of the beginning of the period . .	62	66	92	89
Additions of distributors	29	42	24	11
Termination of distributors	25	16	27	50 ⁽¹⁾
Net increase/(decrease) of distributors	4	26	(3)	(39)
As of the end of the period	66	92	89	50

Note:

- (1) The number of terminated distributors increased in the three months ended March 31, 2026 primarily because we count a distributor as terminated if no revenue is recognized during a year/period. The lack of revenue recognized from them during this period was due to the timing of product delivery and customer acceptance.

We discontinued business relationships with certain distributors during the Track Record Period primarily due to (i) our strategic adjustments in our distribution network for improved efficiency, (ii) their failure to meet sales target, and (iii) change of their business scope or focus stemming from personal reasons. During the Track Record Period and up to the Latest Practicable Date, we did not have any material unresolved disputes or lawsuits with our distributors. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties.

We typically enter into a standard distribution agreement with distributors. Key contractual terms of our distribution agreements include the following:

- *Duration:* The term of our agreement is typically one year.
- *Credit Terms:* We generally require our distributors to pay a portion of the contract amount in advance. The remaining amount is typically settled on credit terms of up to three months from the billing date.
- *Sales Target:* We set sales targets for our distributors. If a distributor fails to meet the applicable sales targets, we may, at our discretion, terminate or not renew the relevant distribution agreements.
- *Designated Sales Territory:* Exclusive geographic areas are designated to avoid regional overlap and cannibalization.
- *Pricing Policy:* Product prices are generally agreed in advance with distributors and may be adjusted through mutual consultation in response to material changes in raw material costs during the cooperation period.
- *Termination:* We may unilaterally terminate cooperation for breaches including cannibalization, confidentiality, malicious damage to our reputation, engagement in competitive business or sustained underperformance, with a formal notice and compliance with contract exit terms.

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Distributor Selection and Management

We adopt a structured approach to the selection and management of distributors, focusing on candidates with relevant industry experience, local market presence and operational capabilities. Our distributor network is organized on a regional basis and overseen by designated regional managers responsible for performance monitoring and operational support. In assessing distributors, we consider factors such as business credentials, reputation, financial condition and compliance history. Given the immaterial revenue contribution from distributors during the Track Record Period, we believe our exposure to channel-related risks is limited. To mitigate such risks, we have implemented internal control measures, including demand-driven inventory management, monitoring of inventory turnover and sell-through performance, defined territorial and product authorizations, and standardized compliance requirements supported by ongoing communication and reporting mechanisms.

Former Employee Distributor

During the Track Record Period, a small number of our distributors were established and controlled by certain former employees of our Group. Such distributors were established after relevant individuals have departed from our Group and were formed based solely on their own independent business decisions and personal commercial interests. To the best of our knowledge, the terms and conditions of our commercial arrangements with such distributors were substantially the same as those applicable to our other distributors, and no preferential treatment was granted. During the Track Record Period, the aggregate revenue generated from distributors controlled by former employees amounted to RMB18.4 million, RMB28.8 million, RMB31.3 million and RMB6.0 million, respectively, representing 0.4%, 1.0%, 1.2% and 1.1% of our total revenue for the corresponding period, respectively. Save as disclosed above, besides the ordinary course distribution arrangement with us, there was no other relationship between the distributors and each of our Company, our subsidiaries, our shareholders, directors or senior management or any of their respective associates.

Pricing

We price our products considering a variety of factors, primarily including (i) customer demands, (ii) raw material costs, (iii) product customization and (iv) competitive landscape of the markets. We adjust the final pricing based on the specific client on a case-by-case basis.

Marketing

As of March 31, 2026, our sales and marketing team consisted of 332 employees. Our sales and marketing team is responsible for identifying market opportunities, analyzing industry trends, and managing client relationships. Its strategic focus on strengthening long-term partnerships with existing customers while actively expanding outreach to potential clients. Offline marketing initiatives primarily include participation in major industry exhibitions and conferences, both domestically and overseas, where we showcase our products and connect with potential clients. Domestically, we participate in major industry events such as China International Plastics and Rubber Industry Exhibition and Topstar Global Open Day. For overseas market expansion, we participate in international industry exhibitions through third-party agents, including plastic and rubber exhibitions in Thailand and Vietnam, as well as the FBC ASEAN exhibition in Vietnam, to promote our products and broaden our international market presence. Online marketing efforts are centered around targeted promotions through our official website, social media accounts, and collaborations with third-party media platforms, aimed at expanding our brand reach and increasing market awareness.

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OUR CUSTOMERS

In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from our five largest customers in each year/period amounted to RMB1,683.4 million, RMB1,251.4 million, RMB1,037.1 million and RMB320.1 million, respectively, accounting for 37.0%, 43.6%, 41.3% and 59.5% of our total revenue in the same periods, respectively. Revenue from our largest customer in each year/period of the Track Record Period accounted for 10.0%, 14.5%, 20.3% and 49.1% of our total revenue, respectively. During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or, to the knowledge of our Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest customers. All of our five largest customers during each year/period of the Track Record Period were Independent Third Parties. The following table sets forth the details of our five largest customers in each period during the Track Record Period.

Rank	Customer	Sales Amount <i>(RMB'000)</i>	Percentage of Total Revenue <i>(%)</i>	Products/Services Purchased	Credit Terms	Business Relationship Since
<i>Year Ended December 31, 2023</i>						
1	Customer A ⁽¹⁾ . . .	456,555	10.0	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2021
2	Customer B ⁽²⁾ . . .	368,452	8.1	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2023
3	Customer C ⁽³⁾ . . .	348,000	7.6	Industrial robots and automation systems	Generally due up to six months from the date of billing	2016
4	Customer D ⁽⁴⁾ . . .	291,515	6.4	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2013
5	Customer E ⁽⁵⁾ . . .	218,861	4.8	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2023
Total		1,683,383	37.0			

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Rank	Customer	Sales Amount (RMB'000)	Percentage of Total Revenue (%)	Products/Services Purchased	Credit Terms	Business Relationship Since
<i>Year Ended December 31, 2024</i>						
1	Customer C ⁽³⁾ . . .	415,864	14.5	Industrial robots and automation systems	Generally due up to six months from the date of billing	2016
2	Customer E ⁽⁵⁾ . . .	336,843	11.7	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2023
3	Customer D ⁽⁴⁾ . . .	192,925	6.7	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2013
4	Customer F ⁽⁶⁾ . . .	176,033	6.1	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2023
5	Customer G ⁽⁷⁾ . . .	129,744	4.5	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2023
Total		1,251,409	43.6			

Rank	Customer	Sales Amount (RMB'000)	Percentage of Total Revenue (%)	Products/Services Purchased	Credit Terms	Business Relationship Since
<i>Year Ended December 31, 2025</i>						
1	Customer C ⁽³⁾ . . .	510,426	20.3	Automation systems	Generally due up to six months from the date of billing	2016
2	Customer D ⁽⁴⁾ . . .	398,123	15.9	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2013
3	Customer E ⁽⁵⁾ . . .	58,401	2.3	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2023
4	Customer H ⁽⁸⁾ . . .	36,504	1.5	CNC machining centers	Generally due up to six months from the date of billing	2024
5	Customer I ⁽⁹⁾ . . .	33,679	1.3	Automation systems	Generally due up to six months from the date of billing	2023
Total		1,037,133	41.3			

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Rank	Customer	Sales Amount (RMB'000)	Percentage of Total Revenue (%)	Products/Services Purchased	Credit Terms	Business Relationship Since
<i>Three Months Ended March 31, 2026</i>						
1	Customer C ⁽³⁾ . . .	264,151	49.1	Automation systems	Generally due up to six months from the date of billing	2016
2	Customer D ⁽⁴⁾ . . .	27,941	5.2	Intelligent energy and environmental projects	Generally due up to six months from the date of billing	2013
3	Customer J ⁽¹⁰⁾ . . .	12,963	2.4	Injection molding equipment	Generally due up to six months from the date of billing	2025
4	Customer K ⁽¹¹⁾ . . .	8,124	1.5	CNC machining centers	Generally due up to six months from the date of billing	2025
5	Customer L ⁽¹²⁾ . . .	6,968	1.3	Industrial robots	Generally due up to six months from the date of billing	2019
Total		320,147	59.5			

Notes:

- (1) A Shenzhen-listed joint stock limited company, headquartered in Hebei, China, with a registered capital of RMB3,309.7 million, specializing in the research, development, manufacturing, and sales of high-efficiency solar wafers, cells, and modules, serving residential, commercial, and utility-scale solar markets with a vertically integrated PV production chain.
- (2) A state-owned enterprise, headquartered in Hunan, China, with a registered capital of RMB2,577.3 million, engaged in building construction, infrastructure development, general contracting, and related engineering services across Chinese Mainland and overseas.
- (3) A limited liability company, headquartered in Guangdong, China, with a registered capital of HK\$7162.1 million, specializing in smart device exterior structures and optical module solutions. Its products are applied in smart digital devices, wearable devices, AR/VR glasses, and the automotive sector, covering mobile glass cover plates, metal housings, touch and fingerprint sensing modules, camera optical glass, sapphire watch panels, and ceramic components.
- (4) A Shenzhen-listed Sino-foreign joint stock company, headquartered in Guangdong, China, with a registered capital of RMB7,247.4 million, focused on manufacturing advanced connectors and electronic components for consumer electronics, communications equipment, and automotive electronics, and supporting global smart manufacturing and supply chain solutions.
- (5) A China-based multinational group, headquartered in Sichuan, China, with a registered capital of RMB200.0 million, specializing in high-purity polysilicon, high-efficiency solar cells and modules, and the development of renewable energy projects, actively promoting sustainable energy solutions.
- (6) A limited liability company, headquartered in Jiangsu, China, with a registered capital of RMB1,512.8 million, specializing in solar energy, with engagement in the research, manufacturing, and application of high-efficiency solar cells.
- (7) A Shanghai-listed joint stock company, headquartered in Jiangsu, China, with a registered capital of RMB2,342.6 million, specializing in providing photovoltaic solutions, with offerings covering solar modules, energy storage products, system solutions, and digital energy services, committed to the development of smart and sustainable energy systems.
- (8) A state-owned holding limited company, headquartered in Beijing, China, with a registered capital of RMB5,000.0 million, specializing in the research, design, development, manufacturing, and servicing of aircraft engines, gas turbines, and related propulsion systems for civil and defense aviation sectors.
- (9) A limited liability company, headquartered in Anhui, China, with a registered capital of RMB1,800.0 million, engaged in the research, development, manufacturing and sale of lithium-ion batteries for power and energy storage applications, and dedicated to supporting new energy vehicle platforms and distributed energy systems.
- (10) A limited liability company, headquartered in Guangdong, China, with a registered capital of RMB100.0 million, specializing in energy management contracting and battery manufacturing, with additional operations covering power electronics, communication equipment, electronic components and related industrial products.
- (11) A limited liability company, headquartered in Guangdong, China, with a registered capital of RMB10.0 million, specializing in the manufacturing of precision hardware products, molds, and mechanical parts and components, with additional engagement in general equipment manufacturing, electronic components, and industrial engineering design services.

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- (12) A provider of electronic manufacturing services, offering design, manufacturing and supply chain services covering consumer electronics, cloud and networking products, computing products and key components, with operations extending to automotive electronics, new energy and semiconductor sectors across Chinese Mainland, Southeast Asia, and other regions.

Third-Party Payment

Background and Reasons

During the Track Record Period, a small number of customers (the “**Relevant Customers**”) settled transactions with us through the accounts of third parties other than the contractual counterparties under the corresponding sales and purchase agreements or relevant parties who assumed unlimited personal liabilities for the payment obligations thereunder (the “**Third-Party Payment Arrangements**”). During the Track Record Period, the third parties designated by the Relevant Customers under the Third-Party Payment Arrangements were primarily designated to meet the Relevant Customers’ internal settlement needs. The third-party payors were related to the Relevant Customers and included, among others, corporate customers such as legal representatives, employees and other related parties, as well as individual business owners such as relatives other than the spouse of the operator, and other affiliated enterprises. As confirmed by Frost & Sullivan, it is not uncommon to settle transactions by such Third-Party Payment Arrangements for convenience and flexibility. In 2023, 2024, 2025, the aggregate amount they settled under the Third-Party Payment Arrangements was less than 0.5% of our total revenue in each period, respectively.

None of the Relevant Customers had made material contribution to our revenue during the Track Record Period. To the best of our knowledge, none of the third-party payors designated by the Relevant Customers is our connected person, and all third-party payors are independent from each of our Directors, senior management, and the Single Largest Shareholder. During the Track Record Period, our Directors confirm that (i) we had not proactively initiated any Third-Party Payment Arrangements or participated in any of such arrangement in other forms, (ii) we had not provided any discount, commission, rebate, or other benefit to any of the Relevant Customers to facilitate or incentivize the Third-Party Payment Arrangements, (iii) the pricing and payment terms of the agreements we entered into with the Relevant Customers were generally in line with customers not involved in the Third-Party Payment Arrangements under similar scenarios, and (iv) the Third-Party Payment Arrangements have been recorded completely and accurately in our accounting books and records in all material respects.

During the Track Record Period, for payments received from the designated third-party payors, we required the Relevant Customers to provide us with the relevant information. Only until we have confirmed that the information submitted by Relevant Customers is consistent with the orders we received, our financial staff were allowed to recognize payments from designated third-party payors of the Relevant Customers and our business staff were allowed to ship our products to the Relevant Customers. We also had Know-Your-Customer procedures in place to have a comprehensive understanding of our customers. Our sales personnel collect information such as registration time, registered capital, operational risk, and the risk level of the client’s country when entering new clients into the system, which then automatically assigns a credit rating based on these factors. Based on the above, we have no basis to believe that the Relevant Customers are involved in fraudulent or money laundering activities, nor any reason to suspect that the Third-Party Payment Arrangements involve proceeds or gains from such activities.

During the Track Record Period and up to the Latest Practicable Date, to the best of our Directors’ knowledge, our Directors confirmed that (i) all settlements were based on bona fide underlying transactions and valid contractual relationships, (ii) the settlement amounts were consistent with the amounts incurred under the relevant underlying transactions, (iii) we were not aware of any instances of commercial bribery, money laundering, tax evasion, or existing or potential disputes with our Group related to the Third-Party Payment Arrangements, (iv) Relevant Customers have not claimed any interests as to any transaction payment to us through the Third-Party Payment Arrangements, and (v) we had not encountered any refund requests, actual or pending dispute or disagreement due to

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Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements. As advised by our PRC Legal Advisor, based on the foregoing, the Third-Party Payment Arrangements were in compliance with applicable PRC laws and administrative regulations in any material respect. To the best of our knowledge, we have not been subject to any penalties, sanctions or investigations imposed by competent authorities in connection with such arrangement in respect of money laundering, terrorist financing or other similar regulatory violations. During the Track Record Period, our Group has not been subject to any material administrative penalties imposed by the PRC tax authorities or other competent authorities in connection with the Third-Party Payment Arrangements.

We completed the establishment and rectification of the relevant internal control policies and procedures in respect of Third-Party Payment Arrangements. We ceased the Third-party Payment Arrangement on January 9, 2026. We believe that this termination has not had, and will not have, a material adverse effect on our business, liquidity or financial performance, given that (i) payment made under the Third-party Payment Arrangements represented an insignificant percentage of our total revenue during the Track Record Period, and (ii) the rectification of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Customers to us, (iii) we have not experienced any decline in sales or number of customers while our business scale continued to grow, nor have any customers altered their relationship with us as a result of the cessation of Third-party Payment Arrangement. For risks related to the Third-Party Payment Arrangements, see “Risk Factors — Risks Relating to Our Business and Industry — We face risks in connection with Third-Party Payment Arrangements by our customers.”

Enhanced Internal Control

To safeguard our interest against risks associated with Third-Party Payment Arrangements, we have significantly enhanced and implemented various internal control measures. We have enhanced our Receipt Management Measures to strictly regulate third-party payments. As a general rule, payments must be made from the customer’s own account; third-party payments are allowed only in the following limited circumstances and are subject to documentation, verification and internal approval: (i) the third-party payor being a designated payment entity within the customer’s group, in which case the potential third-party payor must also confirm their payment obligations as a signatory to the agreement; (ii) for sole proprietorships/individual businesses, payments may be made only by the actual operator or the operator’s spouse, with a business licence (operator) or household registration/marriage certificate (spouse) retained on file; or (iii) payments made through a financial institution under a financing arrangement, where the relevant contract requires the institution to remit on the customer’s behalf and the remittance includes clear payment remarks identifying the customer. Payments that do not meet these requirements will not be accepted.

Additionally, we have tightened payment requirements for all transaction types, and require that payments for certain orders be made strictly on a direct, corporate-to-corporate basis, regardless of transaction size. We have ceased accepting third-party payments that do not meet our internal requirements. Any non-compliant third-party payments received are returned through the original payment channel, and customers are required to make payment directly in accordance with our policies. Our finance and accounting functions also regularly monitor collection status through centralized internal systems, track the proportion and nature of third-party payments. Sales personnel are required to maintain updated collection plans and explanations for outstanding receivables, while the finance team conducts ongoing reviews and records to ensure proper recognition and compliance.

We regularly check the effectiveness of our internal control measures in relation to the Third-Party Payment Arrangements. Based on the follow-up review on the implementation of measures, our Directors are of the view that the above measures are effective and adequate in ensuring the accuracy and completeness of our accounting books and records and preventing Third-Party Payment Arrangements and its associated risks.

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OUR SUPPLY CHAIN

Procurement

We formulate our procurement plans dynamically, taking into account historical demand, sales forecasts, inventory levels, R&D needs, and market expansion strategies. Our procurement process generally includes three phases, namely, procurement planning, product manufacturing, inspection and delivery. Our procurement team develops procurement plans based on sales projections from our sales and marketing team and project demand. We also consider our inventory levels and the production schedules of our production base. Once procurement plans are finalized, we issue purchase orders to raw material suppliers pursuant to procurement plans. Raw material suppliers deliver raw materials to our production base, who then manufacture the products according to our specifications. Upon completion, our production base conducts testing and inspection, and stores the products. Our on-site quality control team closely monitors and manages the entire process to ensure adherence to our quality standards. After passing inspection, the finished products are delivered to our warehouse. We then arrange logistics based on customer’s required timing and location to ensure timely delivery.

For our intelligent energy and environmental projects business line, procurement is conducted on a project-driven basis. We first formulate the overall project plan and technical solution based on customer requirements. We then identify and select appropriate suppliers to execute specific procurement and implementation tasks in accordance with the approved plan. The selected suppliers are responsible for execution and on-site implementation, while we are primarily responsible for on overall project coordination, quality control and final delivery to customers. Given the project-based nature of this business, procured items are typically delivered directly to project sites for installation.

To mitigate supply chain risks and price volatility, we closely monitor raw material costs through market trend analysis, supplier negotiations, and periodic price assessments. We strategically adjust inventory levels based on anticipated price fluctuations, ensuring an optimal balance between cost control and supply stability. During the Track Record Period and up to the Latest Practicable Date, we did not experience quality issues or shortages with our procurement that materially affected our operations. During the Track Record Period and up to the Latest Practicable Date, we had not adopted any hedging policies for fluctuations in the prices of raw materials.

Suppliers

Supplier Selection and Management

We typically engage reputable suppliers with proven track records to ensure product quality. We have established a supplier management system covering selection, evaluation, performance monitoring and potential disengagement to maintain supply chain stability, cost efficiency and quality compliance. Supplier selection is based on factors such as cost competitiveness, delivery reliability, quality assurance and technical capabilities, with new suppliers subject to qualification procedures including capability assessment, certification and contractual arrangements. Existing suppliers are regularly evaluated and categorized based on performance, and those failing to meet requirements may be subject to corrective actions, reduced procurement or termination. We also conduct periodic training to enhance suppliers’ understanding of quality and compliance requirements.

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Key Arrangements with Suppliers

We generally procure from suppliers on an order-by-order basis, and may enter into annual framework agreements to set out general terms. Purchase orders specify key terms such as product type, price, quantity and delivery schedule. Payment terms vary depending on transaction size and product type, and we typically settle payments within credit periods of 30 to 90 days. Suppliers are required to meet agreed quality standards and bear liability for defects, and must comply with our anti-bribery requirements.

Major Suppliers

Our suppliers primarily comprise manufacturers and providers of components, raw materials and auxiliary parts used in our industrial robots and automation systems, injection molding equipment, CNC machining centers, and intelligent energy and environmental projects including suppliers of raw materials such as steel, aluminum, wires and cables, as well as auxiliary parts such as sensors, pneumatic components, bearings, fasteners, connectors, electrical components and other supporting industrial parts, and other production materials. During the Track Record Period, purchases from our five largest suppliers in each year/period amounted to RMB228.0 million, RMB289.2 million, RMB285.2 million and RMB67.5 million, respectively, representing 7.2%, 12.7%, 14.7% and 20.8% of our total purchases, respectively. In addition, purchases from our largest supplier in each year/period accounted for 1.7%, 3.8%, 4.0% and 8.3% of our total purchases in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. During the Track Record Period, none of our Directors, their respective associates, nor 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. None of our major suppliers are our major customers and vice versa. All of our five largest suppliers during each year/period of the Track Record Period were Independent Third Parties.

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Overlapping Customers and Suppliers

The following table sets forth the details of our major customers being also a supplier, and our major supplier being a customer, during the Track Record Period:

Customer/ Supplier	Ranking	Year/Period of being a customer (Year)	Revenue (RMB in thousands)	% of our total revenue	Nature of revenue	Year/Period of being a supplier (Year)	Purchase (RMB in thousands)	% of our total purchase	Nature of purchase	Overlapping Reason
Supplier A ⁽¹⁾	Among the five largest suppliers in 2023	The three months ended March 31, 2026 2025	-	-	-	The three months ended March 31, 2026 2025	-	-	-	Supplier A outsourced to us the implementation of a stereoscopic warehouse project that it had undertaken. In connection with this project, Supplier A procured our automation systems, including automated warehouse system production lines, for use in such project. Separately, we purchased certain warehousing and logistics systems from Supplier A for our own production and project implementation needs.
		2024	15	0.0%	Automation systems	2024	-	-	-	
		2023	240	0.0%		2023	44,019	1.4%	Mass-production line warehousing and logistics systems	
Supplier B ⁽²⁾	Among the five largest suppliers in 2024 and 2025	The three months ended March 31, 2026 2025	251	0.0%		The three months ended March 31, 2026 2025	2,392	0.7%	Labor services	Supplier B procured power distribution cabinets and other auxiliary equipment from us for use in its injection molding electromechanical projects. At the same time, we engaged Supplier B to provide labor services in connection with the implementation of certain electromechanical engineering.
		2024	950	0.0%	Injection molding equipment	2024	51,277	2.6%		
		2023	1,522	0.1%		2023	85,380	3.8%		
			759	0.0%			11,211	0.3%		
Supplier C ⁽³⁾	Among the five largest suppliers in 2024, 2025 and for the three months ended March 31, 2026	The three months ended March 31, 2026 2025	-	-	CNC machining centers	The three months ended March 31, 2026 2025	19,935	6.1%	CNC operating systems	Supplier C purchased motors from us, which were used in its production and testing processes to better accommodate the material we supplied. At the same time, we procured CNC operating systems from Supplier C to support the operation of our CNC machining centers.
		2024	11	0.0%		2024	77,008	4.0%		
		2023	-	-		2023	83,258	3.7%		
			-	-			38,979	1.2%		
Supplier D ⁽⁴⁾	Among the five largest suppliers in 2025	The three months ended March 31, 2026 2025	-	-		The three months ended March 31, 2026 2025	4,993	1.5%	Labor services	Supplier D procured fan filter unit from us for the implementation of its integrated electromechanical projects, while we procured labor services from Supplier D to support the implementation of certain projects under our intelligent energy and environmental projects business.
		2024	43	0.0%	Intelligent energy and environmental projects	2024	47,045	2.4%		
		2023	-	-		2023	24,715	1.0%		
			-	-			6,677	0.2%		

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Customer/ Supplier	Ranking	Year/Period of being a customer (Year)	Revenue (RMB in thousands)	% of our total revenue	Nature of revenue	Year/Period of being a supplier (Year)	Purchase (RMB in thousands)	% of our total purchase	Nature of purchase	Overlapping Reason
Supplier E ⁽⁵⁾	Among the five largest suppliers in 2025	The three months ended March 31, 2026	–	–	–	The three months ended March 31, 2026	1,704	0.5%	Loading and unloading machines and barcode scanning machines	Supplier E procured automation systems for their automated manufacturing equipment production needs, while we purchased loading and unloading machines and barcode scanning machines from Supplier E for our own production and project implementation needs.
		2025	102	0.1%	Automation systems	2025	63,568	3.3%		
		2024	776	0.0%		2024	16,040	0.6%		
		2023	1,096	0.0%		2023	39,087	1.2%		
Supplier F ⁽⁶⁾	Among the five largest suppliers in 2025	The three months ended March 31, 2026	100	0.0%	Injection molding equipment	The three months ended March 31, 2026	5,115	1.6%	Labor services	Supplier F acted as our authorized distributor and procured auxiliary equipment, robotic manipulators and components from us for onward sale to its end customers. At the same time, we procured labor services from Supplier F to support certain project implementation activities.
		2025	654	0.0%		2025	46,283	2.4%		
		2024	1,956	0.1%		2024	28,440	1.1%	–	
		2023	1,152	0.0%		2023	32,686	1.0%	–	
Supplier G ⁽⁷⁾	Among the five largest suppliers for the three months ended March 31, 2026	The three months ended March 31, 2026	33	0.0%	Industrial robots	The three months ended March 31, 2026	27,100	8.3%	Lamination and assembly machines	Supplier G procured automation systems for their production needs, while we purchased lamination and assembly machines from Supplier G for our own production and project implementation needs.
		2025	53	0.0%		2025	12,565	0.6%		
		2024	–	–		2024	7,850	0.3%		
		2023	–	–		2023	–	–		
Supplier H ⁽⁸⁾	Among the five largest suppliers for the three months ended March 31, 2026	The three months ended March 31, 2026	12	0.0%	Injection molding equipment	The three months ended March 31, 2026	6,435	2.0%	Labor services	Supplier H procured electrical cabinets and related accessories from us for their injection molding electromechanical projects, while we purchased labor services from Supplier H to support certain project implementation activities.
		2025	362	0.0%		2025	11,028	0.5%		
		2024	655	0.0%		2024	11,622	0.5%		
		2023	389	0.0%		2023	11,583	0.3%		
Supplier I ⁽⁹⁾	Among the five largest suppliers for the three months ended March 31, 2026	The three months ended March 31, 2026	300	0.1%	Injection molding equipment	The three months ended March 31, 2026	6,205	1.9%	Labor services	Supplier I procured electrical cabinets and related accessories from us for their injection molding electromechanical projects, while we purchased labor services from Supplier I to support certain project implementation activities.
		2025	257	0.0%		2025	24,738	1.2%		
		2024	840	0.0%		2024	25,613	1.0%		
		2023	–	–		2023	7,656	0.2%		

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Customer/ Supplier	Ranking	Year/Period of being a customer (Year)	Revenue (RMB in thousands)	% of our total revenue	Nature of revenue	Year/Period of being a supplier (Year)	Purchase (RMB in thousands)	% of our total purchase	Nature of purchase	Overlapping Reason
Customer A . . .	Among the five largest customers in 2023	The three months ended March 31, 2026	-	-	-	The three months ended March 31, 2026	-	-	-	Customer A, in connection with its plant renovation projects, transferred certain reusable materials arising from dismantled facilities to us for use in the electromechanical installation projects we carried out for Customer A. At the same time, we sold spare parts to Customer A as part of our normal business operations.
		2025	4,754	0.2%	Intelligent energy and environmental projects	2025	-	-	-	
		2024	-	-	-	2024	106	0.0%	Spare parts	
		2023	456,555	10.0%	Intelligent energy and environmental projects	2023	3,982	0.1%		
Customer L	Among the five largest customers for the three months ended March 31, 2026	The three months ended March 31, 2026	6,968	1.3%	Industrial robots	The three months ended March 31, 2026	-	-	-	Customer L procured automation systems for their production needs, while we mainly purchased video software and the associated hardware key from them to install into our automation systems
		2025	11,201	0.4%		2025	-	-	-	
		2024	15,525	0.5%		2024	206	0.0%	Video software,	
		2023	141,441	3.1%		2023	5,538	0.1%	hardware key and linear guide.	
Notes:										
(1)	Supplier A is a limited liability company headquartered in Shanxi, China, and primarily engaged in the research, development, manufacture and sales of industrial robots. Its registered capital amounted to RMB100.0 million.									
(2)	Supplier B is a limited liability company headquartered in Guangdong, China, and primarily engaged in the research, development, design, manufacture and sales of automated manufacturing equipment and automation systems. Its registered capital amounted to RMB10.0 million.									
(3)	Supplier C is a limited liability company headquartered in Beijing, China, and primarily engaged in the manufacture of optoelectronic products, as well as the development of optoelectronic products, provision of installation, testing, maintenance, technical consulting and technical services for its self-produced products, and the development and production of ancillary software. Its registered capital amounted to US\$27.9 million.									
(4)	Supplier D is a limited liability company headquartered in Guangdong, China, and primarily engaged in residential interior decoration, external contracting of construction projects and installation and maintenance services for residential water and electricity systems. Its registered capital amounted to RMB5.0 million.									
(5)	Supplier E is a limited liability company headquartered in Guangdong, China, and primarily engaged in the research, development and sales of automation equipment and intelligent machinery. Its registered capital amounted to RMB10.0 million.									
(6)	Supplier F is a limited liability company headquartered in Shanghai, China, and primarily engaged in technology development, technical services and automation control systems. Its registered capital amounted to RMB10.0 million.									
(7)	Supplier G is a limited liability company headquartered in Chengdu, China, and primarily engaged in software development, information system integration, and the research, development and design of industrial automation control systems. Its registered capital amounted to RMB7.0 million.									
(8)	Supplier H is a limited liability company headquartered in Shenzhen, China, and primarily engaged in professional technical services, including the research, development, design and sales of industrial automation control systems, water purification equipment and power distribution components. Its registered capital amounted to RMB10.0 million.									
(9)	Supplier I is a limited liability company headquartered in Dongguan, China, and primarily engaged in building decoration and renovation, as well as the sales and maintenance of air-conditioning and electromechanical equipment. Its registered capital amounted to RMB2.0 million.									

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According to Frost & Sullivan, it is common in the automated manufacturing equipment industry that a supplier of a market player may also be its customer or vice versa, due to their relatively broad range of business activities ranging from R&D, production, sales of products, as well as their participation in various stages of industrial manufacturing and engineering implementation, and the level of our Group’s overlapping of customers and suppliers is not anomalous compared with the industry norm. Our products primarily serve industrial enterprises by enhancing their manufacturing efficiency and automation capabilities, while certain components and auxiliary materials used in our manufacturing activities are sourced from such enterprises as suppliers. As a result, certain industrial enterprises may simultaneously act as our customers and suppliers in our respective ordinary courses of business.

In addition, our purchases of labor services mainly arise from our intelligent energy and environmental projects business, which is more project-oriented in nature and involves on-site engineering implementation at locations designated by our customers. For certain projects under this business line, we engage external labor service providers to supply qualified construction and engineering personnel to support on-site installation, commissioning and other engineering works. Negotiations of the terms of our sales to and purchases from these overlapping customers and suppliers were conducted on an individual basis with their different respective group entities by responsible personnel from different departments of our Group, and the sales of products or provision of services to them and our purchases of products or procurement of labor services were neither inter-connected nor inter-conditional with each other. In certain cases, these labor service providers may also procure machinery or components from us in connection with their own engineering or equipment integration projects or for their other manufacturing or service activities.

Our Directors confirmed that there is no overlap in the products sold/purchased or services rendered/received for each of the overlapping customers and suppliers, and all of our sales to and purchases from these overlapping customers and suppliers were entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on arm’s length basis.

INTERNATIONAL TRADE

During the Track Record Period, our revenue generated from overseas markets amounted to RMB502.7 million, RMB600.6 million, RMB659.8 million, RMB43.2 million and RMB142.9 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 11.0%, 20.9%, 26.3%, 11.9% and 26.6% of our total revenue for the respective periods. Among which, revenue generated from sales to the United States amounted to RMB4.4 million, RMB8.6 million, RMB0.05 million, RMB0.003 million and RMB0.37 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 0.1%, 0.3%, 0.0%, 0.0% and 0.1% of our total revenue for the respective periods. International geopolitical developments, including changes in international trade policies, export controls, economic sanctions and other import and export restrictions, may affect cross-border business activities. During the Track Record Period and up to the Latest Practicable Date, such factors have not resulted in any material adverse impact on our overall business operations or financial performance.

Tariffs and Trade Restrictions

Recent trade tensions, including the ongoing U.S.–China trade dispute, have resulted in the implementation of tariffs, export controls and other restrictive measures affecting goods traded between the two countries. During the Track Record Period, sales to the United States accounted for only a small portion of our total revenue, and accordingly, adjustments to U.S. tariff policies did not have a material direct or indirect impact on our financial performance. Further, we had not experienced any material order cancellations or operational disruptions that were attributable to changes in U.S. tariff policies during these periods. Therefore, we believe that the potential impact of future changes in U.S. tariff, export controls and other restrictive policies on our business operations, financial performance and long-term development outlook will remain limited.

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Customs Clearance and Order Cycle

Due to enhanced export control-related procedures in certain jurisdictions, the average customs clearance time for certain of our cross-border shipments increased from approximately 3-4 days to up to 12-16 days, resulting in an extension of the overall order cycle by approximately 9-12 days. While such delays have not materially affected our ability to fulfil customer orders during the Track Record Period, they may affect delivery scheduling and short-term working capital turnover.

INFORMATION SECURITY AND DATA PRIVACY

We recognize that the confidentiality, integrity, and availability of our data are essential to our operations. We adhere to evolving data security and privacy laws and regulations, ensuring that our business and transaction data is managed with the highest standards, including Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》), Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》), Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》).

Data Collection, Usage and Transfer

Our business does not involve the collection or processing of personal information from individual consumers. We primarily collect employees’ personal data necessary for employment purposes and a limited amount of contact information of customers or suppliers for business and contractual needs. We mainly process business-related data, including customer and supplier background information, transaction data and operational statistics. Data is stored locally by the relevant entity, and we do not share or transfer such data to third parties without prior consent, unless required by law or regulatory authorities. We do not engage in cross-border data transmission.

Measures Safeguarding Information Security

During the Track Record Period, for effective information and cybersecurity management, we have established internal policies and a series of procedures. Key of these internal policies and procedures include:

- **Network Security:** Our systems are protected through the deployment of firewalls, intrusion detection and prevention tools, and endpoint protection software. Redundancy is built into our network architecture to support stable and secure data transmission. We also conduct regular monitoring of vulnerability assessments and penetration testing to identify and mitigate potential risks in a timely manner.
- **Data Protection and Privacy:** We have established protocols for the secure handling, storage and transmission of data. These include the use of encryption technologies, role-based access controls and scheduled data backups. Access to sensitive information is restricted to authorized personnel, with permissions managed centrally by our IT department.
- **Employee Training and Awareness:** We provide regular training programs to employees to reinforce awareness of information security responsibilities and best practices. Employees are required to comply with confidentiality obligations and internal security policies.
- **Disaster Recovery and Business Continuity:** We maintain a disaster recovery and business continuity framework designed to minimize operational disruption in the event of unforeseen incidents. This includes daily system health checks, verification of backup integrity and periodic testing of recovery procedures.

During the Track Record Period, we did not experience any breach of confidential information of customers or any other customer information related incidents which could cause a material adverse effect on our business, financial condition or results of operations.

BUSINESS

COMPETITION

The automated manufacturing equipment industry in which we operate is highly competitive and characterized by rapid technological evolution. Automated manufacturing equipment refers to automated manufacturing equipment integrated with software featuring data collection, data analysis, data feedback, execution and control functions, featuring higher levels of digitization and automation via embedded software. In 2024, the market size of automated manufacturing equipment market in Chinese Mainland has reached RMB1,013.9 billion.

The competitive landscape of intelligent manufacturing equipment industry in Chinese Mainland is relatively concentrated. We compete with players whose businesses include industrial robots and automation systems, injection molding equipment, and CNC machining centers. We face intense competition in areas including control algorithms, vision systems, motion control units, as well as automated production, flexible processing, and intelligent detection. We believe that our diversified product portfolio, extensive sales and distribution network, and one-stop capability to integrate software, hardware, and industrial workstations enable us to serve a broad customer base. In addition, our advanced technological capabilities, specifically in the integration of sensing, computing, and control, differentiate us from our competitors and provide us with long-term competitive advantages. See “Industry Overview.”

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Governance

ESG Governance

We continue to invest resources, committing to building and continuously improving an ESG governance system with clear responsibilities, efficient operations, and effective supervision, proactively adapting to the macro trend of low-carbon transition. At the same time, we systematically identify and analyze the core demands of key stakeholders and fully integrate them into our strategy, operational decisions, and execution processes. We have established an ESG governance organizational structure covering our entire Group. We adopt a top-down two-level management system, laying a solid foundation for long-term sustainable development.

The Board of Directors coordinates our Group’s sustainable development efforts. It is responsible for making decisions on material ESG matters, ESG strategies and ESG targets. Its main functions include: (i) fully considering ESG factors when reviewing major transactions or strategic decision adjustments, and establishing an ESG management system; (ii) reviewing and approving the ESG report annually, as well as the disclosure of major ESG governance information; (iii) reviewing and approving material ESG matters and response plans for major ESG-related risks; and (iv) continuously participating in ESG-related skills enhancement or professional training.

The Board authorizes the management to carry out ESG management. The management establishes an ESG working group as the specific management body for ESG work. Its main functions include: (i) formulating, implementing, and reviewing ESG policies, management methods, action strategies, and measures; (ii) conducting identification and assessment of material ESG topics; (iii) identifying, assessing, prioritizing, and managing material ESG-related risks and opportunities; (iv) monitoring and evaluating our ESG performance as well as goal setting and progress; and (v) understanding the latest market trends and peer performance in ESG.

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The table below summarizes the impacts of identified material ESG-related risks and opportunities and the main response measures.

ESG Risk	Potential Impact	Response Plan
Climate Change Risk	<ul style="list-style-type: none"> • Stricter carbon emission management requirements • Frequent occurrence of extreme weather events 	<ul style="list-style-type: none"> ➢ Establish a legal tracking mechanism to iterate carbon emission management according to relevant laws and regulations ➢ Formulate ex-ante and ex-post preventive measures based on identified climate risks
Environmental Compliance	<ul style="list-style-type: none"> • Production interruptions or fines caused by environmental issues • Higher environmental requirements from customers leading to increased environmental pressure 	<ul style="list-style-type: none"> ➢ Strengthen monitoring, statistics, analysis, and review of key environmental performance ➢ Continuously follow up on customer requirements for key environmental information (e.g., energy consumption, ISO, waste management requirements)
Labor Management	<ul style="list-style-type: none"> • Risks involving customer audits and foreign market access 	<ul style="list-style-type: none"> ➢ Carry out employment compliance management and improve human capital efficiency
Product Responsibility	<ul style="list-style-type: none"> • Product quality and safety is a non-negotiable standard. Product quality control risks may lead to major operational risks such as product recalls, market loss, and litigation compensation 	<ul style="list-style-type: none"> ➢ Always prioritize product responsibility in business operations ➢ Conduct full-process quality control management from design to after-sales ➢ Set key production indicators to ensure 100% compliance with key indicators
Business Ethics	<ul style="list-style-type: none"> • Issues such as corruption and bribery will lead to serious operational risks for the enterprise 	<ul style="list-style-type: none"> ➢ Strengthen the identification and detection of overall corruption risks to ensure clean internal operations ➢ Continuously improve the coverage and effectiveness of anti-corruption training to create a clean and upright corporate atmosphere

We have formulated various ESG targets based on 2025 levels and will continuously track and review them: (i) ensure production and office premises strictly comply with relevant national and local environmental regulations, with no major environmental violations occurring; (ii) ensure wastewater, exhaust gas, and solid waste generated during production and operations meet current national and local environmental emission standards; (iii) reduce electricity consumption intensity by 5% by 2035, compared with 2025 levels; and (iv) reduce water consumption intensity by 5% by 2035, compared with 2025 levels.

Setting the above targets will help us reduce energy and resource usage costs while avoiding direct fines resulting from environmental violations. We plan to implement the following measures to ensure the achievement of these targets: (i) implement zoned lighting control in production base and office premises, carry out air conditioning temperature regulation, and reduce power consumption; (ii) prioritize the procurement and use of water-saving equipment to continuously improve water resource use efficiency; (iii) optimize production processes and workflows, improve resource utilization efficiency, reduce resource waste, and implement the circular economy; and (iv) post promotional materials for energy saving and consumption reduction in office premises to improve employees’ awareness of water and electricity conservation.

Compliance Management

We integrate ESG concepts into our compliance management system, with a governance structure comprising the Board, management and functional departments. We review applicable laws and regulations across our operations and value chain, and promote compliance through employee training and internal processes to ensure our products meet regulatory requirements and stakeholder expectations.

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Business Integrity

In our operations, we strictly comply with national and local laws and regulations such as the *Anti-monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. We have formulated special policies for different stakeholders such as employees, customers, and suppliers, building a business ethics governance framework covering the entire value chain. Regardless of the business area or organizational level involved, acts that seriously violate business ethics and legal baselines will be dealt with seriously upon discovery, and corresponding responsibilities will be pursued in accordance with our policies and national laws. We have also established a systematic and regularized integrity education and anti-corruption training mechanism, regularly conducting integrity culture cultivation and anti-corruption training for all employees. We held a total of eight anti-corruption training sessions in 2023, six in 2024, two in 2025, and three in the three months ended March 31, 2026. As of March 31, 2026, we have not been involved in any legal proceedings regarding corruption or related non-compliance incidents.

We value and are committed to maintaining smooth and secure reporting channels. We support and encourage employees and relevant parties to truthfully report suspected corrupt acts through various channels such as our dedicated reporting hotline, email, and letters. We will conduct in-depth investigations based on the clues provided. If corrupt acts are found, we will transfer relevant personnel to judicial authorities in accordance with the law. Meanwhile, we fully protect the information and legitimate rights and interests of whistleblowers, implement strict confidentiality measures for whistleblower identity and department information, and explicitly prohibit any form of retaliation or harm against whistleblowers and witnesses.

Environmental

Environmental Metrics

		Year Ended December 31,			Three Months Ended March 31,
Metric ⁽¹⁾	Unit	2023	2024	2025	2026
<i>GHG Emissions</i> ⁽²⁾					
Scope 1 emissions	tCO ₂ e	275.58	367.50	203.13	85.03
Scope 2 emissions	tCO ₂ e	1,902.91	3,199.67	4,747.54	584.70
Scope 3 emissions	tCO ₂ e	855.13	469.86	657.80	117.52
GHG emissions intensity	kgCO ₂ e/RMB'000	0.666	1.406	2.234	1.464
<i>Resource Use</i>					
Purchased electricity ⁽³⁾	kWh	3,546,234.50	5,962,867.68	8,847,448.20	1,089,629.60
Purchased electricity intensity. .	kWh/RMB'000	0.779	2.076	3.525	2.027
Water consumption	Cubic meters	44,673.00	64,229.00	107,949.00	24,158.00
Water consumption intensity . .	Cubic meters/RMB'000	0.010	0.022	0.043	0.045
<i>Waste</i>					
Generation of non-hazardous waste.	Kg	4,760	3,860	1,410	519
Non-hazardous waste generation intensity	Kg/RMB'000	0.001	0.001	0.001	0.001

Notes:

- (1) The relevant values in the metrics are estimated numbers calculated based on the available data collected from our Group's major operating locations.
- (2) The calculation of greenhouse gas emissions follows the Guidelines for Enterprise Greenhouse Gas Emission Accounting and Reporting (Trial) issued by the General Office of the National Development and Reform Commission. Scope 1 (direct) emissions cover greenhouse gas emissions directly generated by operations owned or controlled by the Group. Scope 2 (indirect) emissions cover greenhouse gas emissions from indirect energy consumption resulting from the use of purchased electricity in our operations. Scope 3 (other indirect) emissions arise from the Group's value chain.
- (3) The scope of statistics for 2024 has been expanded compared to 2023.

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Energy Management

We attach importance to the management of energy and resources in our operations and have formulated internal policies. We reduce electricity consumption during operations through a series of measures, such as reasonable planning of electrical equipment and premises. We have constructed distributed solar photovoltaic power generation facilities on the roof of the workshop.

Water Resources Management

We comply with applicable laws and regulations, including the Water Law of the PRC, and promote water conservation in our operations. We have implemented measures such as using water-saving appliances, monitoring water usage and inspecting for leakage, and enhancing employee awareness through ongoing initiatives to support efficient use of water resources.

Emissions Management

We strictly comply with applicable emissions-related laws and regulations in the jurisdictions where we operate, and have established internal policies to systematically control wastewater, exhaust gas, solid waste, and hazardous waste generated during operations. We continuously promote classified management of emissions in our operations. We entrust qualified units to treat all wastewater generated during our operations. We collect and treat general industrial solid waste and domestic garbage centrally, and actively promote recycling. We also implement closed-loop management of hazardous waste throughout the entire process from generation, storage, and transfer to disposal, and entrust third-party institutions with professional qualifications for compliant disposal.

Environmental Compliance Management

We are well aware of the importance of environmental protection, strictly complying with applicable laws and regulations. We are committed to optimizing production processes based on business characteristics, regulating emissions management, ensuring operational compliance, and reducing the negative impact of operations on the environment. We have formulated and implemented internal policies, clarifying environmental management responsibilities. We established an Environmental Safety Committee with dedicated safety and environmental protection engineers thereunder to coordinate the implementation and execution of various environmental protection measures. Our Group has obtained ISO 14001 Environmental Management System certification. We conduct internal compliance audits annually and accept supervisory audits by third-party certification bodies every three years to maintain the effectiveness and compliance of the management system. During the Track Record Period, we did not experience any environmental violations resulting in relevant penalties.

Climate Change

We have preliminarily identified risks posed by climate change to our business, primarily including physical risks and transition risks. Physical risks mainly stem from extreme weather such as typhoons, rainstorms, and floods. To this end, we have formulated and implemented internal policy documents, and prepared emergency supplies such as flood control sandbags, high-intensity flashlights, and rescue ropes to avoid or mitigate major economic losses or major equipment damage accidents caused by extreme weather, ensuring the personal safety of employees and the basic operation of key facilities in emergencies. Transition risks mainly stem from changing regulatory requirements, with regulators in various regions continuously raising compliance and disclosure standards for GHG emissions and resource utilization. We will further deepen the identification and response to climate risks and opportunities, to actively cope with the uncertainties and challenges brought by climate change.

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Social

Employee Rights and Benefits

We always adhere to the protection of employee rights and interests, strictly complying with applicable labor employment laws and regulations. We promise to provide a fair, respectful, and inclusive working environment for all employees, and earnestly safeguard employees' legitimate rights and interests in terms of working hours and rest/leave, compensation and benefits, career development, and labor safety. We promise not to discriminate in hiring or provide unequal treatment based on candidates' or employees' ethnicity, race, skin color, nationality, culture, gender, or religious beliefs, continuously promoting the construction of a diverse and inclusive culture. We firmly prohibit any form of forced labor and the use of child labor, strictly verifying employee identity and age information during recruitment and employment management. We have opened anonymous reporting channels. If relevant violation clues are discovered or received, we encourage employees to report through their direct supervisors or the human resources department. We also provide support and remedies to affected employees, such as job adjustments or psychological assistance.

In terms of remuneration and benefit protection, we adhere to the distribution principles of remuneration based on position, reward based on labor and high pay for high performance, have established a market-competitive remuneration system, and conduct regular salary surveys and adjustments to ensure that our remuneration levels are internally equitable and externally attractive. We make statutory contributions to social insurance and housing provident funds for employees, and provide benefit arrangements such as paid leave, holiday benefits, dormitory allowances, communication subsidies, health checkups, basic commercial insurance, and car purchase and usage subsidies. At the same time, by considering industry characteristics and the actual needs of our employees, we continuously optimize the structure and enrich the content of our benefits, providing employees with support covering various aspects such as life, health and development, thereby effectively safeguarding their rights to labor remuneration.

We also attach great importance to employee care, regarding employees' physical and mental health and work experience as important parts of talent management, and continuously improve our employee care mechanisms, striving to enhance employees' sense of gain and belonging. We have established a Gratitude and Care Fund to provide practical support for employees encountering sudden major difficulties. When employees or their immediate family members suffer from serious illnesses or major accidents resulting in heavy medical and living burdens, they may apply for fund subsidies according to procedures.

Occupational Health and Safety

We have formulated policies and have strictly implemented the responsibility system for production safety, building a production safety responsibility system covering all employees and the entire process. Key indicators such as the rectification rate of hidden dangers and the incidence of work-related injury accidents are included in the performance assessment of management personnel at all levels, linked to evaluation, awards, and bonus distribution, promoting the effective implementation of safety responsibilities.

In terms of risk prevention and control, we establish a dual prevention mechanism regarding the graded control of safety risks and the identification and remediation of hidden hazards, regularly identifying hazard sources, formulating control measures, and systematically preventing major safety risks. In 2025, we upgraded safety protection equipment in production areas, improved ventilation and lighting in the working environment, and ensured sufficient provision of labor protection supplies and equipment. Through a combination of "physical defense + technical defense," we systematically reduce occupational health risks and build a solid line of defense for production safety. We also pay work-related injury insurance and supplements accidental injury insurance for all employees in accordance with the law, organizes annual occupational health checkups for all staff, and adds special inspection items for high-risk positions to fully protect the physical and mental health of employees. During the Track Record Period, we recorded zero work-related fatalities and did not experience any major safety accidents.

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Employee Training and Development

We focus on employee training and development, building a systematic employee training system to support employees’ personal growth and our long-term development. We scientifically determine training directions based on business strategy and employee needs analysis, providing new employees with induction training covering corporate culture, rules and regulations, and job skills, and regularly carrying out professional skills and cutting-edge topic training for incumbent employees. At the same time, we also offer a series of leadership and management courses for high-potential key employees and managers at all levels to systematically improve their strategic vision and team management capabilities. We implement the *Mentor Incentive System*, encouraging experienced key employees to pass on professional knowledge and skills, and combining methods such as experience sharing by excellent employees to ensure that training content is both practical and innovative.

Responsible Supply Chain

We deeply integrate the concepts of responsibility and sustainability into our supply chain management. Through stringent entry standards, regular performance evaluations and dynamic exit mechanisms, we implement full life-cycle management for our suppliers. Based on a series of policies such as the *Supplier Control Procedure* and the *Incoming Material Inspection Control Procedure*, we systematically evaluate and manage suppliers’ operational compliance, quality level, delivery assurance and business compatibility. We practice the concept of green procurement, integrating it throughout all stages of raw material selection and our value chain. In procurement, we give preference to environmentally compliant raw materials and services under the same conditions; in operations, we systematically assess and introduce circular economy models to enhance resource efficiency. These initiatives, while ensuring business development, continuously reduce our environmental footprint.

Product Responsibility

We strictly comply with applicable laws and regulations such as the *Product Quality Law of the People’s Republic of China*, the *Standardization Law of the People’s Republic of China*, and the *Law of the People’s Republic of China on the Protection of Consumer Rights and Interests*. We have formulated internal policy documents such as the *Incoming Material Inspection Control Procedure*, *Intellectual Property Management System*, and *Customer and External Provider Property Control Procedure* to embed quality requirements into full lifecycle management processes in a institutionalized and standardized manner, ensuring all links comply with local laws and regulations, industry standards, and internal company norms. We have obtained ISO 9001 Quality Management System certification. We conduct internal compliance audits annually and accept supervisory audits by third-party certification bodies annually.

Customer Service

We are committed to continuously improving customer experience, delivery performance, and after-sales response. We have formulated policy documents such as the *ITR Issue to Resolution* process, *CRM Single Machine Maintenance Work Order Processing Process*, *BPM Customer Complaint Management Process*, and *Customer-side Quality Issue Closed-loop Form* to standardize customer service and complaint handling processes, effectively safeguarding customer rights and service experience. We have opened multiple customer complaint channels, including 400-service hotline, official accounts, emails, WeChat, and customer service systems, continuously optimizing customer service. We have established a closed-loop management process covering the three major links of issue acceptance, processing, and closure.

Social Contribution

By aligning our business characteristics with societal needs, we fulfill our corporate citizenship responsibilities through diverse means such as cash and in-kind donations and support for rural revitalization. We actively collaborate with charitable organizations and community groups, encourage employee participation in volunteer services, and enhance our sense of social responsibility.

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EMPLOYEES

As of March 31, 2026, we had a total of 2,127 full-time employees. During the Track Record Period and up to the Latest Practicable Date, the majority of our employees were based in Chinese Mainland.

Function	Number	Percentage of Total Number
R&D and Technology	803	37.8%
Manufacturing	614	28.9%
Sales and marketing	332	15.6%
Administrative	318	15.0%
Finance	60	2.8%
Total	2,127	100.0%

We enter into standard employment agreements with our employees to cover matters regarding confidentiality, intellectual property, employment, commercial ethics and non-competition, in particular, the non-competition provision and confidentiality provision effective during and after their employment with us.

We highly value the potential of our employees and have invested substantial efforts and resources in recruiting and training our employees. In addition to sourcing through recruitment websites and campus recruitment, we have also implemented an internal referrals policy to attract potential talent to join us. In light of the long-term benefits of talent cultivation, we provide internal training programs to our employees periodically to enhance their technical know-how and solidify their knowledge and expertise for the industry.

As required by applicable laws and regulations, we participate in various government statutory employee benefit plans, including social insurance plans, namely pension, medical, unemployment, work-related injury and maternity insurance plans, and housing provident funds. During the Track Record Period, we did not make full contributions to social insurance and housing provident fund for certain employees as required by the relevant PRC laws and regulations. Please see “Risk Factors — Risks Relating to our Business and Industry — Failure to make adequate contributions to various employee benefit plans as required by regulations may subject us to penalties.” As of the Latest Practicable Date, we have not made any provision for such outstanding contributions or potential penalties in our financial statements, as we believe the likelihood of material penalties being imposed is remote.

We have implemented and will continue to implement internal control measures to enhance compliance with applicable social insurance and housing provident fund contribution requirements under relevant PRC laws and regulations, including: (i) designating our human resources department to regularly review and monitor the reporting and contribution of social insurance and housing provident funds; (ii) communicating, and continuing to communicate, with our employees to seek their understanding and cooperation in complying with the applicable contribution bases, and gradually adjusting the applicable contribution bases in accordance with regulatory requirements and guidance from competent government authorities; and (iii) consulting our PRC legal advisors on relevant PRC laws and regulatory developments, including those relating to social insurance and housing provident funds, and providing relevant employees with compliance training on such matters.

We believe that we maintain good working relationships with our employees, and we have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date. Some of our employees form labor unions. As of the Latest Practicable Date, our employees had not negotiated their terms of employment through any labor union or by way of collective bargaining agreements.

BUSINESS

INSURANCE

We maintain insurance coverage for our operations, including employer-related insurance, property all risk insurance, cargo transportation insurance and production safety liability insurance. We regularly review our insurance policies to ensure compliance with applicable laws and regulations and believe our coverage is generally in line with industry practice. During the Track Record Period, we were not subject to any material insurance claims. However, our insurance coverage may not fully cover all potential losses or liabilities. See “Risk Factors — Risks Relating to our Business and Industry — Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers, which would affect our business, financial condition and results of operations.”

PROPERTIES

Land

As of March 31, 2026, our Company and Major Subsidiaries together owned and occupied the land use rights of six land parcels relating to production and business operations in Chinese Mainland, with an aggregate GFA of approximately 261,562.7 sq. m., which were mainly used for manufacturing, business and office purposes. As of March 31, 2026, we had obtained all land use rights certificates for all land parcels we owned and occupied.

Buildings or Units

As of March 31, 2026, we owned 22 buildings or units in Chinese Mainland with an aggregate GFA of approximately 555,497.1 sq. m., which were mainly used for manufacturing, business and office purposes. We did not own any buildings or units overseas.

As of March 31, 2026, we had obtained building ownership certificates for 21 of our owned buildings in Chinese Mainland, representing an aggregate GFA of approximately 554,841.1 sq. m. As of the same date, we had not obtained the building ownership certificate for one building in Chinese Mainland with an aggregate GFA of 656 sq. m. due to the lack of relevant construction permits. The absence of the relevant construction permit was primarily due to an administrative oversight during the construction process. Under applicable PRC laws and regulations, construction permits are generally required prior to commencement of construction; however, as of the Latest Practicable Date, we have not received any order for rectification or administrative penalty from the relevant authorities in relation to the above building. This building is currently leased to third parties as an investment property and is not used for our own production or business operations. The investment property referred to above primarily relates to the aforesaid building, which is located in Dongguan City, Guangdong Province, PRC, that is not currently required for our own production or operational use. In order to improve asset utilization, we lease out such premises to third-party tenants from time to time. The tenants of these investment properties primarily comprise enterprises engaged in technology services, manufacturing and other supporting commercial activities. The leased premises are mainly used as office space, production support facilities or ancillary commercial facilities. The lease arrangements are typically entered into for fixed lease terms with fixed monthly rental payments. We generally lease out these premises when they are temporarily not required for our own business operations or when there is surplus space within our facilities. The leasing arrangements are primarily property leasing in nature and we do not provide material ancillary services in connection with such leases, other than granting the tenants the right to use the premises during the lease term.

Lease Properties

As of March 31, 2026, we leased 96 properties with a total GFA of 24,397.4 sq. m. Among them, three leased properties are in Mexico, Vietnam and Indonesia, respectively, with a total GFA of approximately 5,791.0 sq. m. These properties were mainly used as our offices, dormitories and production base. Certain lessors of our leased properties in Chinese Mainland with a GFA of approximately 15,811.9 sq. m. had not provided us with the relevant property ownership certificates. Our leases generally have a term ranging from one to five year(s). We are generally allowed to terminate lease agreements with a prior notice, which provides us with operational flexibility, albeit usually at the cost of forfeiting deposits and/or

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paying a termination fee. Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. As of the Latest Practicable Date, we had not completed lease registration for all our leased properties in Chinese Mainland, with a GFA of more than 10,000 sq. m. According to the relevant PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As advised by our PRC Legal Advisors, the lack of registration of the lease agreements does not affect the validity of such lease agreements.

Property Valuation

According to Rule 5.01A of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is subject to the requirements of section 38(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include a valuation report with respect to part of our Group’s interests in land or buildings, as we had two property interests forming part of property activities that have a carrying amount of 1% or more of our consolidated total assets as of the Latest Practicable Date. Colliers Appraisal and Advisory Services (Shanghai) Co., Ltd., an independent property valuer, has valued the relevant property interests as of May 31, 2026. Particulars of our property interests are set out in “Appendix III — Property Valuation Report” to this document. Save for the property interests disclosed in Appendix III to this document, no single property interest that forms part of non-property activities has a carrying amount of 15% or more and no single property interest that forms part of property activities has a carrying amount of 1% or more, of our consolidated total assets.

INTELLECTUAL PROPERTY

Our intellectual property rights are critical to our business operations. As of March 31, 2026, we had 262 invention patents and 361 utility model patents in Chinese Mainland, and we did not have any authorized patents overseas. As of the same date, we had 361 registered trademarks and 90 registered software copyrights in Chinese Mainland and 37 registered trademarks overseas. See “Appendix VII — Statutory and General Information — Further Information about our Business — Our Intellectual Property Rights” for further details of our intellectual property portfolio.

We primarily acquire patents through self-development. As of the Latest Practicable Date, we owned our patents as well as patent applications. We safeguard our intellectual property through trademarks, trade secrets and other intellectual property laws, as well as confidentiality agreements signed with our employees. We specify all rights and obligations regarding the ownership and protection of intellectual properties in all employment agreements we entered into with our employees. In addition, we require employees to sign standard agreements stipulating that any service inventions, trade secrets, and R&D achievements acquired during their service with us shall be our assets and that the titles of such achievements shall be transferred to us. During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business.

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LICENSES, APPROVALS AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in Chinese Mainland and overseas. We are required to renew such certificates, permits and licenses from time-to-time, and we are continuously overseeing the compliance with the relevant laws and regulations. Set out below are the licenses and permits held by us and our subsidiaries.

Pollutant Discharge Permit or Registration

Holder	Certificate Name	Certificate Number	Address of Production and Business Premises	Issuing Authority	Grant Date	Expiry Date
Our Company	Registration Receipt for Fixed Pollution Source Discharge (《固定污染源排污登記回執》)	91441900663304451G002Z	No. 35-1 Lianhuan Road, Dalingshan Town, Dongguan City, Guangdong Province, PRC	/	July 6, 2025	July 5, 2030
Our Company	Permit for Discharge of Municipal Sewage into Drainage Pipelines (《城鎮污水排入排水管網許可證》)	(Yue Guan Pai) [2025] No. 1180180	No. 35-1 Lianhuan Road, Lianping Village, Dalingshan Town, Dongguan City, Guangdong Province, PRC	Dongguan Municipal Ecology and Environment Bureau (東莞市生態環境局)	July 9, 2025	July 8, 2030
Jiangsu Topstar Robot Co., Ltd. (江蘇拓斯達機器人有限公司)	Registration Receipt for Fixed Pollution Source Discharge (《固定污染源排污登記回執》)	91320506MA1P3D0R4G001Z	South of Wusong Road and East of Guoxiang Avenue, Guoxiang Sub-district, Suzhou Wuzhong Economic Development Zone, Suzhou City, Jiangsu Province, PRC	/	May 25, 2022	May 24, 2027
Jiangsu Topstar Robot Co., Ltd. (江蘇拓斯達機器人有限公司)	Registration Receipt for Fixed Pollution Source Discharge (《固定污染源排污登記回執》)	91320581MA20WJ0B7F001Z	No. 128 Huangpujiang Road, Changshu National Hi-tech Industrial Development Zone, Changshu City, Jiangsu Province, PRC	/	December 15, 2021	December 14, 2026
Dongguan AFMING Numerical Control Equipment Technology	Registration Receipt for Fixed Pollution Source Discharge (《固定污染源排污登記回執》)	91441900345450963N001X	Room 202, Building 2, No. 35 Lianhuan Road, Dalingshan Town, Dongguan City, Guangdong Province, PRC	/	August 18, 2025	August 17, 2030
Topstar Intelligent Environment (Dongguan)	Registration Receipt for Fixed Pollution Source Discharge (《固定污染源排污登記回執》)	91441900MA51PPF3G001W	No. 39 Lianhuan Road, Dalingshan Town, Dongguan City, Guangdong Province, PRC	/	July 1, 2024	June 30, 2029

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Customs Filing Receipt for Import and Export Consignees and Consignors/Registration Certificate for Customs Declaration Entity

Holder	Qualification Information	Customs Filing Code	Filing/Registration Customs Authority	Date of Filing/Registration	Expiry Date
Our Company	Importer and Exporter of Goods	441996399E		July 3, 2019	
Topstar Intelligent Technology	Importer and Exporter of Goods	44199639PQ		March 12, 2015	
Topstar Intelligent Environment (Dongguan)	Importer and Exporter of Goods	4419961EKY		August 16, 2021	
Dongguan Topstar Intelligent Equipment Co., Ltd. (東莞拓斯達智能裝備有限公司) . . .	Customs Declaration Enterprise	4419980AGE	Pu Chang'an (埔長安關)	June 19, 2025	Long-term
Dongguan Topstar Intelligent Equipment Co., Ltd. (東莞拓斯達智能裝備有限公司) . . .	Importer and Exporter of Goods	4419963JH4		June 19, 2025	
Dongguan AFMING Numerical Control Equipment Technology	Importer and Exporter of Goods	4419960RCP		July 28, 2016	

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal. As advised by our PRC Legal Advisors, we have obtained all material licenses, permits and approvals required for the conduct of its business operations throughout the Track Record Period and up to the Latest Practicable Date.

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received during the Track Record Period and up to the Latest Practicable Date.

Award/Recognition	Award Year	Awarding Institution/Authority
Dongguan Pilot Scale Test Platform .	2025	Dongguan Municipal Science and Technology Bureau
“Scenario Application Ingenuity Award” at the 2025 Embodied AI Humanoid Robot Yanshi Awards .	2025	the Humanoid Robot Scenario Application Alliance
China Top 10 Innovative Enterprises in Embodied AI	2025	EO Intelligence

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<u>Award/Recognition</u>	<u>Award Year</u>	<u>Awarding Institution/Authority</u>
2025 Series of Typical Cases of Private Enterprises Developing New Quality Productive Forces (Technological Innovation and Industrial Innovation Category) . .	2025	the General Office of the All-China Federation of Industry and Commerce (ACFIC)
“High-Quality Enterprise in Controllers” within the 2025 Humanoid Robot Industry Chain Control evaluation	2025	Shenzhen Gaogong Consulting Co., Ltd.
High-tech enterprises	2024	Department of Science and Technology of Guangdong Province Department of Finance of Guangdong Province Guangdong Provincial Taxation Bureau of State Administration of Taxation
Guangdong Industrial Design Center	2024	Department of Industry and Information Technology of Guangdong Province
National Green Supply Chain Management Enterprise	2023	Ministry of Industry and Information Technology of the People’s Republic of China National Intellectual Property Office
National IP Preferential Enterprises .	2023	National Intellectual Property Office
Leader in the Intelligent Robotics Value Chain in Guangdong Province	2023	Department of Industry and Information Technology of Guangdong Province
National Green Plant	2023	Ministry of Industry and Information Technology of the People’s Republic of China

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become involved in various legal proceedings in the ordinary course of our business. See “Risk Factors — Risks Relating to our Business and Industry — We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, financial condition and results of operations.” During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, according to our PRC Legal Advisor, we had complied with all relevant laws and regulations applicable to us in all material respects concerning our operations. For more information about the laws and regulations applicable to us, please see “Regulatory Overview.”

BUSINESS

INTERNAL CONTROL AND RISK MANAGEMENT

We have developed and implemented risk management policies and internal control measures in relation to our business operations, financial reporting, and general compliance. We design a comprehensive set of policies to identify, analyze, manage and monitor various risks, and periodically assess and update our risk management policies; our Board is responsible for overseeing the overall risk management and internal control; our Audit Committee is authorized to review and evaluate our financial control, risk management and internal control system; we will adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; and we will continue to organize training sessions for our directors and senior management with respect to the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

Internal Control on Data Privacy Policy

To ensure compliance with applicable laws and industry best practices, we have implemented rigorous data protection policies and measures governing the collection, processing, storage, and usage of personal information. We conduct compliance assessments when collecting data with notification to users and log records of the collection process. We strictly process data in a manner that protects the legitimate rights of data subjects. We process data for a specific and reasonable purpose and limit our data processing activities to the minimum scope for achieving that purpose. We require that information and data we receive in Chinese Mainland be stored and preserved within Chinese Mainland. After collecting information, we take appropriate measures, such as data encryption and de-identification processing, to ensure customer and consumer privacy and prevent data leakage. We also have clear and strict authorization and authentication procedures and policies in place. Our employees only have access to data that is directly relevant and necessary for their responsibilities and for limited purposes, and they are required to verify authorization upon every access attempt.

Internal Control on Protection against Counterfeit Products

We take measures to combat counterfeit products and protect our brand integrity. Our distributors are contractually prohibited from selling counterfeit products, and we encourage consumers to report unauthorized use of our brands. We also promote consumer awareness of our authentic products and maintain a dedicated team to monitor and handle counterfeiting matters. Where appropriate, we may take legal or other actions against counterfeit activities.

Internal Control of Anti-Bribery and Anti-Corruption

We have implemented an anti-bribery and corruption policy which requires our employees to conduct business legally and ethically. Our anti-bribery and corruption policy prohibits our employees from offering unauthorized payments, such as bribes, kickbacks, or benefits to any third party in order to secure or reward an improper benefit. They are also not allowed to accept or solicit any such unauthorized payment. Our anti-bribery and corruption policy also prohibits other misconduct, such as misappropriation, embezzlement, fraud or other illegal activities. Any violation of the policies could result in dismissal and financial fines. Moreover, we also require our distributors, suppliers and other business partners to undertake anti-bribery commitment in writing that prohibits gifts, rebates, facilitation fees and other illegitimate conduct. Any breach of such commitment could result in termination of collaboration agreements and penalties as appropriate.