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OVERVIEW

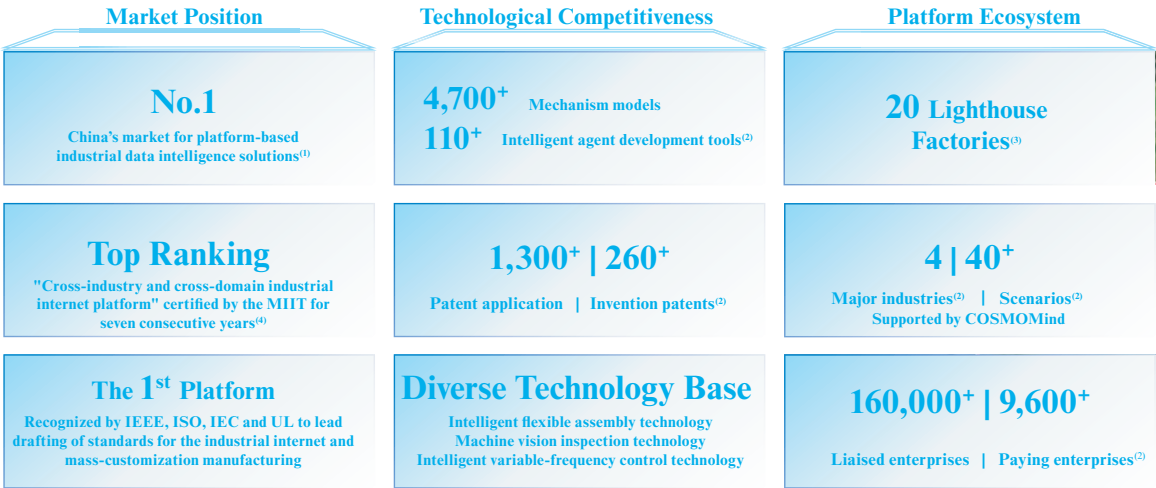
Who We Are

We are a provider of industrial intelligence products and solutions, comprising Internet of Things (“**IoT**”) products (variable-frequency controllers and system controllers) and data intelligence solutions. Our products and solutions are dedicated to the intelligent transformation of our customers in various industrial sectors. Our IoT products are software-embedded controller hardware installed in customers’ end devices. Our data intelligence solutions are delivered through platform-level software, application-level industrial software, intelligent agents, system integration services and, where required, third-party hardware equipment. According to Frost & Sullivan, we ranked first among platform-based industrial data intelligence solution providers in China by revenue in 2025, with a market share of 1.7%. We ranked first among edge intelligent controllers in China’s home appliance industry by revenue in 2025, with a market share of 4.3%. We have independently developed the COSMOPlat Industrial Internet Platform (“**COSMOPlat**”) powered by industrial large models and built a technology architecture that integrates industrial software, intelligent agents, industrial operating systems and industrial brains with IoT systems and edge computing devices. Leveraging our COSMOPlat and unified technology architecture, we offer IoT products and data intelligence solutions which combine local device processing with cloud-based support that enables data collection at the hardware level and decision-making support at the cloud layer. Our products and solutions have achieved commercialization at scale, with over 9,600 paying enterprises in various industry verticals such as home appliances, machinery equipment, electronics, automotive and energy and chemicals.

Our COSMOPlat is driven by industrial large models and rooted in our mass customization experience and Haier Group’s 40-year manufacturing experience. It is one of the first platforms to be put on the list of “cross-industry and cross-domain industrial internet platforms” certified by the Ministry of Industry and Information Technology (“**MIIT**”) and has maintained top ranking on the list for seven consecutive years. Centered on the value-driven transformation of industrial data, our COSMOPlat integrates technologies such as the IoT, big data, and artificial intelligence, decomposing the full manufacturing process into seven modules — demand interaction, research and development, marketing, procurement, production, logistics and services — and encapsulating the complex processes of industrial enterprises into replicable and scalable industrial software products and integrated edge-cloud solutions. In practical terms, COSMOPlat provides the foundations for industrial software systems, reusable components for industrial applications, data governance capabilities, model capabilities and intelligent-agent development tools that support our IoT products and data intelligence solutions. Leveraging the capabilities of COSMOPlat, we provide a portfolio of products and solutions and deliver an integrated product and service system. See “— Our Products and Solutions” in this section for details.

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After years of development, we have achieved significant progress across various business areas as of the Latest Practicable Date:



Notes:

- (1) Based on 2025 revenue with a market share of 1.7%, according to Frost & Sullivan.
- (2) As of March 31, 2026.
- (3) As of the Latest Practicable Date.
- (4) From 2019 to 2025.

Our Market Opportunities

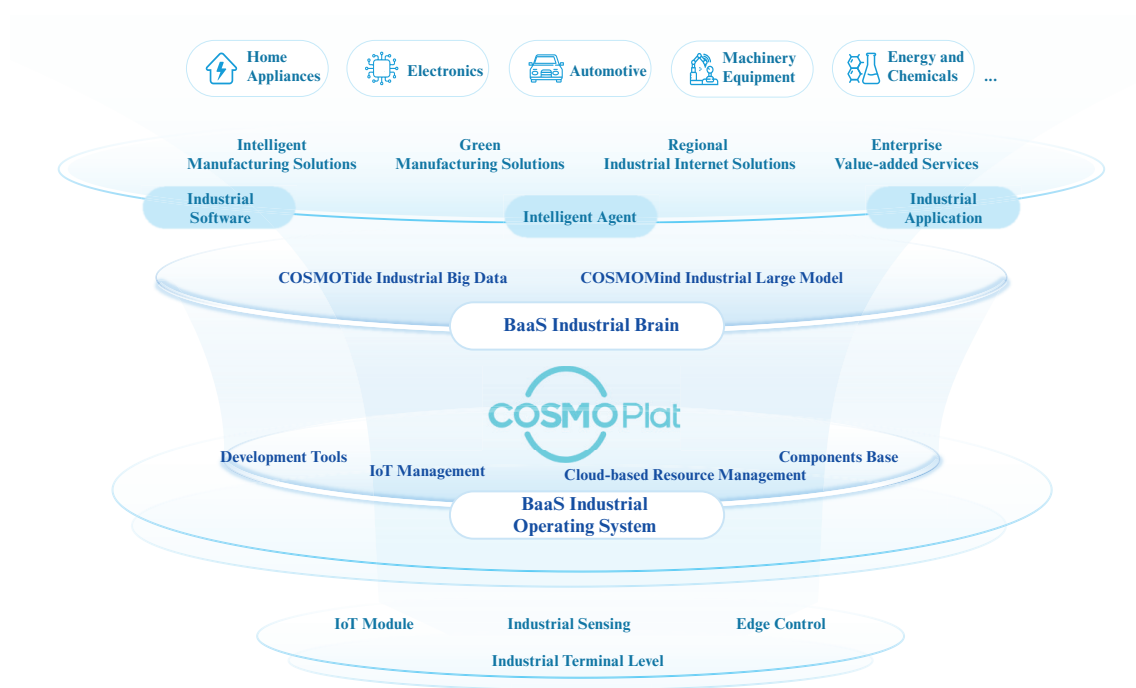
In the digital economy era, enterprises on both the demand and supply sides face strong and ongoing needs for intelligent upgrades. Enterprises increasingly seek to embed intelligence into products to better capture and respond to customer needs, enhance user experience and support full-lifecycle product management, while also upgrading manufacturing and operational processes to improve efficiency, flexibility and cost control. According to Frost & Sullivan, the market size of industrial intelligence solutions in China reached RMB2.2 trillion by 2025, representing a CAGR of 9.2% from 2021 to 2025, and is expected to reach RMB3.7 trillion by 2030, representing a CAGR of 10.8% from 2026 to 2030.

Despite strong demand, industrial enterprises continue to face challenges in intelligent transformation, including difficulty coordinating multiple industrial systems across research and development, production and logistics, fragmentation caused by siloed automation and information systems, and low data value conversion efficiency resulting from heterogeneous data structures, incompatible software systems and persistent data silos. In addition, the application of AI in industrial scenarios is constrained by the lack of industry-specific large models. Industrial data is highly fragmented and heterogeneous across enterprises, scenarios and verticals, making it difficult to form unified training datasets. As a result, general-purpose large models face limitations in meeting the specific needs of industrial production, highlighting the necessity for industry-adapted large models and intelligent agents. Within the AI-driven intelligent enterprise architecture, industrial internet platforms are increasingly becoming the foundation for processing multisource, heterogeneous industrial data and supporting the deployment of industrial intelligent agents, serving as the core engine for enterprise intelligence upgrades.

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Our COSMOPlat

Our COSMOPlat is built around a business best practice as a service (“**BaaS**”) engine, which includes the BaaS Industrial Brain and the BaaS Industrial Operating System. Our COSMOPlat provides unified connectivity interfaces to underlying industrial terminals and offers standardized, user-friendly and open development and deployment interfaces to industrial software and intelligent agent applications. This allows the platform to deliver modular, ready-to-deploy enterprise-grade industrial internet platform solutions to enterprises, and provides fast, efficient and modular deployment capabilities for industrial intelligence products and solutions. Our COSMOPlat has accumulated years of industry expertise and know-how and has grown into a foundational platform driven by industrial large models. The following chart sets forth the architecture of our COSMOPlat industrial internet platform and various related business relationships.



We independently developed COSMOPlat and have progressively advanced its underlying technologies and functional modules over time. The development history of COSMOPlat is set out below:

- 2017 — The initial launch of COSMOPlat.
- 2019 — Upgraded COSMOPlat’s capabilities in connectivity, knowledge accumulation, computational analytics, ecosystem integration and security, improving deployment and iteration efficiency.
- 2020 — Advanced COSMOPlat’s data, simulation, customization and security capabilities and introduced the BaaS engine.
- 2022 — Enhanced COSMOPlat’s data-processing, analytics and digital-twin functionalities.
- 2023 — Reinforced COSMOPlat’s large-scale connectivity, industrial big-data processing and industrial large-model applications, and introduced the BaaS Industrial Brain.
- 2024 — Strengthened COSMOPlat’s data capabilities and added functional modules relating to industrial large models and data-element infrastructure.
- 2025 — Upgraded COSMOPlat’s data and intelligence capabilities, leveraging its COSMOMind Industrial Large Model to build a next-generation industrial brain.

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BaaS Industrial Operating System is the core technology behind the COSMOPlat. It brings together essential functions such as industrial IoT connectivity, modern cloud infrastructure, and resource management. With these capabilities, the system enables comprehensive connectivity of industrial elements, allows shared use of common tools, and helps coordinate activities across production process. It also allows customers to flexibly mix and match system components, application components, and industrial applications. This flexibility satisfies enterprises’ needs for intelligence customization, lowers the cost and effort required for intelligence transformation and provides reliable support for rolling out industrial internet solutions at scale.

BaaS Industrial Brain is built on BaaS Industrial Operating System. BaaS Industrial Brain uses data as production factor, integrating digital technology, intelligence technology and industrial knowledge, and provides users with industrial software, industrial intelligent agents and other products. The BaaS Industrial Brain consists of two core capability components: COSMOTide Industrial Big Data and COSMOMind Industrial Large Model.

COSMOTide is an AI-ready intelligence processing engine for industrial sectors. It has an architecture that consists of a data lakehouse, data middle platform and intelligent governance capabilities, providing full-lifecycle management capabilities for industrial data, including multisource heterogeneous data aggregation, multimodal data storage, industrial data governance and analysis, AI-based query, and AI dataset toolchains. It eliminates data silos and supports millisecond-level queries and full-element data governance. It has been adopted across home appliance, energy and chemicals, energy and carbon industry verticals, helping enterprises achieve data-driven decision-making and intelligence transformation.

COSMOMind is the first industrial large model in China built on an industrial internet platform. To address challenges in industry verticals such as insufficient data supply, high model-training costs and weak business-scenario alignment, and drawing on Haier Group’s more than 40 years of manufacturing experience and the expert models and robust multimodal datasets accumulated on the COSMOMind Industrial Big Data, our independently developed COSMOMind offers advanced capabilities in areas such as industrial knowledge fusion and retrieval, achieving a retrieval accuracy rate of 93%. Following a “one industry, one model” strategy, we have developed industry-specific large models for enterprises in home appliances, energy and chemicals, energy and carbon industries, supporting intelligent applications across major industrial scenarios including research and development design, production manufacturing, operations services and dual-carbon management.

Our COSMOPlat provides the following functional features:

Full-domain connectivity: Through extensive protocol support and efficient data-access capabilities, the platform enables full connectivity across devices, applications and data, and providing a stable and efficient connectivity foundation for industrial internet applications.

Robust industrial data value-add: By integrating the full workflow from device IoT connectivity, data governance and algorithm modeling to application development, the platform helps enterprises achieve value-driven data transformation around key scenarios.

The integration of AI and industrial scenarios: Through the combination of industrial data and industry know-how, COSMOPlat enables the application of AI technologies in various industrial scenarios, helping customers optimize production processes, improve equipment maintenance, and accelerate research and development innovation.

Comprehensive security and reliability: Our COSMOPlat has established a comprehensive security operation management system, covering data security protection, code security protection, application security protection, access security protection, and network security protection.

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Open and collaborative ecosystem: Our COSMOPlat has created an open source community in the field of industrial internet, providing developers and independent software vendors with technical exchange, code hosting, agent development tools, robust industrial data sets, knowledge bases, expert models and other resources.

Our Financial Performance

During the Track Record Period, we achieved strong operating results and financial performance. The number of paying enterprise customers increased from over 7,600 as of January 1, 2023 to over 9,600 as of March 31, 2026, representing an approximately 26% growth. Revenue from our data intelligence solutions increased by 68.2% from RMB1,149.4 million in 2024 to RMB1,933.4 million in 2025. Revenue from our data intelligence solutions increased by 41.4% from RMB273.2 million in the three months ended March 31, 2025 to RMB386.2 million in the three months ended March 31, 2026. Our loss for the year of RMB82.7 million in 2023 turned into a profit for the year of RMB65.1 million in 2024, and our profit for the year increased to RMB220.5 million in 2025. Our profitability continuously improved during the Track Record Period.

OUR COMPETITIVE STRENGTHS

Early-Mover Advantage and Differentiated Competitive Strengths in China’s Industrial Digital Intelligence Market

Since 2017, we have developed and operated COSMOPlat, a cross-industry and cross-domain industrial internet platform, positioning us among the early participants in China’s industrial digital intelligence solutions market. Leveraging our accumulated technical capabilities and extensive experience in industrial operations, we have progressively expanded our application scenarios from the home appliance industry to multiple key industrial sectors, including machinery and equipment, electronics, automotive, and energy and chemicals, forming a differentiated competitive positioning across industries. Since 2019, COSMOPlat has ranked first for seven consecutive years on the list of cross-industry and cross-domain industrial internet platforms released by the Ministry of Industry and Information Technology. According to Frost & Sullivan, ranked by revenue in 2025, we ranked first in China’s platform-based industrial data intelligence solutions market, with a market share of 1.7%.

Built on COSMOPlat’s data intelligence technology architecture, we focus on integrating artificial intelligence technologies into real-world manufacturing scenarios. We have independently developed COSMOMind, an industrial large model built on an industrial internet platform, which is designed for industrial scenario understanding, knowledge-based question answering and logical reasoning. Based on our capabilities in industrial foundation large models, we have further developed an industry-specific petrochemical large model covering the entire industry chain and value chain, as well as an energy-carbon large model derived from Lighthouse Factory practices. These models have been deployed across dozens of industrial scenarios through extensive customer projects, supporting customers’ digital and intelligent transformation with validated use cases.

We actively participate in the formulation of industry standards. We have led or participated in the development of 17 international standards and 108 national and industry standards. We are the only platform approved by all four major international standardization organizations — IEEE, ISO, IEC and UL — to lead the formulation of international standards relating to industrial internet and mass customization. In addition, we are the first non-European Union enterprise invited by GAIA-X, the European cloud federation, to participate in the joint development of its platform.

Our track record and early-stage investments in industrial internet platforms, large-model technologies and industry standards have contributed to the recognition of our brand among customers. As a result, customers are able to assess our capabilities based on prior implementation experience and publicly recognized standards, reducing the need for extensive preliminary validation. This lowers customers’ evaluation costs and shortens decision-making cycles. Furthermore, our industrial large-model capabilities, built upon extensive scenario-level

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deployment and industry know-how, enable us to adapt pre-trained model capabilities to common industry needs more efficiently, reduce customization costs, and deliver modularized and standardized solutions, thereby shortening project implementation cycles.

A Business Model driven by AI Technology System

We have gradually developed an AI-driven flywheel that operates through four steps: data accumulation, model iteration, intelligent agent deployment and industrial value realization. Based on our deep understanding of massive amounts of know-hows, information and complex scenarios in the industrial field, we have built an integrated AI technology system that includes training and inference platform, large models, intelligent agent development and application platforms, which becomes more capable the more it is used, creating a durable competitive advantage.

Data accumulation: We enable customers to collect real-time, standardized data across all of their key processes. Using technologies such as blockchain and privacy computing, we ensure secure and compliant data sharing so that fragmented data can be converted into reusable, high-value data assets. Over time, we have built robust datasets through standardized data collection and governance for various industries, including home appliances, energy and chemicals, energy and carbon — covering equipment operations, quality inspection, energy management and other core scenarios, providing a strong foundation for training industry-specific AI models.

Model iteration: Our COSMOMind combines traditional mechanism models and AI algorithms with advanced AI techniques. We use methods such as small-sample learning and reinforcement learning to rapidly adapt the model to the unique industry needs while making adjustments or integration based on different industry scenarios. As COSMOMind is applied in more cross-industry and cross-scenarios, the combination of robust datasets, multimodal industrial algorithms and mechanism models makes the model increasingly accurate, efficient and scalable.

Implementation of agent applications: Based on our COSMOMind, we have embedded intelligent agents directly into real manufacturing workflows and built agents for more than 40 core scenarios across four major industries. The number of agents has reached 93 as of the Latest Practicable Date, and their functions have become more diverse. With low-code and no-code development tools and natural-language interaction, users can quickly understand and use these agents while also contributing to the improvement of these agents, allowing rapid implementation of intelligent agents.

Industrial Value Realization: We drive industrial value creation by deploying intelligent agents across real-world use cases, attracting customers from an expanding range of industries into our platform ecosystem and extending value across multiple business scenarios. Through applications such as process optimization, equipment management, and intelligent energy-carbon solutions, we participate deeply in customers’ core activities spanning production and manufacturing, operations and maintenance, and energy management in order to enhance operational efficiency. Our intelligent agents enable intelligent control of industrial processes, shortening process-adjustment cycles, improving equipment O&M efficiency, and reducing energy consumption and related costs. By embedding AI throughout the full manufacturing process, we deliver end-to-end value enhancement for customers across industries.

Effective Customer Acquisition Ensures Rapid Growth in our Customer Base

We have built a large and rapidly expanding customer base. To meet the diverse needs of manufacturing enterprises, we explore intelligence transformation pathway based on industrial internet together with our customers, and have formed strategic partnerships with leading companies worldwide in various industries, specialized and innovative SMEs, and major industrial parks across various sectors. While advancing product standardization, we have also established a multi-tier service and customer-management system that covers enterprises, industrial parks, industries and

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cities. This approach allows us to deepen our presence in key verticals while steadily expanding our SME customer base. As of March 31, 2026, we had served more than 9,600 paying enterprises, including 604 national-level specialized and innovative enterprises.

Benchmark customers are the core of our long-term service strategy, while benchmark cases are a crucial factor in business expansion within vertical industries. We have established a full lifecycle service system for our clients, gaining their recognition through the effectiveness of our solutions. By continuously serving domestic and overseas benchmark customers, we create a virtuous cycle of repeat purchases from cross-industry customers and form a customer service barrier. We had 20 Lighthouse Factories service cases, being the largest in amount and widest in industry coverage worldwide, according to Frost & Sullivan. We have also delivered 38 industrial intelligent agents for a major petrochemical group and built an enterprise-level industrial internet platform powered by large industrial models. Our proprietary solutions and technology architecture have allowed us to form close, long-term relationships with a growing number of enterprises seeking intelligent transformation.

More importantly, customer engagement has deepened over time. During the Track Record Period, our core customer base expanded significantly. The number of Key Account Customers (KA customers) with order value exceeding RMB4.0 million increased from 55 to 105 from 2023 to 2025, and the number of our customers who were national-level specialized and innovative enterprise increased from 92 to 604 over the same periods. Such growth reflects both our ability to meet the complex needs of enterprises and our continued success in expanding our base of customers.

Strong Backing from Haier Group’s Industrial Ecosystem

With high industry entry barriers, industrial digitalization requires deep industry knowledge, and many core manufacturing processes are difficult for outsiders to access. With the strong support of Haier Group, we benefit from decades of expertise, extensive ecosystem resources, and a global manufacturing footprint. This enables us to cultivate unique advantages in driving intelligent transformation across the manufacturing sector.

Manufacturing Expertise: Haier Group’s more than four decades of experience in manufacturing and mass-customization have created a strong foundation for developing our COSMOPlat and our platform-based solutions. Our data intelligence solutions and IoT have been validated in Haier Group’s 14 Lighthouse Factories and dozens of intelligent factories worldwide. These real-world, complex use cases help us continuously refine our products, improve model performance, and convert industry know-how into standardized, and scalable solutions. This strengthens our ability to win and serve industrial customers from other industry verticals and provides a solid base for long-term growth.

Ecosystem Resources: As a globally recognized IoT ecosystem brand, Haier Group provides us strong reputation and market credibility. When engaging large manufacturing enterprises, Haier Group’s proven achievements directly reinforce our technical capabilities and service quality, helping us build trust quickly and accelerate initial project entry.

Global Reach: Haier Group’s global network provides us with a distinctive advantage in rapid overseas expansion and achieving efficient transformation from local solutions to global implementation. In Southeast Asia, Haier Group’s industrial park has enabled us to establish intelligent controller research and development and manufacturing centers and rapidly enter the regional electronics supply chain. In North America, our experience serving Haier Group’s overseas smart-home factories helped us successfully enter local industries such as smart home and connected devices. Haier Group’s global ecosystem significantly shortens our overseas expansion cycle and directly supports the strong growth of our international revenue. As of March 31, 2026, our solutions had been deployed in more than 20 countries, serving more than 80 overseas enterprises, with overseas revenue accounting for approximately 12.7% of our total revenue during the Track Record Period. We have supported accelerated digital-intelligent upgrades for more than 100 factories globally, offering a replicable path for global industrial intelligence transformation.

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Experienced Team Supported by a Strong Management Culture

Our leadership team combines deep industrial expertise with strong capabilities in intelligence innovation. Core management members have an average industry experience of more than 15 years, and many previously served in key roles across Haier Group’s business units. This gives the team a strong understanding of the manufacturing sector’s pain points and the practical pathways required for intelligence transformation. Their complementary strengths, which range from intelligent manufacturing and industrial software to hardware, platform operations and capital management, have enabled us to grow into a recognized provider of industrial digital-intelligence solutions across multiple industries.

We believe that management innovation is the foundation of technological innovation. We draw from Haier Group’s well-established corporate culture and follow a people-centric management philosophy that encourages individual ownership and initiative where employees actively follow up and respond to customer needs. Our organizational vitality has also been recognized externally, including by the Harvard Business Review’s 2022 High-Energy Team Award.

In the AI era, apart from information technology, success requires professionals who understand both digital technologies and industrial production. These multi-discipline talents must combine technical expertise with practical, front-line operational experience to ensure that technology and projects can be implemented effectively. We have a team of more than 1,100 research and development personnel and continue to attract top talent from multiple industries and disciplines. As a result, we have built a high-caliber, multi-disciplinary talent pool that forms a strong capability moat for our long-term development.

OUR DEVELOPMENT STRATEGIES

We will continue to focus on data and intelligence as our two primary strategic pillars, and develop an integrated system of products and solutions that brings together our platform, industrial software and devices. Through this system, we will help manufacturing enterprises achieve intelligent transformation and expand the ecosystem of platform users. To achieve this vision, we have formulated the following key strategies:

Upgrade Large-model Capabilities to Build a Powerful Engine for the Development of Industrial Intelligent Agents

We intend to continue strengthening our capabilities in platform technologies, big data, AI and large industrial models. This includes ongoing iteration of the COSMOMind and the COSMOTide, with a view to deepening the application of AI across the full range of industrial scenarios. Our future development of the COSMOMind aims to focus on advancing multimodal model technologies, enhancing the overall reliability of industrial AI, and exploring a more complete closed loop for scenario-based intelligent decision-making. The COSMOTide is expected to continue accumulating robust industrial know-hows, while also improving end-to-end dataset processing tools to increase the efficiency of dataset creation.

We also expect to accelerate the process of converting BaaS engine into products available for sale (a process often referred to as “productization”), with an emphasis on improving the standardized delivery capabilities of the COSMO-Sphere enterprise-level industrial internet platform to evolve it from a technical foundation for digitalization into a product that supports enterprise-level decision-making, thereby lowering the cost and complexity of intelligence transformation and strengthening our differentiated competitiveness.

Our COSMOPlat has been recognized as the next-generation national AI innovation platform by the Ministry of Science and Technology. We plan to continue exploring the integration of AI and manufacturing technologies, shaping COSMOPlat into a more open ecosystem, with potential areas of focus including digital twins, new industrial software, intelligent equipment, data assets and

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field-level industrial operating systems. Through this approach, we aim to build a core technology system supported by the platform and driven by integrated hardware-software applications, allowing technological advances to be more closely aligned with industry needs.

We will continue to rapidly enhance and optimize our industry- and scenario-specific application products and solutions through strategic investments and corporate acquisitions, while leveraging these opportunities to tap into new vertical customer segments and further strengthen our competitive advantages and technological barriers. We will also actively pursue acquisition and investment opportunities in areas such as industrial intelligence software, AI-driven applications and edge-intelligent hardware, promoting the integration of advanced technologies with our existing businesses and continuously enriching our ecosystem.

We intend to utilize an aggregate of HK\$[REDACTED] to upgrade large-model capabilities, of which HK\$[REDACTED], or [REDACTED]% of the total amount to be utilized for this purpose will be funded by the net [REDACTED] from the [REDACTED].

We plan to use the funds primarily to upgrade our large-model capabilities and data toolchains, supported by the recruitment of additional research and development personnel and the procurement and upgrade of software, hardware and computing resources where necessary. We plan to implement such upgrade through two parallel tracks, namely COSMOMind for model capability enhancement and COSMOTide for data toolchain development, as follows:

- (i) **COSMOMind.** We plan to upgrade COSMOMind in phases to enhance our multimodal model capabilities and industry large-model capabilities. In 2026, we plan to train multimodal models to read and parse industrial technical documents and develop code generation and automated testing tools. In 2027, we plan to develop three new industry large models for the electronics, new materials and automotive sectors, and enhance our capabilities to understand industrial drawings and equipment behavior to support process optimization. In 2028, we plan to further enhance the capabilities of multimodal large models to understand and analyze data across various industries, including by integrating industrial process knowledge with multimodal data and developing, training and deploying industry large models for more than 10 industries. From 2029 onwards, we plan to participate in the development of industry model standards, provide industrial foundation models covering different model sizes and data types, and publish application guidelines for companies across the manufacturing value chain.
- (ii) **COSMOTide.** We plan to upgrade COSMOTide in phases to strengthen our data toolchain capabilities for multimodal data management, labeling and industrial dataset development. In 2026, we plan to establish initial data toolchain capabilities by developing and upgrading modules for data collection, processing, labeling and management. In 2027, we plan to build high-quality datasets for customers’ internal use and model training by working with industry leaders on datasets for model training, optimization and scenario validation. In 2028, we plan to enhance our data toolchain into a complete industrial dataset development toolchain by developing AI tools to generate industrial data, expand training samples and check data quality. From 2029 onwards, we plan to improve data processing efficiency and launch an industrial dataset marketplace by upgrading capabilities for automatic classification and analysis of industrial data.

Develop Key Industrial Products and Solutions through Focusing on Scenarios with Large Demand

We intend to continue focusing on core manufacturing scenarios and further advance the productization of industrial knowledge. This includes strengthening our portfolio of industrial software, large industrial models and deeply integrated agent applications, enabling robust data accumulated over time to be transformed into higher-value insights. In industrial software, we plan to concentrate on refining the COSMO-iMOM integrated digital twin manufacturing platform to support real-time linkage between physical and digital production, connect previously fragmented

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processes from research and development to execution, improve the accuracy of production simulation, and enhance collaboration across cloud, edge and device layers. These improvements are expected to further strengthen data-driven decision-making.

In intelligent agents, we plan to embed AI more deeply across the full product lifecycle, with a focus on four major categories: manufacturing operations, simulation and optimization, product data management and energy management. These agents are expected to help customers reduce research and development lead times, increase production efficiency and lower energy costs. We also expect to accelerate the development of the agent-building platform and the industrial model context protocol (MCP, a standard open protocol that lets AI models connect to external tools and data through a single interface) marketplace, expand revenue generated from agent usage, and build an advanced open-source agent development ecosystem.

On the basis of accelerating the iteration of our core products, we aim to further enhance our ability to deliver integrated, end-to-end industry solutions that combine software and hardware. Areas of emphasis include manufacturing operations, machine vision, green and low-carbon transformation and equipment management. We also intend to strengthen the data integration capabilities of our energy and carbon platforms, upgrade our full-chain “monitoring-diagnosis-optimization-certification” green manufacturing solutions and support the sharing of energy-related data across enterprises, helping customers progress toward greener, lower-carbon operations.

We intend to utilize an aggregate of HK\$[REDACTED] to develop key industrial products and solutions, of which HK\$[REDACTED], or [REDACTED]% of the total amount to be utilized for this purpose will be funded by the net [REDACTED] from the [REDACTED].

We plan to use the funds primarily to develop and upgrade key industrial products and solutions for scenarios with large demand, supported by the recruitment of product managers, AI engineers, front-end development experts, AI and algorithm engineering talent, multi-agent collaboration engineers and enterprise intelligent software architects. We plan to implement such development across the following product and solution lines:

COSMO-Sphere. In 2026, we plan to upgrade COSMO-Sphere capabilities in data analysis and AI applications to help customers improve management efficiency and resource utilization. In 2027, we plan to develop COSMO-Sphere digital agent applications to set up business performance indicators and manage data. In 2028, we plan to expand COSMO-Sphere agent capabilities by enriching business indicator catalogs for various industries and developing agents that help customers build their own performance evaluation systems.

COSMO-iMOM. In 2026, we plan to upgrade COSMO-iMOM product capabilities for deployment across various industries such as machinery equipment, automotive and electronics. In 2027, we plan to develop COSMO-iMOM AI applications for flexible production changeover and quality management, and strengthen multi-agent coordination. In 2028, we plan to develop COSMO-iMOM AI applications for smart warehousing and simulation optimization to further improve multi-agent coordination efficiency.

COSMO-iEMS. In 2026, we plan to upgrade COSMO-iEMS capabilities for microgrid deployment, inspection, dispatch and control to support more efficient energy management. In 2027, we plan to launch COSMO-iEMS energy dispatch and management applications to optimize energy use and match distributed energy supply and demand. In 2028, we plan to expand COSMO-iEMS applications to predictive maintenance of energy equipment.

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Chemical platform and chemical industry AI agents. In 2026, we plan to upgrade chemical platform capabilities for production, safety, process management and equipment management to enable production operations data sharing across core systems. In 2027, we plan to develop chemical production AI applications to support production planning, fault prediction and response and energy optimization. In 2028, we plan to develop chemical industry AI agents for closed-loop production management and business performance analysis.

Following the above development of our product and solution lines, from 2029 onwards, we plan to provide toolchains and build an industry agent ecosystem by upgrading agent development tools from manual setup to AI-assisted generation of industrial agents for different manufacturing scenarios, and strengthening the intelligent agents community with ecosystem partners to expand intelligent agents development and application use cases.

Deepen Coverage of Key Industry Verticals and Strengthen Operational Capabilities of Customers

We have built a solid barrier for the integration of industrial knowledge and technology. Guided by the principle of “co-creation with large enterprises and shared value for smaller enterprises,” we aim to gain a deeper understanding of user needs in industry verticals where we have strong advantages, such as home appliances, machinery equipment, electronics, automotive, energy and chemicals.

For existing customers, we plan to enhance our customer operations system and improve coordination across business units, supporting a development path that moves from benchmark cases to replicable industry solutions and ultimately to large-scale adoption. Over time, we expect to build industry-specific consulting teams to expand our service scope from single-scenario support to full-scenario, full-process and full-lifecycle solutions. These efforts may help increase customer repurchase rates, improve paid-conversion rates, and enhance the lifetime value of each customer.

We intend to utilize an aggregate of HK\$[REDACTED] to deepen coverage of key industry verticals, of which HK\$[REDACTED], or [REDACTED]% of the total amount to be utilized for this purpose will be funded by the net [REDACTED] from the [REDACTED].

We plan to use the funds primarily to deepen coverage of key industry verticals and strengthen operational capabilities of customers, supported by the development of digital marketing, tendering and bidding, customer interaction and customer insights capabilities, as well as the recruitment of industry sales and marketing specialists, customer management specialists, data analytics specialists and other relevant operational talent. We plan to implement such strategy through the following initiatives:

Marketing. In 2026, we plan to launch digital marketing and tendering and bidding platforms by building a digital marketing platform with social media, content, event and customer management modules, and building a tendering information platform to analyze tender opportunities and generate sales strategy suggestions. In 2027, we plan to establish marketing teams facing various industries by recruiting industry sales and marketing specialists and building marketing teams for automotive, machinery equipment, electronics, energy and chemical sectors. In 2028, we plan to upgrade marketing operations end to end with AI and deploy an integrated AI-driven marketing system by building digital marketing agents for customer profiling, content generation, product promotion and lead conversion, and enhancing marketing teams facing various industries by combining sales professionals, marketing specialists and digital marketing agents. From 2029 onwards, we plan to expand AI marketing agents and strengthen online-offline marketing operations to improve lead generation and sales conversion by upgrading AI marketing agents for traffic acquisition, content nurturing, lead screening and follow-up, and organizing industry salons, customer events and benchmark project visits to strengthen customer relationships and improve lead conversion.

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Customer Operations. In 2026, we plan to build a customer interaction portal and customer insights hub and develop customer operations agents to manage customer requests, coordinate customer service workflows and support more responsive and tailored customer services. In 2027, we plan to further enhance the functions of such intelligent agents, integrate them with the customer interaction portal and customer insights hub, and officially launch the upgraded customer operations system. In 2028, we plan to further improve the customer operations system through AI empowerment by connecting customer data flows and customer operations workflows, upgrading five intelligent agents applications for key operational scenarios, and recruiting and developing key operations talent, including customer relationship management specialists and customer data analysts. From 2029 onwards, we plan to further integrate and upgrade AI and customer operations software systems, enable the coordination of agent clusters in core scenarios such as customer interaction, customer data and after-sales service, and support the continuous improvement of customer operations efficiency and customer engagement.

Deepen our Globalization Efforts and Gradually Increase Overseas Revenue Contribution

We intend to further expand our international footprint as we leverage Haier Group’s mature global network and supply chain resources. We expect to further develop our business in overseas markets, with a particular focus on emerging markets such as the Americas, Southeast Asia and the Middle East. Building on our existing intelligent controller facility in Thailand, we intend to explore the establishment of delivery capabilities in regions such as Mexico and India through asset-light cooperation models. These efforts may help us better serve both local customers and Chinese enterprises expanding overseas, and gradually increase the share of revenue generated from international markets.

Since our establishment, we have followed a development approach of “technology patentization, patent standardization and standard internationalization.” Going forward, we aim to continue participating in the development of international standards, such as IEEE intelligent-interaction engines, to contribute more “China-originated solutions” to global industrial intelligent transformation. Through these efforts, we aim to help advance the manufacturing sector’s transition from isolated intelligent applications to more coordinated system-level intelligence and enhance China’s influence in global industrial digitalization through standards-based participation.

We intend to utilize an aggregate of HK\$[REDACTED] to deepen our globalization efforts, which will be financed by our internal resources.

Enrich Comprehensive Data Applications and Continue Unlocking the Value of Industrial Data

As industrial intelligent transformation progresses, data is becoming a critical resource that supports daily operations and management decision-making. As data circulates across internal and external processes, it not only enhances production efficiency and management performance but also begins to generate value beyond the enterprise itself.

Given the fragmented and large-scale nature of industrial data, an integrated platform is essential to aggregate, manage and apply data effectively. Industrial internet platforms serve as the core infrastructure for hosting and operating large volumes of industrial data. To that end, we intend to continue enhancing the COSMOPlat so that data can be cleaned, integrated and processed more efficiently, allowing fragmented data to be transformed into usable assets that directly support business scenarios. Our approach is centered on four key stages: data collection, processing, application and circulation. On one hand, we aim to improve data accuracy and usability; on the other hand, by using the COSMOMind, we seek to convert raw data into interpretable, analyzable and decision-ready industrial knowledge that supports production optimization, operational insights and management decision-making. As our data capabilities continue to strengthen, we expect to accelerate the shift from experience-based to data-driven industrial operations. Over time, this may support the development of data-native applications that optimize equipment, production, quality, energy and workforce-related processes, thereby maximizing the overall value of industrial data.

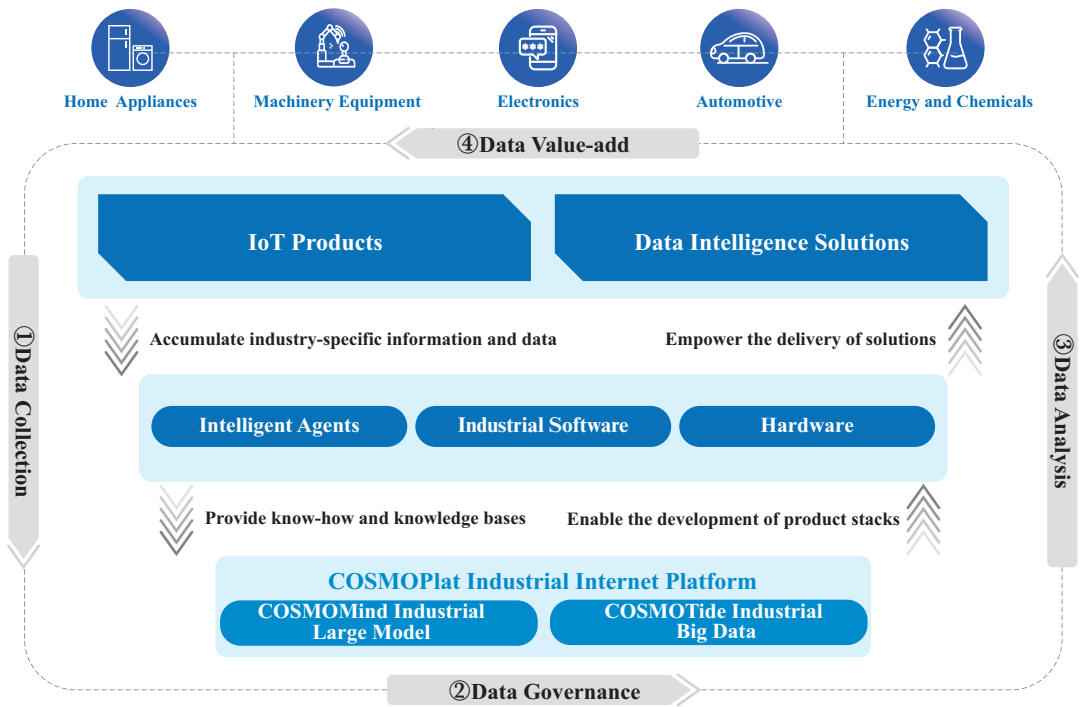
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We intend to utilize an aggregate of HK\$[REDACTED] to enhance comprehensive data applications, which will be financed by our internal resources.

OUR BUSINESS MODEL

We are dedicated to developing and offering industrial intelligence products and solutions based on COSMOPlat. Our offerings cover platforms, software and hardware, comprising (i) IoT products that focus on delivering software-embedded controller hardware to enhance connectivity, control and full lifecycle management capabilities of customers’ end devices and (ii) data intelligence solutions that focus on the digital intelligence and green transformation of our customers’ full lifecycle of operations. For data intelligence solutions, “platform” refers primarily to platform-level software and related deployment services, rather than a standalone hardware product. Depending on the project, our delivery may include application-level industrial software, intelligent agents, system integration services and third-party hardware equipment procured from ecosystem partners. On the supply side, we rely on structured sourcing and partner management processes designed to ensure consistency with our platform standards, quality controls and delivery schedules. On the demand side, we focus on building direct, long-term customer relationships and aligning our capabilities with a wide range of scenarios and evolving user needs. Our offerings include solutions with standardized products, thereby enabling scalable deployments and supporting on-demand and on-time adoption by customers.

The following diagram shows how our COSMOPlat supports both of our solutions.



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Our COSMOPlat provides a unified digital foundation and toolset for scenario-based applications. On this basis, we have built an integrated product stack: (i) intelligent agents, along with an integrated development platform that allows users to quickly build and configure intelligent agents with limited coding required for different application scenarios, (ii) industrial software, including (a) product lifecycle management system (PLM)/simulation (SIM) for product structure management and research and development collaboration, (b) manufacturing operations management system (MOM) for discrete-industry manufacturing operations management, (c) manufacturing execution system (MES)/advanced planning and scheduling system (APS) for production execution, scheduling and process management and (d) energy management system (EMS) for energy monitoring, dispatch and optimization, supporting modular configuration across customer use cases, and (iii) intelligent hardware, primarily including intelligent controllers and edge controllers that acquire equipment signals and enable real-time control, forming the execution and sensing interface between the physical world and digital applications. In other words, our platform-level software connects equipment and systems, our application-level industrial software addresses specific manufacturing and energy-carbon scenarios, our intelligent agents analyze scenario data and assist with recommendations or workflow execution, and our controllers and edge devices perform data collection and local control. Our software and hardware together form a comprehensive architecture. Building on this architecture, we offer two major solutions: IoT products and data intelligence solutions. Our solutions are deployed and operated within customers’ local environments, and we do not directly access or process customers’ data.

The Role of COSMOPlat in Supporting Our Products and Solutions

COSMOPlat is the core digital engine behind our products and solutions. In practical delivery, it provides the software foundation, reusable industrial modules, data governance capabilities, model capabilities and intelligent-agent development tools that support our IoT products and data intelligence solutions.

We have distilled decades of manufacturing know-how of the Haier Group into reusable industrial vertical models, software modules and service components embedded within COSMOPlat, enabling our teams to assemble and configure solutions more rapidly and efficiently than building from scratch. These reusable components include software modules, data models, knowledge bases and implementation toolkits, rather than a single standalone hardware product. Each implementation also contributes validated knowledge back into the platform, which accelerates the improvement of our COSMOMind and further enhances the reusability of solution components. COSMOPlat is widely adopted across enterprises, industrial parks, industries and local governments.

With data, model and computing capabilities, COSMOPlat supports a growing ecosystem for intelligent agent development and for deploying intelligence to edge hardware. We have launched a configuration-based development platform, an intelligent-agent development platform, an application marketplace and a developer community. The intelligent-agent development platform is a software development environment that allows users to configure AI assistants and workflows for specific industrial scenarios. On the hardware side, intelligent agents packaged on COSMOPlat can be compiled and deployed to intelligent controllers and sensing terminals, enabling edge-side inference, closed-loop control and local optimization at the device or production-line level. Users can also process data and invoke models directly through the platform, push lightweight agents to edge devices and manage versioning and updates, making it easier to apply intelligent agents consistently across diverse industrial scenarios.

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OUR PRODUCTS AND SOLUTIONS

According to Frost & Sullivan, the industrial intelligence transformation landscape is increasingly moving toward where solutions are capable of supporting a closed-loop operational model. In such a model, data generated from equipment and production processes is continuously collected and aggregated onto industrial platforms, where it undergoes processing, analysis and governance. Leveraging such processed data, advanced analytics and algorithm-based models can be trained, refined and iterated to generate optimization insights. These insights can then be fed back into the execution at the device or production-line to enable real-time or near real-time operational improvement, thereby forming the foundation of a closed-loop workflow.

Our business is built on a platform-centric architecture that combines IoT connectivity and data intelligence to deliver closed-loop industrial solutions. We operate through two complementary pillars: (i) IoT products, which provide real-time sensing, connectivity and execution capabilities; and (ii) data intelligence solutions, which enable value-driven transformation from data into productive factors. In practical terms, our IoT products are software-embedded controllers installed in customers’ end devices, while our data intelligence solutions are delivered through a combination of platform-level software, application-level industrial software, intelligent agents, system integration services and, where required by customers, third-party hardware equipment. The table below summarizes what we deliver under each product or solution category, the principal suppliers involved, how we recognize revenue, how we charge customers and how we pay suppliers or business partners.

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Products/Solutions	What we deliver/key functions	Key suppliers	Revenue recognition policy	Typical fee model/revenue model	Target customers	Basis for charging customers	Basis for paying suppliers/business partners
IoT Products — Variable-frequency Controllers	We deliver software-embedded controller hardware installed in customers' end devices. The controller regulates motor speed through embedded software and motor-control algorithms, and may connect the end device to an IoT platform for remote monitoring, remote control, alert generation and online software upgrades.	Suppliers of electronic components, PCB boards, structural parts and basic auxiliary materials.	Revenue is recognized on a gross basis when control of goods is transferred.	Software-embedded hardware sales.	Manufacturers of household and commercial appliances and other equipment manufacturers with low-power, variable-frequency control needs.	Pricing is generally determined on a cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering.
IoT Products — System Controllers	We deliver software-embedded controller hardware installed in customers' end devices. The controller coordinates system-level functions, such as receiving user instructions, processing sensor signals, managing displays, enabling communication among functional modules and connecting the device to IoT platforms for remote monitoring, remote control and online software upgrades.	Suppliers of electronic components, PCB boards, structural parts and basic auxiliary materials.	Revenue is recognized on a gross basis when control of goods is transferred.	Software-embedded hardware sales.	Manufacturers of household and commercial appliances, power battery producers, automotive manufacturers and mold producers.	Pricing is generally determined on a cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering.
Data Intelligence Solutions — Intelligent Manufacturing Solutions	We deliver COSMO-Sphere enterprise-level platform-level software, application-level industrial software, intelligent agents, system integration services and, where required, third-party hardware equipment. COSMO-Sphere is platform-level software for device connection, data governance and intelligent-agent development. COSMO-iMOM and other application-level software are deployed for production execution, scheduling, quality management, warehousing, logistics and equipment management.	Hardware suppliers, including suppliers of servers, switches, robots and other hardware equipment; and software suppliers, including suppliers of simulation tools, customized development services and data collection services.	Revenue from project-based solutions is primarily recognized on a gross basis upon final project acceptance.	Project-based fees.	Enterprises in industries such as home appliances, machinery equipment, electronics, automotive and energy and chemicals.	Pricing is generally determined on a project cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation. Project fees are generally collected by milestones.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering. Payments are generally made by project milestones.

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Products/Solutions	What we deliver/key functions	Key suppliers	Revenue recognition policy	Typical fee model/revenue model	Target customers	Basis for charging customers	Basis for paying suppliers/business partners
Data Intelligence Solutions — Green Manufacturing Solutions	We deliver COSMO-iEMS, energy-carbon intelligent agents, system integration services and, where required, energy infrastructure planning, retrofit and construction services. The platform collects energy and carbon data from meters, sensors and energy equipment, analyzes consumption and emission patterns, generates optimization recommendations and supports dispatch or operating strategies for equipment such as microgrids, compressed-air stations and heating and cooling plants.	Hardware suppliers, including HVAC, refrigeration and industrial energy storage equipment suppliers; and engineering, construction and installation service providers.	Revenue from project-based solutions is primarily recognized on a gross basis upon final project acceptance.	Project-based fees.	Industrial parks and enterprise users in industries such as home appliances, electronics, machinery equipment, automotive and energy and chemicals.	Pricing is generally determined on a project cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation. Project fees are generally collected by milestones.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering. Payments are generally made by project milestones.
Data Intelligence Solutions — Regional Industrial Internet Solutions	We deliver customized platform-level software and related deployment services for local governments at the city, industry or industrial park level.	Hardware suppliers, including suppliers of servers and switches; and software suppliers, including suppliers of simulation tools, customized development services and data collection services.	Revenue from project-based solutions is primarily recognized on a gross basis upon final project acceptance.	Project-based fees.	Local governments. Services are provided for city-level, industry-level or industrial park-level governance and operation scenarios.	Generally determined on a project cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation. Project fees are generally collected by milestones.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering. Payments are generally made by project milestones.
Data Intelligence Solutions — Enterprise Value-added Services	We operate industry-specific platforms independently developed, invested in and operated by us, and provide supply-demand matching and value-added services to upstream and downstream participants in the relevant industry chain.		Revenue is recognized based on the agreed transaction service fee sharing ratio, or on a gross basis for value-added service fees.	Transaction service fees and value-added service fees.	Target customers include home appliance manufacturers, controller manufacturers and enterprises in industrial parks.	Operation service fees are generally settled monthly.	

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The following table sets forth our revenue breakdown by business segments in absolute amounts and as percentages of our total revenue during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
							(Unaudited)			
IoT Products	4,080,361	81.7	3,920,069	77.3	4,417,776	69.6	979,441	78.2	1,088,702	73.8
Variable-frequency controllers	930,591	18.6	1,197,763	23.6	1,409,049	22.2	282,195	22.5	330,211	22.4
System controllers	3,149,770	63.1	2,722,306	53.7	3,008,727	47.4	697,246	55.7	758,491	51.4
Data Intelligence Solutions	913,178	18.3	1,149,388	22.7	1,933,372	30.4	273,177	21.8	386,212	26.2
Intelligent manufacturing solutions	580,936	11.6	701,153	13.8	838,703	13.2	156,425	12.5	140,210	9.5
Green manufacturing solutions	18,839	0.4	74,982	1.5	705,779	11.1	27,556	2.2	132,537	9.0
Regional industrial internet solutions	63,241	1.3	89,818	1.8	75,023	1.2	19,939	1.6	25,810	1.7
Enterprise value-added services	250,162	5.0	283,435	5.6	313,867	4.9	69,257	5.5	87,655	6.0
Total	4,993,539	100.0	5,069,457	100.0	6,351,148	100.0	1,252,618	100.0	1,474,914	100.0

For a breakdown of our revenue, gross profit and gross profit margin during the Track Record Period of different business segments by (a) geographical location of customers and (b) customers within or outside the Haier Group, see “Financial Information — Description of Major Components of Our Results of Operations — Revenue.”

IoT Products

Our IoT products form the bottom device layer, enabling enterprises to collect data across heterogeneous equipment into their industrial internet platforms, and execute optimized actions. They serve as the “sensor + actuator” infrastructure of the industrial internet platform. In terms of delivery, our IoT products are software-embedded controller hardware. They are installed in customers’ end devices and perform two functions: first, they control or coordinate the operation of the end device through embedded software and algorithms; second, where required by customers, they connect the end device to an IoT platform so that operating data can be monitored and software can be upgraded remotely. As of the Latest Practicable Date, we operate six research and development and manufacturing centers globally, providing us with the leading flexibility in controller manufacturing and delivery, and allowing us to serve numerous global brands in home appliances, machinery equipment, electronics, automotive, energy and chemicals.

Our IoT products primarily serve the household and commercial appliance sectors and are expanding into various new industries. In the household and commercial appliance sector, we provide variable-frequency and system controllers for refrigerators, washing machines, air conditioners, small appliances and kitchen equipment. In the industrial equipment sector, we offer similar products for fans and pumps. We are also exploring applications in the automotive sector, including battery management systems and related technologies.

We provide intelligent controllers based on customers’ product requirements and order schedules. The relevant requirements may involve mechanical and structural dimensions and form factors, hardware component selection and configuration, and embedded software or algorithms necessary for compatibility with customers’ end devices. As the scope of such adaptations is generally limited to product compatibility and delivery requirements, we present these sales as order-based sales of software-embedded controller hardware. The algorithms used in our controllers are developed under different arrangements depending on the applicable business model. For original equipment manufacturer (OEM) projects, customers typically provide the relevant technical solutions, and we are primarily responsible for engineering conversion, manufacturing and delivery; accordingly, the relevant algorithms are generally provided by customers. For joint development manufacturing (JDM) projects, customers and us jointly participate in product development, and responsibilities for hardware and software development, including algorithm development, are

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allocated between the parties in accordance with the agreed division of work for each project. For original design manufacturer (ODM) projects, we independently develop the products, and the relevant algorithms are independently developed by us. The ownership or rights to use such algorithms are determined in accordance with the contractual arrangements applicable to each project.

Variable-frequency Controllers

Our variable-frequency controllers are software-embedded controller hardware used mainly for motor-driven end devices. Depending on the applicable business model, the motor-control algorithms embedded in these controllers may be provided by customers, jointly developed with customers or independently developed by us. The controllers regulate motor speed and operating parameters through embedded software and algorithms, thereby allowing the motor to accelerate or decelerate under different operating conditions. Where customers require IoT connectivity, the controllers may also connect the end device to an IoT platform for equipment status monitoring, remote control, alert generation and online software upgrades.

- Illustrative example. A customer using traditional fixed-frequency controllers in end devices such as air conditioners or industrial fans may face high energy consumption, vibration and noise because the motor speed cannot be adjusted flexibly. We provide variable-frequency controllers embedded with software and variable-frequency control algorithms, together with IoT platform connectivity where required by the customer. This enables the customer to support energy-efficiency upgrades and low-power, low-noise operation, while also enabling equipment status monitoring, remote control and online software upgrades through the IoT platform.

These products are widely applied across residential and commercial appliances, such as HVAC systems and washing machines, as well as industrial equipment including fans and pumps that require low-power variable-frequency control. Revenue is primarily generated from sales of software-embedded hardware, serving manufacturers of home and commercial appliances, industrial fan and pump producers, and other equipment makers with low-power variable-frequency control needs.

The following table sets forth our representative variable-frequency controllers and their application scenarios:

Products	Features	Price Range
<p>Household Appliance Variable-frequency Controllers</p> 	<ul style="list-style-type: none"> • Supports full coverage of mainstream communication protocols, enabling seamless interconnection and coordinated operation across smart-home devices; • Equipped with a high-performance chipset that enables AI-based self-learning of user habits and adjustment of temperature and operating modes to improve energy efficiency; • Supports ultra-compact design (80 × 65 mm), overcoming traditional lifespan limitations and enhancing overall product reliability. 	RMB30–RMB60
<p>Commercial Appliance Variable-frequency Controllers</p> 	<ul style="list-style-type: none"> • Equipped with FOC sensorless vector-control technology, enabling ultra-quiet operation and seamless variable-speed performance to enhance user experience; • Supports full coverage of mainstream communication protocols, enabling connectivity, remote monitoring of controller status, OTA updates and remote debugging; • Powered by a high-performance AI chipset designed for commercial applications, with edge-computing capabilities and on-device inference latency of less than 10 ms. 	RMB170–RMB450

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Products	Features	Price Range
<p>Industrial Variable-frequency Controllers</p> 	<ul style="list-style-type: none"> Supports Wi-Fi/4G connectivity and VSP/485 speed control, enabling remote connectivity and centralized control to enhance intelligence and user convenience; Supports integrated cloud-edge-device architecture, enabling real-time monitoring of equipment operating conditions across different scenarios and facilitating remote operation and maintenance; Equipped with active PFC technology and achieving a power factor of up to 0.99, delivering high product stability and operational efficiency. 	<p>RMB200– RMB250</p>

System Controllers

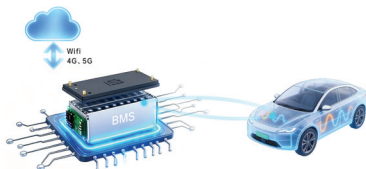
We provide customers with system controllers which are software-embedded controller hardware used mainly for system-level coordination of end devices. Depending on the applicable business model, the functional control algorithms and control strategies embedded in these controllers may be provided by customers, jointly developed with customers or independently developed by us. These controllers receive and process user instructions, collect and process sensor signals, manage display and interaction functions, and coordinate communication among different functional modules. Where customers require IoT connectivity, the controllers may also connect the end device to an IoT platform for remote monitoring, remote control, online maintenance and online software upgrades.

- Illustrative example. A customer using traditional system controllers may only be able to control a limited function of an end device through physical switches. We provide system controllers embedded with software and functional control algorithms, together with IoT platform connectivity where required by the customer. This enables more user-friendly interaction, more practical control strategies and expanded device functions, such as weighing and multimodal interaction, while also supporting status monitoring, remote control and online software upgrades through the IoT platform.

Our system controllers are applied across a wide range of products, including residential and commercial appliances, battery management system and IoT modules and management platforms for molds. Revenue is primarily generated from sales of software-embedded hardware, serving household and commercial appliances and other equipment manufacturers with low-power, system control needs. The following table sets forth our representative system controllers and their application scenarios:

Products	Features	Price range
<p>Household Appliance System Controllers</p> 	<ul style="list-style-type: none"> Supports full coverage of mainstream communication protocols, enabling seamless connectivity across smart-home scenarios; Enables multimodal interaction, including voice and gesture control, to enhance user experience; Equipped with a high-performance MCU that supports AI-based detection, autonomous analysis, decision making and execution, facilitating the upgrade of traditional home appliances into intelligent agent-like products. 	<p>RMB30– RMB100</p>

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Products	Features	Price range
<p>Battery Management System Controllers</p> 	<ul style="list-style-type: none"> Supports full coverage of mainstream communication protocols, enabling seamless data connectivity with mobile applications and cloud platforms; Equipped with an automotive-grade MCU and edge-computing SoC, with on-device deep learning capabilities that enable fault prediction and enhance estimate accuracy; Supports over-the-air updates, allowing real-time remote monitoring and control. 	RMB50–RMB160
<p>Mold Intelligent Terminals</p> 	<ul style="list-style-type: none"> Supports IPv4/IPv6 with broad ecosystem compatibility, enabling seamless integration with different IoT platforms; Automatically collects equipment parameters and uploads data to the cloud in real time; Supports dual-band Wi-Fi, Thread and BLE Mesh with multi-link redundancy, ensuring data timeliness and reliability. 	RMB140–RMB210

Key Differences between Variable-frequency Controllers and System Controllers

Variable-frequency controllers are primarily used for the precise control of motor-driven components. Their main task is to regulate motor operating parameters — such as current and motor speed — so that the motor can accelerate or decelerate smoothly under different operating conditions while maintaining performance and improving energy efficiency. To achieve this, such controllers typically run dedicated motor-control algorithms and need to respond rapidly to changes in motor status, which places higher requirements on real-time computing and signal-output accuracy. Typical applications include drive modules for compressors, motors and fans in variable-frequency appliances.

System controllers, by contrast, are designed to manage and coordinate the overall operation of an appliance or system. Their core functions include receiving and processing user inputs (e.g., key or panel operations), managing display information, collecting and processing sensor signals (e.g., temperature readings), and enabling communication and linkage among different functional modules, so that the appliance can execute a set programme in an orderly and stable manner. In practice, such controllers serve as the “main control” or “display/main control” boards in appliances such as air conditioners and washing machines.

In terms of implementation, the two types of controllers differ in their technical emphasis and hardware configuration. Variable-frequency controllers generally require processors with strong real-time computing capability and dedicated peripherals (e.g., high-precision PWM and high-speed ADC) to support high-frequency control calculations and accurate drive signals for motor control. System controllers, depending on the functional complexity, may range from high-performance SoCs (to support richer interaction and connectivity functions) to cost-efficient MCUs (for basic logic control and scheduling). Accordingly, variable-frequency controllers focus on motor-control precision and response speed, while system controllers focus on system-level coordination, multi-function integration and stable operation.

Data Intelligence Solutions

We provide customers with data intelligence solutions that focus on the efficient flow and value-driven transformation of industrial data, including (i) intelligent manufacturing solutions, (ii) green manufacturing solutions, (iii) regional industrial internet solutions and (iv) enterprise value-added services. Although these solutions share COSMOPlat as a common technology foundation, they are different in terms of customer type, delivery content and application scenario. Intelligent manufacturing solutions are provided mainly to individual enterprise customers for internal manufacturing upgrades. Green manufacturing solutions are provided to

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enterprises and industrial parks for energy and carbon management. Regional industrial internet solutions are provided mainly to local governments for city-, industry- and industrial park-level governance and operational management. Enterprise value-added services are provided to enterprises participating in industry-specific platforms and focus on supply-demand matching and other value-added services. Accordingly, these sub-segments do not overlap in their core application scenarios, although they may use common underlying capabilities.

Intelligent Manufacturing Solutions

By leveraging the core capabilities of COSMOPlat and our industry expertise, we help enterprises in key industrial sectors such as home appliances, machinery equipment, electronics, automotive and energy and chemicals address manufacturing transformation challenges. Our solutions enable flexible manufacturing, improved production efficiency and enhanced product quality, accelerating sustainable development. In terms of delivery, intelligent manufacturing solutions generally consist of the following components: (i) platform-level software, namely COSMO-Sphere; (ii) application-level industrial software, such as COSMO-iMOM; (iii) intelligent agents for specific industrial scenarios; (iv) system integration and implementation services; and (v) where required by customers, hardware equipment procured from ecosystem partners, such as servers, robots and automation equipment. Depending on customers’ specific needs, we offer the following types of intelligent manufacturing solutions each comprising a different combination of the above components:

Platform-level Software: COSMO-Sphere. Customers can choose only our platform-level software COSMO-Sphere. COSMO-Sphere, our enterprise-grade industrial internet platform, represents the productized outcome of COSMOPlat’s core technological capabilities. In a typical project, we deploy COSMO-Sphere as platform-level software for the customer. It provides three core functions. First, it provides an industrial operating-system foundation, including full-domain IoT management, an integrated control console and operation and maintenance management, so that the customer can connect equipment and internal systems through a unified software foundation. Second, it provides data modules for full-element data collection and governance, scenario-based indicator construction and decision analysis. Third, it provides intelligence modules integrating industrial large models, knowledge-base tools and machine-learning components, which support intelligent-agent development and enterprise knowledge governance.

Application-level Software and Intelligent Agents. Customers with application-specific needs may also select application-level software and intelligent agents on top of COSMO-Sphere. By leveraging COSMO-Sphere’s enterprise-grade AI foundational model capabilities, we have developed a suite of intelligent agents designed to address critical industrial functions such as product design, equipment management, production scheduling, quality inspection and energy-carbon optimization. In terms of delivery, industrial intelligent software and intelligent agents are application-level software products for specific manufacturing scenarios. Industrial intelligent software, such as COSMO-iMOM, integrates manufacturing operation functions including production execution, equipment management, quality management, IoT management and warehouse management. It also supports digital-twin simulation functions such as factory simulation, production-line simulation, logistics simulation, virtual commissioning and simulation optimization. Intelligent agents are AI-native applications that can analyze scenario-specific data and provide recommendations or assist in executing workflow tasks such as scheduling, quality inspection and equipment maintenance.

Integrated Hardware-Software Solutions for Specific Industrial Scenarios. Beyond the above software capabilities, certain customers may also have needs for relevant hardware. In response, we offer them integrated solutions that not only encompass our platform-level and application-level software, but also the underlying hardware as well as the necessary integration services to connect hardware and software. Full-scale intelligence transformation in industrial enterprises typically requires coordinated support across platform, software and execution layers. To address this need, we deliver integrated hardware-software solutions tailored to industry-specific scenarios. In these

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projects, the core delivery remains our platform-level, industrial intelligent software, intelligent agents and system integration services. Where the customer’s scenario requires physical execution equipment, we procure and integrate hardware such as servers, robots, automation equipment or material-handling equipment from ecosystem partners. Our self-manufactured hardware mainly comprises controllers under our IoT products and machine vision inspection equipment assembled under our data intelligence solutions.

Our intelligent manufacturing solutions are typically adopted to enable customers to build digital-twin factories, optimize production planning, track production progress, dynamically schedule production, intelligently manage warehouses, precisely manage material delivery and monitor equipment operations. Customers can select one of the above types of intelligent manufacturing solutions depending on their existing infrastructure and application-specific needs.

We adopted a project-based model for our intelligent manufacturing solutions. Standard payment terms include an initial payment upon contract signing, progress payments during project implementation, acceptance payments upon project completion and the remaining warranty payment settled within a specified period. We also provide standalone operation and maintenance services following the completion of projects to support customers in the ongoing operation and performance optimization of the delivered projects, which generates an immaterial portion of revenue.

Case Study of Our Intelligent Manufacturing Solutions

Case study A: AI-driven Enterprise-Level Industrial Internet Platform Enabling Intelligent Transformation for a Century-history Petrochemical Group

Client A is a large state-owned energy and chemical enterprise with a long operating history and diversified businesses covering oil, gas, coal, chemicals and power. Its production footprint is geographically dispersed, with long value chains and highly coupled operations. Prior to the project, Client A faced challenges including fragmented information systems, data silos, complex governance requirements and limited cross-business collaboration.

To address these issues, we built a group-level industrial internet platform based on our self-developed COSMO-Sphere software, providing a unified technical foundation for Client A’s digital transformation. COSMO-Sphere supports full-chain data capabilities, including data collection, storage, and governance, and adopts a multi-location data lake architecture covering 18 business sub-lakes with PB-level storage and high-volume data processing capacity. Through integrated data governance and unified architectures, COSMO-Sphere enabled data sharing while supporting localized data usage by different business units. COSMO-Sphere connected multiple existing business systems and, according to Client A, improved resource utilization by approximately ten times, increased development efficiency by about 30% and reduced development costs by around 20%. More than 5,000 data indicators were established to support production coordination, management decision-making and selected industrial intelligence applications, including data products related to energy trading.

We further integrated the COSMOMind large-model capabilities into Client A’s core business scenarios and developed 38 intelligent agents across areas such as oilfield operations, refining and safety management. Such applications supported improvements in operational efficiency, production optimization and process stability. Following deployment, Client A has improved its management efficiency, shortened application development cycles and enhanced support for supply chain optimization and equipment maintenance.

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Case Study B: AI-Enabled Manufacturing Transformation for a Global Home Appliance Leader through a Lighthouse Factory Cluster

Client B is a leading global home appliance manufacturer with production facilities worldwide. To support the continuous upgrading of intelligent manufacturing capabilities across its factories, we provided an end-to-end Lighthouse Factory solution based on our COSMOPlat platform, covering capability assessment, industrial planning, factory construction, industrial software deployment and selected intelligent-agent applications.

At Client B’s washing-machine Lighthouse Factory, we applied digital-twin technology to integrate data flows across demand, logistics and production processes and to simulate optimized factory layouts. We also deployed IoT- and AI-based applications to improve production responsiveness, quality stability and order-delivery efficiency. In research and development and equipment commissioning, design and optimization tools supported faster design cycles and improved equipment performance, including a reduction in production cycle time. During the production stage, AI-based models were applied to address long-standing industry challenges in process optimization, improving product yield and quality stability. At Client B’s water-purifier Lighthouse Factory, we enabled full-chain data integration across research and development, production, quality management, logistics and customer feedback. AI-driven process control and testing applications were deployed to enhance manufacturing consistency and product reliability. According to Client B, these measures helped reduce quality-related costs and inventory turnover days, while improving production precision and operational efficiency.

Across multiple product categories, including refrigerators, washing machines, air conditioners, water heaters and water purifiers, we supported Client B in establishing a Lighthouse Factory cluster, enabling standardized and scalable intelligent manufacturing practices across its global operations.

Green Manufacturing Solutions

By leveraging COSMOPlat’s core strengths in connectivity, big data and large-scale modeling, together with Haier Group’s more than 40 years of expertise in industrial energy efficiency improvement, we have launched our green manufacturing solutions. In typical projects, we primarily utilize our self-developed COSMO-iEMS software and intelligent agents as the foundation and, based on customer needs, integrate hardware products from other ecosystem partners to deliver integrated solutions. In terms of delivery, green manufacturing solutions generally consist of the following components: (i) an energy-carbon management software, namely COSMO-iEMS; (ii) energy-carbon intelligent agents; (iii) system integration and implementation services; and (iv) where required, energy infrastructure planning, retrofit, construction and related hardware equipment. As of the Latest Practicable Date, our solutions have been deployed in 18 industrial parks, 56 interconnected factories within Haier Group and over 500 enterprises, including the first WEF sustainability Lighthouse Factory and the first Carbon-Neutral Lighthouse Base among domestic enterprises.

COSMO-iEMS. One type of green manufacturing solution requires the delivery of primarily the software components of COSMO-iEMS and energy-carbon intelligent agents. COSMO-iEMS is a type of software, rather than a hardware product. It enables customers to gather real-time data on how electricity, heating, cooling and other energy sources are being used across the customers’ factories through connected meters, sensors and equipment. It helps customers track energy consumption, manage energy systems, measure carbon emissions and evaluate energy efficiency. By analyzing this data, COSMO-iEMS can identify unusual energy use, highlight equipment or processes that are wasting energy, and suggest ways to improve efficiency. It can also support decisions on how energy systems and equipment should be operated to reduce energy costs and carbon emissions. Unlike traditional energy management systems that mainly display energy

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consumption data, our solution offers greater flexibility and functionality. Its modular design allows customers to deploy our green manufacturing solution quickly and integrate it easily with their existing systems and applications.

These capabilities help manufacturers reduce energy waste, lower costs and improve sustainability. For example, for equipment that consumes large amounts of energy, COSMO-iEMS can continuously monitor how the equipment is operating, predict future energy needs and identify periods of high energy use. Based on this analysis, it can recommend more efficient ways to run the equipment. For facilities with their own energy systems, such as solar panels and battery storage, COSMO-iEMS can balance different energy sources and electricity demand based on production schedules and electricity prices, helping to improve energy efficiency and reduce energy costs. COSMO-iEMS also helps companies manage their carbon emissions by collecting and organizing emissions-related data, calculating carbon emissions, tracking the carbon footprint of products or operations, and maintaining records needed for reporting and certification purposes.

Customers typically select our COSMO-iEMS to monitor energy consumption, analyze and optimize energy-saving plans, guide equipment maintenance, and intelligently dispatch energy use.

Monitoring energy consumption. Many manufacturing enterprises lack timely visibility to detect energy consumption inefficiencies in real time. COSMO-iEMS continuously collects data on electricity, water and gas consumption through connected meters and sensors. This provides customers with up-to-date information on how energy is being used, helping them identify unusual consumption patterns early and take corrective action before they lead to higher costs, wasted energy or operational issues.

Energy-saving plan analysis and optimization. Detecting ways to reduce energy waste can be challenging and time-consuming when done manually. Our COSMO-iEMS analyzes large volumes of energy data to identify usage patterns, predict future energy needs and highlight areas where energy may be wasted. Based on these insights, it provides practical recommendations that help businesses reduce energy costs and make better use of their resources.

Equipment maintenance. Traditional maintenance often depends on scheduled inspections, which may not detect problems until equipment performance has already been affected. COSMO-iEMS continuously monitors equipment performance and identifies potential issues at an early stage. This allows businesses to address problems before they result in equipment failures, reducing downtime, lowering maintenance costs and improving the reliability of their operations.

Dynamic energy dispatch. Energy demand often changes throughout the day as production levels fluctuate. COSMO-iEMS helps businesses balance energy supply and demand in real time by allocating available energy resources more efficiently and adjusting non-essential energy use during periods when electricity prices are higher. This helps maintain smooth operations while reducing overall energy costs.

Customers can leverage the above functions to improve energy management efficiency, reduce emission and lower operating costs. For example, by coordinating solar power, battery storage, wind power and grid electricity, we help customers increase renewable energy use and reduce electricity costs. By supporting carbon emissions monitoring, carbon accounting, certification and carbon asset management, we help customers build more energy-efficient and green factories and industrial parks while meeting sustainability requirements.

Our revenue model for green manufacturing solutions is primarily project-based, under which we deliver customized solutions according to customers’ green transformation needs. Upon the successful completion of the customer bidding process, we conduct detailed technical discussions with the customer prior to contract signing. After mutual confirmation, the contract is executed and delivery proceeds as agreed. Most projects are implemented through localized deployment of our COSMOPlat. Standard payment terms include an initial payment upon contract signing, progress payments during project implementation, acceptance payments upon project completion and the

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remaining warranty payment settled within a specified period. We also provide standalone operation and maintenance services following the completion of projects to support customers in the ongoing operation and performance optimization of the delivered projects, which generates an immaterial portion of revenue.

We acquired Shanghai Discovery in August 2025 to further expand our offerings in green manufacturing solutions. Shanghai Discovery typically provides heating and cooling solutions to enterprise customers. As part of its solution delivery, Shanghai Discovery installs energy-saving equipment, embedded with specific algorithms and software to achieve optimal energy utilization, at customers’ sites. Under this energy management contract model, Shanghai Discovery typically invests in and operates such equipment and is compensated based on the energy savings achieved. See Note 12 set out in the Appendix IB to this document.

Case Study of Our Green Manufacturing Solutions

Case Study C: COSMO-iEMS Enabling Green Transformation of a Traditional Industrial Park

Client C is a manufacturing-focused industrial park located in the Yangtze River Delta region, hosting over 50 large-scale enterprises. Prior to the project, the park faced challenges including fragmented energy management, limited carbon-emission monitoring capabilities and insufficient integration of clean-energy resources. To address these issues, we provided COSMO-iEMS for Client C to support end-to-end data integration covering energy usage and carbon-emission management. The project supported the park’s participation in a provincial pilot initiative for zero-carbon industrial parks.

The platform enables standardized and comprehensive data collection and governance across energy generation, grid, load and storage. It connects load-side enterprises and distributed photovoltaic resources within the park and integrates data from a large number of sensing devices deployed across key energy and equipment nodes. Through unified data governance and standardized interfaces, the platform supports both regulatory requirements for carbon-emission supervision and operational needs for enterprise-level energy analysis and optimization. Based on integrated data and intelligent analytics, the platform supports forecasting, optimization and decision-making in areas such as energy scheduling, distributed energy utilization and carbon-emission management. Multiple application scenarios were deployed to improve energy-use efficiency in core production processes, including optimized operation of auxiliary energy systems.

As of the Latest Practicable Date, COSMO-iEMS had connected more than 105 enterprises within the industrial park. According to Client C, the deployment contributed to improved energy-management efficiency, reduced operating costs and supported carbon-emission reduction. For example, one enterprise within the park achieved a reduction in energy costs of approximately 15% and average carbon-emission reductions of around 1.88 tons per week. The project provides a scalable reference model for energy-carbon management in industrial parks.

Regional Industrial Internet Solutions

Leveraging the connectivity, data processing and analytics capabilities of COSMOPlat, we provide regional industrial internet solutions mainly for local government customers. This business primarily involves developing customized digital platforms, deploying them for customers and providing ongoing operation and maintenance services after launch.

Unlike enterprise management systems that are designed for a single company, our regional industrial internet solutions are offered at the city, industry or industrial park level. They collect and analyze information relating to local enterprises, participants across industrial supply chains, production capacity, workplace safety, environmental protection and government services. The

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information generated helps customers better understand the industrial landscape in their jurisdictions, identify gaps in industrial development, match businesses with suitable government policies and improve the delivery of public services.

Our customers for these solutions are local governments because the platforms are designed to support industrial management and planning at the city, industry and industrial park levels. For individual businesses, we provide enterprise-level industrial internet platforms as part of our intelligent manufacturing solutions rather than regional industrial internet platforms.

The deployment process generally follows a standard software implementation process. We first carry out on-site research to understand the customer’s local industries, management objectives and practical challenges. We then design a solution and customize the platform using our existing technical framework and mature functional modules, such as workplace safety, environmental protection, emergency management, enterprise services and operation management functions. Once development is completed, we deploy the solutions, perform testing and verification, conduct trial operations and user training, and complete final acceptance. After the platform goes live, we may continue to provide upgrades, new features and operation and maintenance support based on customer requirements.

Depending on customer needs, the solutions can be deployed in two ways. Under a local deployment model, the entire software and hardware system is installed in the customer’s own data center, and all data remains within the customer’s internal network. Under a dedicated cloud deployment model, the platform is hosted on servers reserved for the customer in an external data center, while data collection devices are installed on site and supported remotely by our operation and maintenance team.

These platforms help local governments improve the efficiency of industrial governance by providing better visibility into local industries, identifying weaknesses in industrial supply chains and enabling more effective delivery of government services and digital tools to enterprises. At the industrial park level, the solutions may support functions such as safety management, environmental protection, emergency response, access control, infrastructure management, enterprise services and operational management. At the industry level, they may support industrial monitoring, industry mapping, economic performance tracking, enterprise profiling and investment promotion. At the city level, they may support the collection and analysis of data relating to industrial clusters, provide insights for industrial planning, help profile local enterprises, connect businesses with online government services and facilitate access to shared resources such as financing, research and development, materials procurement, production services, equipment leasing and expert advisory services.

One example of real-world application of our regional industrial internet solution is the commercial kitchen industry for Boxing County in Binzhou, Shandong Province. The commercial kitchen industry is an important local industry supported by a large number of kitchen equipment manufacturers. However, the industry faced challenges such as a fragmented market, similar products offered by different manufacturers, limited use of digital tools and weak collaboration across the supply chain. To address these challenges, we helped build a regional industrial internet solution for the local commercial kitchen industry. For local government users, the solution provides tools to monitor industry performance, map the local industry landscape, track economic activity, develop digital profiles of enterprises and support investment attraction efforts. These capabilities help governments gain a better understanding of the local industry, implement policies more effectively and improve industrial governance. For enterprises that participate in the solution, it provides digital tools and the “Kitchen Expert” intelligent agent. The intelligent agent analyzes customer needs and business challenges and converts data insights into practical recommendations that support more targeted marketing and personalized services. For example, one local kitchen equipment manufacturer previously faced challenges such as fragmented customer orders, limited design resources and reliance on a single sales channel. By participating in the solution, the company adopted a shared design and shared manufacturing model using two key software tools available

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through the solution. First, the design software enabled the company to respond more quickly to customers’ customized product requirements, improving design efficiency and shortening product development cycles. Second, the manufacturing management software helped combine and coordinate multiple small-volume orders during production, improving production efficiency and increasing equipment utilization. Together, these measures reduced sheet-metal processing costs, shortened order response times and improved the company’s overall operating efficiency.

Our regional industrial internet solutions are monetized through software development and implementation fees on a project basis and, where applicable, post-delivery operation and maintenance service fees. Upon reaching agreement, we conduct detailed technical discussions with customers to ensure mutual understanding of platform functions, data integration and application scenarios. After contract execution, projects are delivered according to agreed milestones. The implementation process for each project typically includes project preparation, requirements analysis and confirmation, solution design, data collection and import, product development and testing, on-site deployment, platform launch, trial operation training and final acceptance, ensuring delivery according to the agreed project scope.

Enterprise Value-added Services

We provide enterprise value-added services to businesses at different stages of the industry value chain. We mainly generate revenue by charging service fees based on the services provided and the relevant commercial arrangements.

Our services help collect and analyze information from both suppliers and customers to help businesses find suitable partners and improve collaboration. This information is organized and stored to create a continuously updated pool of industry resources and customer demand. Taking our controller industry solution as an example, third-party manufacturers provide controller processing services to home appliance manufacturers and other equipment manufacturers. Their upstream partners may include raw material suppliers, equipment suppliers and testing service providers, while their downstream partners may include finished-product manufacturers and solution providers. We connect these participants and facilitate cooperation across the industry value chain.

In addition to matching suppliers and customers, we provide a range of other value-added services. Using the controller industry solution as an example, these services may include automatic allocation of orders, product quality tracking throughout the production process, order status and delivery information enquiries, credit assessment based on transaction records and operational data, and the provision and trading of high-quality datasets. These services help businesses improve operational efficiency, strengthen collaboration and make better-informed business decisions.

Our Operating Data

The following table sets forth certain operating information about our IoT products during the Track Record Period.

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
<i>Variable-frequency Controllers</i>				
<i>Number of customers</i>	29	51	69	51
<i>Average customer value (RMB'000)</i>	32,089	23,486	20,421	6,475
<i>System Controllers</i>				
<i>Number of customers</i>	381	495	528	246
<i>Average customer value (RMB'000)</i>	8,267	5,500	5,698	3,083

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The following table sets forth a breakdown of sales volume and average selling price by types of intelligent controllers, with further breakdown by industry verticals.

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	(‘000 unit)	(RMB/ unit)	(‘000 unit)	(RMB/ unit)	(‘000 unit)	(RMB/ unit)	(‘000 unit)	(RMB/ unit)	(‘000 unit)	(RMB/ unit)
Variable-Frequency Controllers	14,234	65.4	18,966	63.2	21,354	66.0	3,805	74.2	4,791	68.9
<i>Consumer-Oriented</i>										
<i>Variable-Frequency Controller⁽¹⁾</i>	6,327	94.3	9,279	86.2	13,180	78.8	2,458	83.7	3,269	74.1
Household Appliance										
Industry	6,302	94.4	8,072	89.9	12,409	79.6	2,303	85.6	3,145	73.9
Other Industries	25	66.5	1,207	61.6	770	67.0	155	55.1	124	77.4
<i>Industry-Oriented</i>										
<i>Variable-Frequency Controller⁽²⁾</i>	7,907	42.2	9,687	41.1	8,174	45.3	1,348	56.7	1,522	57.9
Machinery Equipment										
Industry	7,593	39.5	9,537	39.4	7,948	42.8	1,306	53.3	1,503	57.0
Other Industries	314	108.8	150	144.6	226	132.7	42	163.8	19	124.3
System Controllers	81,714	38.5	73,836	36.9	91,741	32.8	19,499	35.8	21,257	35.7
<i>Consumer-Oriented System</i>										
<i>Controller⁽¹⁾</i>	80,900	38.8	69,715	38.3	79,246	34.6	17,199	36.4	18,694	36.3
Household Appliance										
Industry	72,027	40.5	62,135	40.4	65,820	38.4	14,158	41.1	16,279	39.4
Other Industries	8,873	24.5	7,580	20.8	13,427	16.2	3,042	14.4	2,415	15.3
<i>Industry-Oriented System</i>										
<i>Controller⁽²⁾</i>	814	16.3	4,121	13.4	12,495	21.3	2,299	31.2	2,563	31.0
Machinery Equipment										
Industry	337	18.9	1,358	26.7	7,932	22.1	1,825	34.7	1,253	35.5
Automotive Industry	114	16.2	25	35.1	3,745	18.2	177	12.0	528	38.7
Other Industries	363	13.8	2,737	6.6	818	27.5	297	21.3	782	18.7

Notes:

- (1) Consumer-oriented controllers refers to controllers primarily used in end products for individual users, such as household appliances and smart home devices. Their design specifications and parameter requirements are tailored to the applicable standards and user requirements for individual user electrical appliances, such as fast start-up, low noise and low power consumption.
- (2) Industry-oriented controllers refers to controllers primarily used in end products for enterprise users, such as industrial fans. Their design specifications and parameter requirements are tailored to the applicable standards and operating requirements for industrial products, such as high reliability, vibration resistance and high-temperature resistance.

The following table sets forth the key metrics of our data intelligence solutions during the Track Record Period:

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
Number of KA customers ⁽¹⁾	55	74	105	20
Number of KA customers independent from Haier Group	34	44	74	11
Average KA customer value ⁽²⁾ (RMB’000)	10,955.9	11,772.9	14,372.1	10,665.4
No. of loss-making projects	14	6	9	2
Tender success rate	33.6%	45.5%	43.5%	40.2%
Overall customer retention rate ⁽³⁾	42.3%	52.4%	48.6%	52.5%

Notes:

- (1) Represents customers with a total order value exceeding RMB4.0 million during the respective year/period.

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- (2) KA customers refer to customers with whom we maintain strategic and long-term business relationships and whose order value exceeds RMB4.0 million during the respective year/period, typically involving larger-scale or multi-stage cooperation. Average KA customer value for a given year/period is calculated by dividing revenue from KA customers in that year/period by the number of KA customers for the same year/period.
- (3) Overall customer retention rate is calculated by subtracting the number of new customers acquired during the year/period from the total number of customers at the end of the year/period and dividing the result by the total number of customers at the beginning of the year/period (i.e., the total number of customers at the end of the prior year/period) and multiplying that figure by 100%.

The following table sets forth our backlog movement in terms of the number of projects and their outstanding contract value of our project-based data intelligence solutions during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,	
	2023		2024		2025		2026	
	Number of projects	Contract value (RMB'000)	Number of projects	Contract value (RMB'000)	Number of projects	Contract value (RMB'000)	Number of projects	Contract value (RMB'000)
At the beginning of the year/period . .	377	880,245	532	1,051,594	689	1,398,319	686	2,464,038
Newly secured projects	621	805,449	702	1,177,200	708	2,660,787	122	367,893
Projects delivered. . .	466	634,100	545	830,475	711	1,595,068	155	293,084
At the end of the year/period.	532	1,051,594	689	1,398,319	686	2,464,038	653	2,538,847

The following table sets forth certain operating information about our data intelligence solutions, excluding the operation and maintenance services during the Track Record Period.

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
Intelligent Manufacturing Solutions				
Number of contracts	443	496	598	114
Number of customers	284	285	361	90
Average contract value ⁽¹⁾ (RMB'000)	1,252	1,343	1,367	1,185
Contract value of outstanding contracts at end of the year/period (RMB'000)	847,973	1,127,916	1,211,341	1,211,857
Green Manufacturing Solutions				
Number of contracts	15	35	98	30
Number of customers	14	30	81	29
Average contract value ⁽¹⁾ (RMB'000)	1,073	2,136	7,167	4,406
Contract value of outstanding contracts at end of the year/period (RMB'000)	22,705	121,283	969,356	1,050,484
Regional Industrial Internet Solutions				
Number of contracts	8	14	15	11
Number of customers	8	11	12	11
Average contract value ⁽¹⁾ (RMB'000)	7,905	6,416	5,002	2,346
Contract value of outstanding contracts at end of the year/period (RMB'000)	180,916	149,120	283,341	276,506
Enterprise Value-added Services				
Number of customers	1,236	1,097	437	147
Average customer value ⁽²⁾ (RMB'000)	202	258	718	596

Notes:

- (1) Average contract value is calculated by dividing the revenue generated from projects of the respective data intelligence solutions for the respective year/period by the number of contracts for such solutions for the same year/period, which corresponds to the number of projects undertaken during the respective year/period.

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- (2) Average customer value is calculated by dividing the revenue generated from enterprise value-added services for the respective year/period by the number of customers to whom such services were provided during the same year/period.

The following table sets forth the number of our customers within Haier Group and independent customers during the Track Record Period:

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
Customers within Haier Group . .	269	260	179	136
Independent Customers	1,752	1,689	1,268	598

OUR RESEARCH AND DEVELOPMENT

We believe that research and innovation is critical to our long-term competitiveness and success. To continuously enhance our competitiveness, we are committed to the research and development of advanced technologies in the industry. Our research and development efforts focus on developing platform-level capabilities, industrial software, sensing technologies and AI-integrated solutions tailored to diverse industry needs. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB422.4 million, RMB373.2 million, RMB420.5 million, RMB90.6 million and RMB104.2 million, respectively, representing 8.5%, 7.4%, 6.6%, 7.2% and 7.1% of our total revenue, respectively.

Our Core Technologies

Our technology capabilities are rooted in data and intelligence and form the backbone of our solution portfolio. We have built an integrated stack that combines our industrial internet platform, industrial intelligence software and hardware, creating a self-reinforcing data flywheel in which real-world deployment generates additional data, enabling continuous model improvement and broader intelligent-agent adoption.

As for our COSMOPlat, we focus on the integration of AI with industrial internet infrastructure and operate a comprehensive technical architecture spanning wide-area connectivity, data governance and industrial foundation models.

Industrial IoT and edge computing technologies. Our IoT platform supports hundreds of industrial protocols for full device onboarding, sub-millisecond response and processing of millions of data points per second. With our BaaS Industrial Operating System, AI models and mechanism models can be deployed to the edge for cloud-edge collaborative decision making.

Industrial data governance and analytics technologies. Our COSMOTide adopts a decoupled storage-and-compute architecture which separates data storage from data processing, and uses a multi-tenant design, enabling PB-scale storage, second-level retrieval and privacy-preserving computing. It provides a unified data platform that combines the large-scale raw data storage capabilities of a data lake with the fast data analysis capabilities of a data warehouse, which supports both real-time and batch data processing as well as low-code data integration, allowing IT and OT data to be ingested efficiently to support complex scenarios in sectors such as energy and transportation.

Industrial foundation-model technologies. Our COSMOMind is trained on terabyte-scale curated datasets and knowledge bases and supports research and development, production and service scenarios. The COSMOMind incorporates high-precision retrieval mechanism through which it can process different types of data, such as text and images, and identify relevant information across multiple documents. Its techniques for combining computing operations and optimising model

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precision reduce the resources required to run the model, enabling real-time inference on edge devices. Built on a “foundation model + industry-specific models” framework, the COSMOMind supports large- and small-model collaboration across enterprise applications.

As for our industrial software, we focus on the intelligence transformation needs of intelligent manufacturing and target common technical challenges in next-generation industrial software.

Our digital-twin integration technologies combine high-precision geometric modeling, advanced rendering, rapid development and collaborative simulation among local device processing and cloud-based support. These capabilities support both real-time and offline data analysis, overcoming the limitations of traditional offline simulation where scenarios, data and rules are all preset and simulations are run in a system without real-time connection to actual on-site conditions. In industries such as home appliances and automotive, our laser point-cloud scanning technology, which can capture spatial measurement points using laser beams to support accurate three-dimensional reconstruction, and MR/VR technologies, which integrates real-world and computer-generated environments, enable 1:1 replication of physical assets for process simulation and fault prediction.

Our cloud-native platform, based on Kubernetes, supports multi-cluster management, centralized management of different types of devices and systems, microservices deployment and DevOps automation. Developers can build industrial applications, such as device monitoring and manufacturing execution, through drag-and-drop interactions, significantly reducing development thresholds and time. According to project records, one electronics customer built a quality-traceability system within approximately one month, achieving cost reductions.

As for the scenario-application, we deliver a closed loop of sensing, decision making and execution by using COSMOMind as the cognitive layer, industrial software and intelligent-agent applications as the application, and intelligent terminals as the execution. Through COSMOPlat, we support end-to-end intelligence transformation from factory operations to end-user engagement.

Machine vision surface defect inspection technologies. In quality control, our machine vision inspection unit integrates advanced optics with AI-driven analytics. Our proprietary 3DDIA imaging technology combines three-dimensional stereoscopic imaging and dynamic intelligent analysis to provide more spatial, complete and accurate visual information than conventional two-dimensional images.

Flexible assembly technologies. In flexible assembly, we use operational-skill-model-based robot control to support precision assembly under dynamic and unstructured conditions. Our approach advances multimodal perception, simulation-to-reality reinforcement learning and hand-eye-brain collaborative control, enabling robots to interpret complex environments, transfer trained skills into real-world production and adjust actions in real time.

Green and low-carbon technologies for industrial scenarios. In green and low-carbon applications, our cloud-based building information modeling system supports forward design and simulation-based validation for heating and cooling. We have also developed domain-specific models for industrial-park energy cascading that address challenges in cross-system data alignment and dynamic optimization.

Control technologies. We embed scenario-specific small AI models directly into controller modules, enabling integration between embedded control systems and edge-side AI. These small models perform millisecond-level computation on real-time operating data to dynamically optimize control strategies, allowing precise control under highly variable and complex operating conditions.

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The following table sets out our key software products, systems and technology platforms, together with their respective categories, core functions and technical positioning:

Products, systems and technology platforms	Category	Core Functions and Technical Positioning
COSMOPlat	Foundational industrial internet platform	Serves as the core technology infrastructure built on the BaaS Industrial Brain and BaaS Industrial Operating System. Provides unified industrial connectivity interfaces and open, standardized development and deployment capabilities. Enables multisource heterogeneous data ingestion, governance, analytics and application, supporting modular and “ready-to-use” deployment of industrial software, industrial large models and applications.
Layered Architecture of COSMOPlat		
BaaS Industrial Operating System	Foundational industrial operating system	Serves as the foundational technology layer of COSMOPlat, integrating industrial IoT connectivity, cloud infrastructure and resource management capabilities. Enables unified connectivity of industrial elements, shared use of common tools and coordinated operation across production processes. Supports flexible configuration and combination of system modules, application components and industrial applications, providing a scalable and reliable foundation for deploying industrial internet solutions.
BaaS Industrial Brain	Industrial intelligence capability platform	Built on the BaaS Industrial Operating System, uses data as a key production factor to integrate digital technologies, intelligent technologies and industrial knowledge. Provides industrial software, intelligent agents and related capabilities to support analysis and decision-making across industrial scenarios. Comprises two core components, namely COSMOTide Industrial Big Data and COSMOMind Industrial Large Model, which together provide data processing, model training and capability support for industrial applications.
COSMOMind Industrial Large Model	Industrial large model/AI foundational model	Developed based on industrial datasets from COSMOPlat and COSMOTide, incorporating multimodal data and industry knowledge. Supports intelligent analysis, reasoning and decision-making for R&D, production, operations and energy-and-carbon management.
COSMOTide Industrial Big Data	Industrial big-data and computing platform	An AI-ready data processing platform adopting a lakehouse architecture, which combines the large-scale raw data storage capabilities of a data lake with the fast data analysis capabilities of a data warehouse. Supports aggregation, governance, analytics and real-time processing of multisource heterogeneous industrial data. Provides the underlying data infrastructure for industrial large-model training and intelligent application development.
Platforms Built on COSMOPlat		
COSMO-Sphere	Enterprise industrial internet platform	An enterprise-level platform product built on COSMOPlat with a modular architecture covering end-to-end scenarios across R&D, production and supply chain. Supports cross-equipment, production-line, factory and group-level data integration and collaboration, enabling enterprise-wide operational management and intelligent decision-making.
COSMO-iMOM	Manufacturing operations management (MOM) platform	Integrates core industrial software modules including MES, SIM, QMS, EAM and WMS, and incorporates industrial large-model and digital-twin capabilities. Used for key manufacturing operations such as production execution, scheduling, quality management, equipment management and warehouse management.
COSMO-iEMS	Energy- and carbon-management software platform	Designed for enterprises and industrial parks to support real-time monitoring, analysis and optimization of energy use and carbon emissions. Utilizes industrial large-model capabilities and edge control technologies to enable energy scheduling, emissions reduction and green manufacturing.

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Our Research and Development Capability

Our Research and Development Team

Our research and development team is the cornerstone of our research and development capabilities. As of March 31, 2026, our research and development team comprised 1,177 research and development specialists globally, representing 24.2% of our total workforce. Our research and development specialists include professionals graduating from top-tier domestic and overseas universities, specializing in various disciplines such as computer science and technology, computational mathematics, mechanical engineering and control science and engineering.

Our Research and Development Centers

We have established research and development centers in Qingdao, Shanghai and Beijing. These research and development centers focus primarily on platform development and industrial software innovation, while our business units are responsible for developing core components and solution frameworks, including vertical large models tailored to specific industries. These centers serve as hubs for strategic innovation and cross-functional collaboration.

Our Research and Development Process

We adopt a structured research and development process based on the integrated product development model, covering project initiation, agile development, commercialization, delivery and lifecycle management. Research and development projects are initiated based on strategic priorities, market demand and technology trends, and are subject to internal review and approval. Following approval, we refine product strategies, collaborate with ecosystem partners where appropriate, and develop products through agile and cross-functional workflows involving requirement management, design, prototyping, technical integration and testing. Upon completion of development milestones, products undergo validation, pricing and launch reviews before being commercialized and integrated into our solution portfolio. We provide ongoing delivery, operation and maintenance support, while continuously iterating and upgrading products based on customer feedback and business needs. Throughout the process, projects are subject to ongoing oversight, including progress tracking, investment monitoring, risk assessment and resource allocation, with significant changes requiring formal approval and regular reporting to ensure effective project execution and resource utilization.

Collaborative Research and Development

By integrating resources from five categories: large enterprises, technology companies, universities, research institutes and innovation advisory organizations, we have formed an end-to-end collaboration mechanism that spans joint topic selection, co-development, pilot implementation and commercialization.

We co-established an intelligent control joint Research and Development center with Zhejiang University to pursue joint research on intelligent controller design, embedded algorithms and control strategy optimization, supporting product-level intelligence across multiple device categories. Together with Harbin Institute of Technology, we co-built a collaborative innovation center to advance mass-customization methodologies and engineering practices; outcomes from this program have been applied to planning, scheduling and flexible production scenarios. We also collaborated with Ocean University of China on 3D visualization, WebGIS (web-based geographic information system) and spatial query technologies, which have been deployed in our integrated management system for intelligent chemical parks, enhancing park-level safety, environmental and operations management. We promote joint talent programs with universities to strengthen the pipeline of specialists in industrial data, control algorithms and digital twins. These include co-established training bases for elite engineers and enterprise-mentor schemes led by our research and development personnel. The programs are designed to align academic research with industrial practice and to accelerate the translation of collaborative research into deployable solutions.

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Our collaboration network had resulted in over 20 national/ministerial projects led or participated, covering various areas such as artificial intelligence, intelligent manufacturing, and industrial platform. These outputs have supported continuous iteration of our platform, software and intelligent-agent applications. We believe that these collaborations deepen our insight into industry trends and emerging technologies, providing important technical support for our ongoing product development and enhancing our ability to respond to evolving market demands.

The salient terms of our key R&D collaboration agreements include the following:

Scope of collaboration. The collaboration covers joint research in the designated areas related to artificial intelligence, intelligent manufacturing, and industrial platform, as well as talent programs such as research internships and related training initiatives derived from the joint R&D activities.

Responsibilities. The academic institution is responsible for providing research personnel, academic resources and access to relevant facilities to support the operation of the joint R&D center, while we are responsible for contributing funding, supplying research premises, facilities and necessary project data, and supporting teaching practice, research internships, application demonstration and related industry-oriented activities.

Governance. The collaboration is overseen by a management committee comprising representatives nominated by the participating parties, which is responsible for major decisions and the overall operation of the joint R&D center, while day-to-day coordination is carried out by the designated academic institution.

Funding. Funding for the collaboration is contributed by us and is dedicated to the operation of the joint R&D center, including research activities, facilities, equipment, project-related expenses and administrative needs, and is managed in accordance with the academic institution’s internal financial policies.

Intellectual property. Each party retains ownership of its pre-existing intellectual property, while any new intellectual property generated from the collaboration is jointly owned by the academic institution and us, and may be used by each party on a non-profit basis. Any external disclosure, licensing, transfer, publication or filing of patents or other rights in respect of such intellectual property requires the prior written consent of the other party, and the agreements also restrict the use of the other party’s pre-existing intellectual property without written approval.

Confidentiality. All technical and commercial information exchanged under the collaboration is required to be kept confidential and may be used only for the purposes of the joint research, with the confidentiality obligations continuing to apply upon termination of the collaboration.

Term and termination. The collaboration generally operates for a fixed term of three years, with renewal subject to mutual agreement, and the agreements set out the circumstances under which either party may terminate the collaboration and the parties’ respective obligations upon termination, including the continued application of confidentiality and intellectual property provisions.

PRODUCTION

We operate a highly flexible and efficient production system designed to meet the needs of our customers while maintaining high product quality and operational efficiency. We mainly manufacture hardware components, such as intelligent controllers used in our IoT products, primarily for home appliances, chemicals and energy-carbon industry. Our production process is supported by advanced digital and automated systems, enabling us to respond swiftly to customer orders and market demands.

BUSINESS

Our data intelligence solutions are primarily delivered through software-based projects and do not involve physical production activities. The design and development process generally includes system design, software development and testing. At the design stage, our development team conducts requirement analysis and prepares a system blueprint, which is reviewed with key customer stakeholders. During the development stage, software development is carried out in accordance with the approved blueprint and coding standards, followed by code reviews. Testing is conducted based on the project requirements and design blueprint, with test plans and test cases prepared and executed, and test reports generated based on the results. The project deployment and delivery process typically includes user acceptance testing (UAT), system launch, trial operation and final acceptance. UAT is conducted in a testing environment with the participation of customers. Upon successful UAT, the system is deployed in the production environment, accompanied by user training and the provision of relevant documentation. During the trial operation period, the project team monitors system performance and stability to ensure that project objectives are met. Final acceptance is completed upon customer confirmation in accordance with agreed acceptance procedures. The implementation, deployment and launch of our data intelligence solutions do not involve any manufacturing or production activities, and accordingly, there are no production bases, physical production processes or production lead times associated with such solutions.

Production Planning and Process

Our manufacturing process primarily consists of SMT assembly, DIP insertion, testing, coating and potting. We use automated equipment for component placement, soldering and inspection, including AOI, to ensure assembly quality and accuracy. Products subsequently undergo in-circuit and functional testing to verify electrical performance and compliance with design specifications and customer requirements. Protective coating and potting processes are then applied to enhance resistance to dust, moisture, corrosion and vibration, while supporting insulation and heat dissipation where required. Following order placement, our proprietary automated scheduling system integrates order intake with process planning to optimise production timelines.

Production Bases and Facilities

As of March 31, 2026, we operated six manufacturing facilities, including five domestic sites and one overseas facility in Thailand. These facilities are strategically positioned to serve our key markets and support our global expansion.

The following table below sets forth details of our production bases:

Production Base	Location	Gross Floor Area (m ²)	Key Products
Jiaozhou production base	Qingdao, Shandong	25,635	Intelligent controllers and IoT hardware modules
Huangdao production base . . .	Qingdao, Shandong	10,350	Intelligent controllers and IoT hardware modules
Hefei production base	Hefei, Anhui	24,256	Intelligent controllers and IoT hardware modules
Chongqing production base . . .	Chongqing	33,769	Intelligent controllers and IoT hardware modules
Foshan production base	Foshan, Guangdong	11,908	Intelligent controllers and IoT hardware modules
Thailand production base	Prachinburi Province, Thailand	5,425	Intelligent controllers and IoT hardware modules

Our production facilities are recognized for their level of intelligence and have received national and international recognition for their digital and intelligent manufacturing capabilities. As the first Lighthouse Factory in the industry, our interconnected factory in Hefei, Anhui applies technologies such as AI and machine vision to overcome challenges arising from product diversification and higher quality requirements, reducing order delivery cycles. Our manufacturing operations

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demonstrate strong performance across key metrics. Full automation has been achieved in all front-end processes, with adhesive dispensing and testing stages also operating at near-complete automation. Additionally, our product first-time pass rate has consistently exceeded 97%.

The following table sets forth the production capacity, production volume and utilization rate for our intelligent controllers during the Track Record Period indicated:

	Year ended December 31,									Three Months ended March 31,		
	2023			2024			2025			2026		
	Production capacity ⁽¹⁾	Production volume ⁽¹⁾	Utilization rate ⁽²⁾	Production capacity ⁽¹⁾	Production volume ⁽¹⁾	Utilization rate ⁽²⁾	Production capacity ⁽¹⁾	Production volume ⁽¹⁾	Utilization rate ⁽²⁾	Production capacity ⁽¹⁾	Production volume ⁽¹⁾	Utilization rate ⁽²⁾
	(‘000 Units)		%	(‘000 Units)		%	(‘000 Units)		%	(‘000 Units)		%
Jiaozhou production base	20,870	19,197	92.0	18,870	18,866	100.0	26,253	26,201	99.8	6,390	6,323	99.0
Huangdao production base	31,570	30,098	95.3	31,870	31,871	100.0	36,439	36,620	100.5	9,177	8,923	97.2
Hefei production base	14,830	12,326	83.1	15,790	15,787	100.0	21,420	20,628	96.3	4,433	4,148	93.6
Chongqing production base	21,620	19,508	90.2	16,780	16,778	100.0	23,394	23,131	98.9	5,952	5,819	97.8
Foshan production base	10,300	8,771	85.2	10,340	10,344	100.0	11,466	10,591	92.4	3,066	2,975	97.0
Thailand production base	1,370	926	67.6	2,020	2,023	100.2	6,233	5,913	94.9	2,052	1,977	96.3
Total	100,560	90,827	90.3	95,670	95,669	100.0	125,205	123,084	98.3	31,070	30,165	97.1

Notes:

- (1) Designed production capacity is the output a production base can achieve, calculated based on the assumption that the production facilities operate for 10 hours per day, six days per week, excluding statutory holidays, taking into consideration interruptions due to maintenance, breakdowns or other delays.
- (2) Utilization rate for a certain period equals the production volume in that period divided by the production capacity in the same period.

Our production capacity for intelligent controllers remained relatively stable in 2023 and 2024 and increased in 2025, with the increase primarily contributed by the Foshan, Hefei, Jiaozhou and Thailand production bases. Such increase was driven by (i) additional equipment additions and equipment upgrades, (ii) efficiency improvements across production lines, and (iii) adjustments in shift arrangements and production allocation among different production bases. Our utilization rate for intelligent controllers improved in 2024 and remained at a relatively high level in 2025, primarily reflecting enhanced utilization at the Hefei, Foshan and Thailand production bases. Such trend was attributable to (i) the stabilization and ramp-up of recently commissioned production facilities, (ii) ongoing process optimization and production technology enhancements, and (iii) changes in product mix, including a higher proportion of small household appliance controllers, which generally support higher output per production line under comparable manufacturing processes.

We primarily procure our production equipment from established domestic suppliers. This allows us to effectively integrate advanced production technologies to optimize efficiency and ensure consistent product quality. The following table sets forth some details of our major production equipment as of the Latest Practicable Date:

Equipment	Function	Production steps involved
Printing Machine	Applies solder paste on PCB	SMT Production
Pick-and-Place Machine	Places SMT components on PCB	SMT Production
Reflow Oven	Soldering of SMT components	SMT Production
Wave Soldering Machine	Soldering of DIP components	DIP Production
Spraying Equipment	Applies UV adhesive	DIP Production

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Outsourced Production

We engage in limited outsourced production, primarily for front-end processes such as surface mounting, which does not involve the manufacturing of complete products or core components. Such outsourced manufacturing steps form a limited and non-core part of our overall manufacturing process. Raw materials are typically supplied by us, with third-party manufacturers executing only the designated manufacturing steps.

Outsourcing manufacturers are selected based on a comprehensive evaluation of their qualifications, delivery capabilities and equipment standards and are subject to performance assessments under the Technology, Quality, Responsiveness, Delivery, and Cost (“**TQRDC**”) evaluation framework. In practice, specific product models are first identified for outsourcing based on customer order plans and internal and external production capacity assessment. Such outsourcing arrangements are subject to internal quality and engineering review, followed by supplier selection through a tendering process on our procurement platform. During outsourced production, we supply raw materials to third-party manufacturers, who perform the designated manufacturing steps strictly in accordance with our unified technical specifications, manufacturing processes, key parameters and quality standards. Finished products are then returned to us for inspection, warehousing and settlement. We engaged with 22, 28, 33 and 26 third-party manufacturers in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. We generally enter into framework agreements with our third-party manufacturers, which set forth the general terms and conditions of purchase. The salient terms of our framework agreement with our third-party manufacturers are set forth below:

Term. We generally enter into framework agreements with our third-party manufacturers without a fixed-term period.

Pricing and Payment. The framework agreements typically specify fixed unit prices for designated products. We reconcile accounts with our third-party manufacturers on a monthly basis.

Delivery and Logistics. Our third-party manufacturers are typically responsible for the delivery of products or services to our specified locations.

Inspection and Returns. Product inspection shall be carried out within the specified period upon delivery. We have the right to return defective products that fail to meet agreed quality standards and our third-party manufacturers shall provide remedies, including exchanges. The risk transfers to us upon our acceptance after inspection of the products received.

Confidentiality. The third-party manufacturers are obligated to comply with confidential requirement.

Termination. We may terminate the contract at our discretion by giving the third-party manufacturer one month’s prior written notice; the third-party manufacturer may only terminate with our consent and by giving three months’ prior written notice. Either party may terminate immediately by written notice if the other enters bankruptcy proceedings.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortages in the supply of finished products, or any other material breach of agreements signed with our third-party manufacturers.

Production Expansion Plan

We plan to further expand our production capacity, with a focus on overseas markets. In addition to our existing manufacturing facilities, as of the Latest Practicable Date, we had one new production base under construction in Rayong Province, Thailand, which is designed to have an annual production capacity of approximately 17 million units. This facility is expected to commence operations in December 2027 and will primarily manufacture intelligent controllers for home appliances, industrial applications and new energy products.

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The Thailand production expansion is intended to enhance supply chain resilience, mitigate geopolitical and trade-related risks, optimise production costs and support our overseas customer base. The facility is located in Rayong Province, Thailand, due to its well-developed industrial infrastructure, proximity to major logistics hubs and the availability of investment incentives for electronics manufacturing. The total expected capital expenditure for the project is approximately RMB250 million. To establish and operate the Thailand facility, we are required to obtain certain approvals and licenses from the relevant Thai authorities, including investment promotion certification, construction-related permits and factory operation approvals. Our Company has obtained legal advice in respect of applicable Thailand laws that there is no legal impediment to obtaining the requisite licenses and approvals.

SALES, MARKETING AND PRICING

Our Sales

We conduct direct sales to our customers, which we believe is critical to predict and address customers’ needs. We are passionate about delivering the best experience possible to our customers. During the Track Record Period, we derived all our revenue from direct sales to customers and we did not engage any distributors, resellers or other sales channels. We have established an extensive global sales and marketing network covering countries and regions to maintain close contact with major customers, as well as to explore business opportunities with potential customers in emerging industries. Our extensive sales and marketing network typically consists of employees with expertise and experience in the relevant industry, whose industry insights enable efficient communications with the customers. Our business does not exhibit any material seasonal patterns, and our revenue and operating results are not subject to significant seasonal fluctuations, except that our revenue may be relatively higher in the second half of the year as certain customers tend to conduct final acceptance of projects during that period, which affects the timing of revenue recognition.

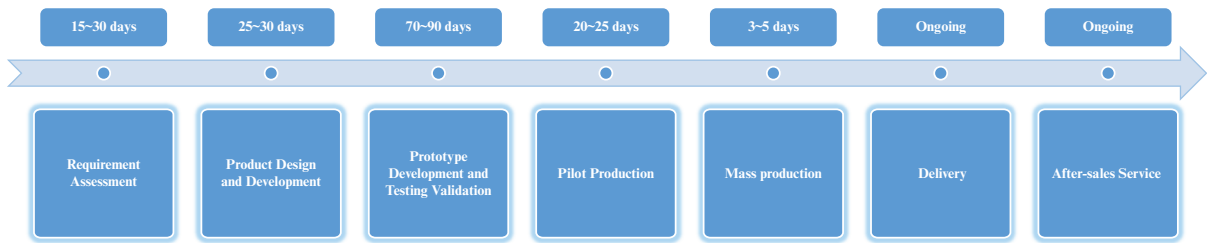
We have adopted a comprehensive customer strategy that covers the entire process, from customer acquisition to services fulfillment or product delivery. We maintain close contact with customers to gain an in-depth understanding of their needs and the current landscape of competing solutions or products and we attach great importance to helping customers use our solutions or products properly.

By leveraging our thorough understanding of international market dynamics and customer needs, we are able to better position our solutions and products, engage in strategic collaborations with our customers to co-develop new solutions or products, promptly address any technical issues during production and provide satisfactory after-sales services. In addition, we collect feedback directly from customers to garner insights that help drive our business and operations forward. Our dedication to quality end-to-end service for our global customer base further strengthens our industry influence and reputation.

Our overseas markets are a critical component of our long-term business development strategy. While continuing to explore growth opportunities in the domestic market, we actively expand our international footprint by leveraging our fast response capabilities and cost-effective product offerings to capture market potential in various regions. We intend to accelerate our global expansion, with a particular focus on emerging markets such as the Americas and Asia. We intend to explore asset-light partnership models to establish delivery capabilities in new countries and regions, serving both local customers and Chinese customers with overseas operations. Through such initiatives, we aim to strengthen our product competitiveness in overseas markets, elevate our reputation and drive the growth of our international business.

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The following flowchart illustrates the process from customer acquisition to after sales services of our IoT products:



Requirement Assessment. Our sales team engages potential customers to understand their requirements and pursues business opportunities through quotation and/or tendering. Upon completion of customer qualification and onboarding and execution of the relevant cooperation arrangements, the engagement is initiated for detailed requirement confirmation and assessment.

Product Design and Development. Based on confirmed customer requirements, we conduct product design and development, including functional planning, hardware selection and design, software and algorithm development, and test plan design. Upon completion of the preliminary design, the solution is converted into a bill of materials (BOM).

Prototype Development and Testing Validation. Prototypes are developed based on the BOM and are subject to internal testing and validation. Qualified prototypes are then delivered to customers for testing and validation in accordance with customer standards.

Pilot Production. Following successful customer validation, pilot production is carried out to identify and address manufacturing and process-related issues and to further optimise the product for mass production.

Mass Production. We organize mass production by procuring materials, configuring testing equipment and manufacturing products in batches in accordance with customers’ order schedules.

Delivery. Products are packaged and delivered in accordance with customer orders, and customers conduct inbound inspection and acceptance.

After-sales Service. We provide after-sales service by tracking and addressing issues arising from market feedback and continuously upgrading products based on customer and end-user feedback.

The following flowchart illustrates the process from customer acquisition to after sales services of our data intelligence solutions:



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The following table sets forth a breakdown of our revenue by geographical location of our customers in different geographical markets during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
	(Unaudited)									
Chinese Mainland	4,369,170	87.5	4,360,500	86.0	5,582,071	87.9	1,075,775	85.9	1,304,350	88.4
Overseas	624,369	12.5	708,957	14.0	769,077	12.1	176,843	14.1	170,564	11.6
Total	4,993,539	100.0	5,069,457	100.0	6,351,148	100.0	1,252,618	100.0	1,474,914	100.0

Key Terms of Sales Contracts

We generally enter into framework agreements with major customers, who place orders based on actual demand under the framework agreements. The following sets out the key terms of our IoT products framework agreements:

Scope. The specific products, specifications, quantities, prices and delivery terms are determined on an order-by-order basis under the relevant purchase orders and related documents issued pursuant to the framework agreement.

Pricing and Payment. Prices are determined by the applicable purchase orders. Payments are generally made after final acceptance and reconciliation and are settled after invoice posting in the form of six-month bank or commercial acceptance bill, and/or electronic debt instruments in accordance with the agreed payment cycle.

Minimum Purchase Commitments. The framework agreement does not impose any minimum purchase commitment on the customer and does not obligate the customer to place any purchase orders or guarantee any order volume.

Delivery. We are responsible for delivering products to customer-designated locations by the delivery dates specified in the relevant purchase orders or delivery notices, with transportation costs generally borne by us.

Quality. The products are required to comply with the applicable technical standards and quality specifications specified by our customers, as well as relevant national or industry standards, and are subject to inspection and acceptance by our customers.

Warranty and Product Return. The warranty period varies by product type as stipulated in the agreement. In general, non-functional modules and components are covered by warranty periods ranging from 12 to 24 months, while functional modules and components are covered by longer warranty periods ranging from 36 to 48 months. We generally do not accept product returns unless such returns arise from product quality issues.

Termination. The framework agreement has an initial term of one year and will be automatically renewed for successive one-year terms unless terminated in accordance with the agreement. The agreement may be terminated by mutual agreement of the parties or due to certain force majeure events. The customer may terminate the agreement in the event of our breach, and may also terminate the agreement for business reasons in the absence of our breach, in which case our remedies are generally limited to reimbursement of certain costs incurred in accordance with the agreement. Termination is generally subject to prior notice, and we are required to continue fulfilling outstanding orders up to the effective date of termination.

The following sets out the key terms of our data intelligence solutions framework agreements:

Scope. The specific products, scope, quantities, and delivery schedules are agreed in the relevant agreement appendices.

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Pricing and Payment. Prices are agreed by the parties and specified in the relevant contract appendices. Payments are generally made in stages based on acceptance milestones, with a substantial portion of the agreement price payable upon acceptance of the products and the balance payable within an agreed period thereafter. One-off license fees typically apply to customised, on-premises software products offered under our intelligent manufacturing solutions, whereas annual license fees mainly apply to standardised, cloud-based SaaS software products offered under other solution offerings on a subscription basis. As our software products are primarily used in core manufacturing scenarios where customers tend to prefer on-premises deployment, one-off license fees currently represent the predominant licensing arrangement.

Minimum Purchase Commitments. The sales agreements do not impose any minimum purchase commitments on customers, nor do they require customers to purchase any minimum volume of products.

Delivery. Products are generally delivered through on-site solution deployment, physical media, electronic transmission or online download.

Confidentiality. Each party is required to keep any confidential information obtained in connection with the performance of the agreement, and may not disclose such information to any third party without the other party’s consent.

Warranty and Product Return. Customers are entitled to inspect the products carrier and related deliverables upon delivery and raise objections within the agreed period. We generally do not accept product returns unless such returns arise from product quality issues.

Termination. The customer has the right to terminate the agreement by written notice in accordance with the agreed terms, including in the event of our breach of applicable laws or contractual obligations. Customers are not entitled to terminate the agreement solely due to delayed delivery by us.

Third-Party Payment Arrangements

Background and Reasons

During the Track Record Period, we accepted payments made on behalf of certain customers (the “**Relevant Customer(s)**”), through the accounts of third-party payors designated by the Relevant Customers (the “**Third-Party Payment Arrangement(s)**”). During the Track Record Period, Third-Party Payment Arrangements primarily comprise three scenarios: (i) payments made between parent and subsidiary companies within the same corporate group, (ii) payments made by financial institutions pursuant to financing arrangements with the Relevant Customers, such as supply chain factoring services and (iii) payments made by third-party payors designated or authorized by the Relevant Customers, such as their employees, customers or suppliers. Such third-party payors were designated or authorized by the Relevant Customers primarily due to the Relevant Customers’ payment settlement practice or cash flow arrangements. In particular, certain Relevant Customers that were sole proprietorships designated their employees to make payments on their behalf for convenience as they did not maintain corporate bank accounts, and certain Relevant Customers designated their customers or suppliers to make payments on their behalf due to their short-term cash flow needs.

In 2023, 2024, 2025 and the three months ended March 31, 2026, the number of Relevant Customers was 23, 7, 12 and 6, respectively. The majority of them were located in the PRC, except for one located in Spain and one located in the United States. In 2023, 2024, 2025 and the three months ended March 31, 2026, the aggregate amount they settled under the Third-Party Payment Arrangements was RMB3.1 million, RMB0.7 million, RMB8.9 million and RMB0.5 million, respectively, which accounted for 0.06%, 0.01%, 0.14% and 0.03% of our total revenue in the same years/periods, respectively. No individual Relevant Customer had made material contribution to our revenue during the Track Record Period. To the best of our knowledge, none of the third-party

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payors designated by the Relevant Customer is our connected person and all designated third-party payors are independent from each of our Directors, senior management and Controlling Shareholders.

According to Frost & Sullivan, it is a common commercial practice in China for customers to settle payments through third-party payors for various reasons.

Implications of the Third-party Payment Arrangements

During the Track Record Period, our Directors confirm that: (i) we had not proactively initiated any Third-party Payment Arrangements or participated in any 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, we have established standardized procedures and internal controls to govern third-party payment arrangements, including clear documentation requirements, traceable payment channels and multi-level review and approval processes to ensure compliance and mitigate risks.

Genuine Underlying Transactions. To ensure the Third-party Payment Arrangements are supported by genuine transactions, for payments received from the designated third-party payors, we required the Relevant Customers to provide us with relevant information, including, among other things, the payor’s account, payment information and the relevant payment agreement between the Relevant Customers and the payors to us after completion of the order and payment. 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 or provide our solutions to the Relevant Customers on the condition that the information submitted by Relevant Customers is consistent with the order.

Agreements between the Relevant Customers and Third-party Payors. We obtained agreements entered into by Relevant Customers and third-party payors, setting out the rights and obligations of both parties. Key terms of these agreements typically include: (i) clear authorization by the customer for the third party to make payment on their behalf; (ii) specification of the payment amount, underlying the contract or order, and the reason for third-party payment; (iii) confirmation that the payment is voluntary, lawful and does not involve money laundering, fraud, tax evasion, or other illegal activities; (iv) clarification that, upon receipt of payment, the relevant debt between the customer and our company is deemed settled; and (v) allocation of responsibility for any disputes or losses arising from the third-party payment arrangement.

Prevention of Fraud or Money Laundering. We also had know-your-customer procedures in place to have a comprehensive understanding of our customers. In addition, we conduct regular business meetings with corporate customers to understand the nature of their operations and business models. We also maintain active communication with our customers through both online and offline channels. 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 knowledge: (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 transactions; (iii) we are 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

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transaction payment to or from us through the Third-party Payment Arrangements; and (v) we had not encountered any refund requests, actual or pending dispute or disagreement due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements.

Considering that we will not cease the Third-party Payment Arrangements before [REDACTED], we have strengthened our internal controls and will seek to minimize the acceptance of such arrangements going forward, unless necessitated by genuine customer circumstances, such as operational, banking or administrative difficulties that prevent customers from making payment directly. Since May 31, 2026, for transactions involving Third-party Payment Arrangement, we have adopted and will continue to adopt tripartite contractual arrangements with the Relevant Customers and the designated third-party payors, under which the designated third-party payors are contractually bound in respect of their payment obligations to us.

As advised by our PRC Legal Adviser, in light of the above, (i) the Third-party Payment Arrangements are not in breach of mandatory requirements of current applicable laws and regulations in China in material aspects, (ii) we are not a financial institution or a designated non-financial institution subject to anti-money laundering obligations under PRC laws and regulations, which means that we are not bound by the stringent obligations imposed on such institutions and are under no legal obligation to verify the source of funds in third-party payment arrangements. During the Track Record Period, we have not been subject to any administrative penalties in connection with money laundering issues related to third-party payment arrangements.

Based on the foregoing, our Directors confirm that, to the best of their knowledge and based on the internal control measures implemented, (i) during the Track Record Period, the relevant payments were based on *bona fide* underlying transactions and valid contracts, and (ii) the risk of the Third-party Payment Arrangements being deemed as constituting crimes such as fraud, money laundering crime or commercial bribery is remote. Our Directors consider that the use of the Third-party Payment Arrangement did not and will not have any material adverse impact on our Group’s business operations and financial results, taking into account the immaterial revenue contribution from Third-Party Payment Arrangements and the internal control measures we have implemented. Having taken into account the views of our PRC Legal Advisor and our Directors as described above, the work and procedures performed by our internal control consultant, the insignificant historical amounts involved in the Third-Party Payment Arrangements during the Track Record Period, as well as the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors in the course of their due diligence which would reasonably cause them to cast doubt on our Directors’ views as stated above in any material respects in respect of (i) the genuineness of the transactions underlying the Third-party Payment Arrangements, (ii) the fact that the Third-party Payment Arrangements were not associated with any fraudulent or money laundering activities and (iii) the effectiveness and adequacy of the enhanced internal control measures.

Marketing

We take a customer-centric marketing approach to build and expand our business relationships. We formulate targeted marketing strategies, participate in online and offline marketing activities such as exhibitions, forums and online technical seminars to meet our business development needs and enhance our brand awareness. As we continue to expand domestically and globally, we optimize our sales and marketing network to ensure that we have sufficient geographic coverage across both existing and new markets. Our strong brand reputation and significant industry influence have been cultivated through extensive and deep partnerships with leading customers across numerous sectors. In addition to participating in major industry exhibitions, we also proactively organize industry salons to share our latest insights and technologies with customers and partners. These events allow us to engage more deeply with stakeholders, understand their evolving needs and explore potential cooperation opportunities.

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Moreover, we allocate considerable resources to expanding our presence in emerging application domains and industries. We adopt tailored strategies for customers in different industries and devote significant resources to business development in emerging applications. We make full use of the opportunity to participate in exhibitions to showcase our latest solutions and technologies to domestic and foreign customers, enhance our brand awareness and develop business relationships with potential customers. We participate in major global exhibitions and summits, as well as key industry exhibitions annually. Additionally, we have set up showrooms, welcoming top executives and research and development heads from customer companies to experience our solutions in-person.

Pricing

We determine the pricing of our solutions based on a number of factors, including our cost structure (such as the cost of software and hardware components and research and development expenses), the level of customization and technical requirements of each solution (including required functionalities and solution complexity), and comparable market prices in light of the competitive landscape. We maintain open communications with our customers regarding pricing and strive to offer competitive terms.

Our solutions adopt different revenue models depending on the nature of the products or services provided. For our IoT products, we primarily supply hardware products embedded with software functionalities according to customers’ specifications. The specifications of our different types of intelligent controllers also affect their pricing. For intelligent manufacturing solutions, green manufacturing solutions and regional industrial internet solutions, we generally charge a fixed total price on a project basis. For enterprise value-added services, we typically charge transaction service fees based on the volume of matching activities on our platform, or value-added service fees determined by the extent to which customers use our platform.

We believe it is crucial to provide our solutions and services at competitive prices and therefore conduct market research and consider the pricing of similar services or products in our prior projects and in the broader industry when determining our pricing.

AFTER-SALES SERVICES AND WARRANTY

We believe that the provision of reliable and responsive after-sales services is essential to maintaining customer satisfaction and fostering long-term relationships. For our IoT products, we generally offer a warranty period of one to three years, while some home appliance products are covered by a two- to four-year warranty period. For our data intelligence solutions, we generally offer a one- to two-year warranty period, during which customers may report any issues related to product performance or delivery. During the applicable warranty period, customers may report any issues concerning product quality.

To ensure a seamless customer experience, we have designated personnel responsible for overseeing the entire project delivery process and tracking post-delivery user feedback. From the point of project handover, our team monitors delivery progress to ensure compliance with internal standards. In addition, we conduct customer satisfaction surveys through follow-up visits and interviews with project stakeholders to assess their feedback on delivery quality and overall experience.

Given the customized nature of our solutions, product returns or exchanges are rare. We generally do not accept product returns other than in cases involving product quality issues. Where products are found to be non-conforming to the agreed specifications or delivered in excess of the ordered quantities upon acceptance inspection, customers may request returns in accordance with the relevant contractual arrangements. According to Frost & Sullivan, such product return policy is in line with industry practice. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product returns, complaints or recalls that had an adverse impact on our business operations or reputation.

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OUR SUPPLY CHAIN MANAGEMENT

Our Procurement

During the Track Record Period, our procurement primarily comprised IoT-related raw materials, mainly electronic components, and raw materials for industrial intelligence solutions, including hardware, software and system integration components. Our hardware procurement primarily included servers, switches and robots. Our software procurement primarily included simulation tools, customized software development, data acquisition software, QMS and APS. Our system integration procurement primarily included installation and other on-site deployment services. The chipsets used in our intelligent controllers are sourced from third-party suppliers. The following table sets forth the breakdown of our procurement of chipset by the geographical location of the direct suppliers during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
	(Unaudited)									
Chinese Mainland	971,157	100.0	974,653	98.8	1,083,276	88.7	227,373	95.8	241,127	78.7
Hong Kong, China.	242	0.0	12,005	1.2	136,696	11.2	10,064	4.2	64,472	21.0
Taiwan, China.	—	—	7	0.0	737	0.1	—	—	—	—
Korea	—	—	—	—	—	—	—	—	802	0.3
Total	971,399	100.0	986,665	100.0	1,220,709	100.0	237,437	100.0	306,401	100.0

To enhance procurement efficiency and ensure quality, we have established a dedicated internal procurement team responsible for centralized management. This team proactively identifies and reserves suppliers and partners. Based on specific order requirements provided by our production and business units, the procurement team prepares detailed procurement lists and issues purchase orders. Qualified suppliers then participate in a competitive bidding process, with selection based on optimal solutions and cost efficiency. We closely monitor market conditions and regularly negotiate pricing and procurement terms with our suppliers to account for the impact of raw material price fluctuations. We have also established stable and long-term partnerships with our suppliers, enabling consistent supplies. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortages in raw material supplies and the raw materials provided by our suppliers did not have any significant quality issues.

Supplier Selection and Engagement

We carefully select and engage reputable suppliers to ensure the quality of our products and solutions. We manage our suppliers to ensure quality standards, supply reliability and compliance with our requirements. When selecting suppliers, we typically consider various criteria, including proven track record, product quality, production capability, market reputation and price competitiveness. In addition, we implement measures to continuously monitor and evaluate suppliers' performance based on their delivery timeliness, quality consistency and responsiveness to our requirements. See “— Quality Control.”

We generally enter into framework agreements with our key suppliers, which set forth the general terms and conditions of purchase. Set forth below are the salient terms of our framework agreement with key suppliers:

Scope of Procurement. Each purchase order specifies the product name, specifications, model, performance requirements, quantity and price. Suppliers are required to comply with our technical standards and the latest applicable national or industry standards and must maintain an effective quality management system.

Delivery and Acceptance. Suppliers are responsible for delivering goods to our designated locations within the agreed timeframe and for all related transportation and handling costs. Ownership and risk pertaining to the goods transfer to us upon our receipt and acceptance. We

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conduct inspections at various stages, including sample, process, incoming and final inspections. Goods that do not meet our requirements may be replaced, returned, canceled, or the relevant order may be terminated.

Pricing and Payment. Prices are determined according to the purchase order and follow a most-favored pricing principle. Suppliers have to issue invoices and we make payments according to the agreed terms after invoice verification. We may retain a risk deposit to ensure product quality and supplier liability.

Intellectual Property. We retain exclusive intellectual property rights for proprietary modules and have continued usage rights for non-proprietary modules for contract performance. Suppliers are responsible for obtaining necessary third-party licenses and ensuring no infringement of third-party rights. Any molds, technical materials, or equipment provided or funded by us must be properly safeguarded, clearly labeled and used only for contract performance. Suppliers are liable for any damage or excessive consumption of such assets.

Confidentiality. Suppliers are required to protect our business information and ensure that confidentiality, quality and compliance requirements are communicated to their subcontractors and lower-tier suppliers.

Anti-fraud Arrangement. Suppliers and their affiliates must not provide improper benefits to our personnel. In cases of commercial fraud or unauthorized subcontracting, we reserve the right to immediately terminate the contract and pursue claims for damages.

Termination. The agreement may be terminated in the event of material breach, any failure of supplies to pass our validation tests, or other specified circumstances. Either party may be subject to penalties for breach of contract, including delays in delivery or defects in supplied products.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material breach of agreements with our suppliers or experienced any disruption to our business as a result of any significant shortage or delay in the supply of products we sourced from our suppliers.

Inventory Management

Our supply chain management is coordinated to achieve synergy and desirable allocation of resources among order placement, procurement management, product manufacturing, shipping and other processes. We manage and maintain sufficient inventory levels to support production. We analyze and determine the procurement strategies according to the forecast supply, market analysis and an estimation of fluctuations in volume during the procurement period and procurement price. Based on such analysis, we set different reasonable and safe inventory levels for different kinds of inventories in response to changes in customer demand and fluctuations in raw material prices.

Our management emphasizes asset management and holds quarterly meetings to review the asset management problems we encounter, proposing improvement plans and goals, with those plans and goals to be re-assessed at the next quarterly meeting. In addition, we have strict rules and standards on the inventory management workflows, including (i) the arrangement and placement of the inventories, (ii) the environment and safety requirements, (iii) storage, (iv) outbound, (v) handling of disqualified products, (vi) storage and inspection, (vii) inventory management and (viii) the handover process. We also digitalize and standardize our inventory management through the enterprise resource planning system (ERP), MES and WMS systems, which enhance the efficiency and accuracy of our inventory management processes.

Warehousing and Logistics

We are dedicated to developing an efficient and transparent logistics supply chain to ensure customer satisfaction and enhance our inventory efficiency. We are consistently refining and standardizing the warehousing and distribution systems within our self-operated warehouses located

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in the Chinese Mainland and overseas. As of the Latest Practicable Date, we operated five warehouses in the Chinese Mainland and one warehouse in Thailand. Such warehouses are strategically located near our customers to enhance service delivery and better meet their needs.

For the fulfillment of our services, such as providing project-based solutions or localized SaaS deployment, our own teams are responsible for on-site implementation at the customer’s location. For the delivery of products, such as equipment and components, we primarily appoint logistics service providers within the Haier Group, in accordance with customer requirements. For domestic deliveries, road transportation is mainly used, while shipments to overseas customers are primarily made by sea.

QUALITY CONTROL

We have comprehensive policies and detailed procedures in place to ensure product quality. We have obtained a series of certificates, including ISO9001 for our quality management system, QC080000 for our hazardous substance process management system, IATF16949 for our international standard for automotive quality management system, IPC QML Process Standard for our specialized manufacturing processes, ISO 45001 for our occupational health and safety management system and other various certificates for our specific products issued by the China Quality Certification Center.

In addition, we have established a quality manual, including procedures and policies on production management, disqualified product control, inventory management and product delivery control. We are in strict compliance with the quality manual, based on which we publish an annual quality policy, where each department formulates quality improvement strategies and objectives. The quality management department tracks the implementation of those quality objectives instantaneously, assesses developments and takes measures accordingly. At the same time, we review significant quality issues, if any, during quality reflection meetings so as to prevent any re-occurrence of such quality problems. The effectiveness and adequacy of our quality manual are evaluated through annual internal audits.

For raw materials management, we manage raw materials in accordance with our raw material management procedures and utilize a warehouse management system to ensure first-in-first-out control and minimize material expiry. During production, we implement Process Quality Control Procedures, including first piece inspection, process quality anomaly management and line stoppage controls to prevent batch quality incidents and reduce losses. For non-conforming products, we follow non-conforming product control procedures to classify, review, identify, isolate and dispose of such products, preventing their outflow.

For finished goods, our finished goods warehouse management procedures and WMS enable traceability of product quantity and quality, helping to eliminate issues such as missing items during unloading and unpacking. Supplier management is centered on our procurement system, as well as our integrated IQC and supply chain platform, enabling full lifecycle quality control from supplier onboarding to delivery acceptance, thereby improving supplier stability, product quality and service levels and enhancing our competitiveness and trust with partners.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any instance of major administrative penalties and were not involved in any litigation arising from product quality issues that would materially and adversely affect our business operation and financial performance.

OUR CUSTOMERS

During the Track Record Period, our customers primarily included enterprises from home appliances, machinery equipment, electronics, automotive and energy and chemicals industries. Revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB4,082.0 million, RMB4,063.5 million, RMB4,322.3 million and RMB1,007.8

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million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 81.7%, 80.2%, 68.1% and 68.3% of our total revenue, respectively. Revenue from our largest customer in each year/period during the Track Record Period was RMB3,607.4 million, RMB3,421.1 million, RMB3,468.8 million and RMB828.7 million, respectively, accounting for 72.2%, 67.5%, 54.6%, 56.2% of our total revenue for the respective years/periods. The following tables set forth the details of our five largest customers in each year/period during the Track Record Period:

Year ended December 31, 2023

Customer	Products/ services sold	Amount (RMB'000)	% of total revenue %	Year of commencement of business relationship	Credit term ⁽¹⁾	Payment methods
Haier Group	IoT products and data intelligence solutions	3,607,352	72.2	2017	30–210 days	Bank transfer, bank acceptance bill, commercial acceptance bill
Customer A ⁽²⁾	IoT products	186,089	3.7	2017	30–240 days	Bank acceptance bill
Customer B ⁽³⁾	IoT products	141,612	2.8	2018	270 days	Bank acceptance bill
Customer C ⁽⁴⁾	IoT products and data intelligence solutions	79,374	1.6	2021	250 days	Bank acceptance bill
Customer D ⁽⁵⁾	IoT products	67,603	1.4	2021	60 days	Bank acceptance bill
Total		4,082,030	81.7			

Year ended December 31, 2024

Customer	Products/ services sold	Amount (RMB'000)	% of total revenue %	Year of commencement of business relationship	Credit term ⁽¹⁾	Payment methods
Haier Group	IoT products and data intelligence solutions	3,421,065	67.5	2017	30–210 days	Bank transfer, bank acceptance bill, commercial acceptance bill
Customer A ⁽²⁾	IoT products	243,922	4.8	2017	30–240 days	Bank acceptance bill
Customer B ⁽³⁾	IoT products	189,038	3.7	2018	270 days	Bank acceptance bill
Customer E ⁽⁶⁾	IoT products	121,108	2.4	2022	270 days	Bank acceptance bill
Customer D ⁽⁵⁾	IoT products	88,410	1.8	2021	60 days	Bank acceptance bill
Total		4,063,543	80.2			

Year ended December 31, 2025

Customer	Products/ services sold	Amount (RMB'000)	% of total revenue %	Year of commencement of business relationship	Credit term ⁽¹⁾	Payment methods
Haier Group	IoT products and data intelligence solutions	3,468,849	54.6	2017	30–210 days	Bank transfer, bank acceptance bill, commercial acceptance bill
Customer F ⁽⁷⁾	Data intelligence solutions	233,286	3.7	2019	30 days	Bank transfer
Customer A ⁽²⁾	IoT products	220,871	3.5	2017	30–240 days	Bank transfer, bank acceptance bill
Customer B ⁽³⁾	IoT products	208,752	3.3	2018	270 days	Bank acceptance bill
Customer E ⁽⁶⁾	IoT products	190,520	3.0	2022	270 days	Bank acceptance bill
Total		4,322,278	68.1			

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Three months ended March 31, 2026

Customer	Products/ services sold	Amount (RMB'000)	% of total revenue %	Year of commencement of business relationship	Credit term ⁽¹⁾	Payment methods
Haier Group	IoT products and data intelligence solutions	828,710	56.2	2017	30–210 days	Bank transfer, bank acceptance bill, commercial acceptance bill
Customer A ⁽²⁾	IoT products	59,441	4.0	2017	30–240 days	Bank transfer, bank acceptance bill
Customer C ⁽⁴⁾	IoT products and data intelligence solutions	45,380	3.1	2021	250 days	Bank acceptance bill
Customer E ⁽⁶⁾	IoT products	41,147	2.8	2022	270 days	Bank acceptance bill
Customer G ⁽⁸⁾	Data intelligence solutions	33,163	2.2	2016	28 days	Bank transfer
	Total	1,007,841	68.3			

Note:

- (1) We generally grant our customers a credit term of one to three months to settle their payments, which are typically made with six-month acceptance bills.
- (2) Established in 2007, Customer A is a private company that primarily engages in the sales of home appliances and intelligent home products, with revenue of over RMB20.0 billion in 2025 and located in Huizhou, Guangdong.
- (3) Established in 2002, Customer B is a private company that primarily engages in the sales of refrigerator compressors, with its listed parent group recording total revenue of RMB12.0 billion in 2024 and located in Jiaxing, Zhejiang.
- (4) Established in 2020, Customer C is a private company that primarily engages in the sales of refrigeration compressors, with its listed parent group recording total revenue of RMB6.2 billion in 2024 and located in Huangshi, Hubei.
- (5) Established in 2013, Customer D is a private company that primarily engages in the sales of intelligent refrigerators, washing machines and freezers, with revenue of RMB5.4 billion in 2023 and located in Nanjing, Jiangsu.
- (6) Established in 2008, Customer E is a private company that primarily engages in the sales of refrigerator compressors, with revenue of RMB8.1 billion in 2024 and located in Guangzhou, Guangdong.
- (7) Established in 2015, Customer F is a company listed in Hong Kong Stock Exchange that primarily engages in the sales of power battery and energy storage system products, with revenue of RMB44.4 billion and located in Changzhou, Jiangsu.
- (8) Established in 2011, Customer G is a company listed in Shanghai Stock Exchange that primarily engages in the sales of digital X-ray core components and silicon-based micro-display backplanes, with revenue of RMB2.3 billion in 2025 and located in Shanghai.

Except for Haier Group, all of our other top five customers in each year/period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our shareholders (who, to the knowledge of our Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

Haier Group, our largest customer in each year/period during the Track Record Period, was also our largest supplier during the respective year/period, providing us primarily raw materials and intelligent hardware. In 2023, 2024, 2025 and the three months ended March 31, 2026, our purchase amounts from entities in the Haier Group who were both our customer and supplier in the respective year/period were RMB846.7 million, RMB804.1 million, RMB852.9 million and RMB186.9 million, respectively, representing approximately 21.5%, 20.7%, 18.8% and 15.6% of our total purchase amounts in the same years/periods. During the same years/periods, our revenue from entities in Haier Group who were both our customer and supplier in the respective year/period was RMB53.4 million, RMB25.8 million, RMB8.2 million and RMB10.4 million, representing approximately 1.1%, 0.5%, 0.1% and 0.7% of our total revenue in the same year/period. Our Directors are of the view that the transactions with the overlapping supplier customers were conducted at arm's length, mutually independent and under normal commercial terms. Negotiations concerning the terms of our sales to, and purchases from, the Haier Group were conducted on an individual basis and the sales and purchases were neither interconnected nor inter-conditional with each other.

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OUR SUPPLIERS

During the Track Record Period, our procurement primarily comprised (i) IoT-related raw materials, mainly electronic components and (ii) raw materials for data intelligence solutions, including hardware, software and system integration components. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB1,214.7 million, RMB1,161.6 million, RMB1,242.6 million and RMB293.2 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 30.8%, 30.0%, 27.4% and 24.5% of our total purchases, respectively. Purchases from our largest supplier in each year/period during the Track Record Period were RMB855.0 million, RMB863.0 million, RMB916.8 million and RMB192.1 million, respectively, accounting for 21.7%, 22.3%, 20.2% and 16.1% of our total purchases for the respective years/periods. The following tables set forth the details of our five largest suppliers in each year/period during the Track Record Period:

Year ended December 31, 2023

Supplier	Products/ services purchased	Purchase amount (RMB'000)	% of total purchases %	Year of commencement of business relationship	Credit terms ⁽¹⁾	Payment method
Haier Group	Raw materials, intelligent hardware	855,000	21.7	2017	30–270 days	Bank transfer, bank acceptance bill
Supplier A ⁽²⁾	Raw materials (relays)	111,102	2.8	2020	270 days	Bank acceptance bill
Supplier B ⁽³⁾	Raw materials (LED and LCD display components)	95,038	2.4	2019	270 days	Bank acceptance bill
Supplier C ⁽⁴⁾	Raw materials (inductors and transformers)	81,864	2.1	2020	270 days	Bank acceptance bill
Supplier D ⁽⁵⁾	Raw materials (chips, passive components and connectors, etc.)	71,661	1.8	2020	30 days	Bank transfer
Total		1,214,665	30.8			

Year ended December 31, 2024

Supplier	Products/ services purchased	Purchase amount (RMB'000)	% of total purchases %	Year of commencement of business relationship	Credit terms ⁽¹⁾	Payment method
Haier Group	Raw materials, intelligent hardware	863,014	22.3	2017	30–270 days	Bank transfer, bank acceptance bill
Supplier A ⁽²⁾	Raw materials (relays)	97,009	2.5	2020	270 days	Bank acceptance bill
Supplier C ⁽⁴⁾	Raw materials (inductors and transformers)	76,893	2.0	2020	270 days	Bank acceptance bill
Supplier B ⁽³⁾	Raw materials (LED and LCD display components)	65,175	1.7	2019	270 days	Bank acceptance bill
Supplier E ⁽⁶⁾	Raw materials (chips, discrete components, resistors and capacitors)	59,507	1.5	2020	30 days	Bank transfer
Total		1,161,598	30.0			

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Year ended December 31, 2025

Supplier	Products/ services purchased	Purchase amount (RMB'000)	% of total purchases %	Year of commencement of business relationship	Credit terms ⁽¹⁾	Payment method
Haier Group	Raw materials, intelligent hardware	916,786	20.2	2017	30–270 days	Bank transfer and bank acceptance bill
Supplier C ⁽⁴⁾	Raw materials (inductors and transformers)	86,800	1.9	2020	270 days	Bank acceptance bill
Supplier F ⁽⁷⁾	Raw materials (chips)	82,398	1.8	2020	30 days	Bank transfer
Supplier A ⁽²⁾	Raw materials (relays)	78,707	1.8	2020	270 days	Bank acceptance bill
Supplier G ⁽⁸⁾	Raw materials (LCD display components)	77,889	1.7	2019	270 days	Bank acceptance bill
Total		1,242,580	27.4			

Three months ended March 31, 2026

Supplier	Products/ services purchased	Purchase amount (RMB'000)	% of total purchases %	Year of commencement of business relationship	Credit terms ⁽¹⁾	Payment method
Haier Group	Raw materials, intelligent hardware	192,108	16.1	2017	30–270 days	Bank transfer and bank acceptance bill
Supplier F ⁽⁷⁾	Raw materials (chips)	27,923	2.3	2020	30 days	Bank transfer
Supplier C ⁽⁴⁾	Raw materials (inductors and transformers)	25,288	2.1	2020	270 days	Bank acceptance bill
Supplier H ⁽⁹⁾	Raw materials (electrolytic capacitors)	24,167	2.0	2020	150 days	Bank acceptance bill
Supplier I ⁽¹⁰⁾	Raw materials (printed circuit board)	23,734	2.0	2021	270 days	Bank acceptance bill
Total		293,220	24.5			

Notes:

- (1) Our suppliers generally grant us a credit term of three months, and payments are typically settled through six-month acceptance bills.
- (2) Established in 1997, Supplier A is a private company that primarily engages in the sales of relay, with estimated revenue of RMB22.5 billion in 2025 and located in Xiamen, Fujian.
- (3) Established in 1997, Supplier B is a private company that primarily engages in the sales of optocoupler devices and optoelectronic display modules, with revenue of RMB1.9 billion in 2024 and located in Xiamen, Fujian.
- (4) Established in 2007, Supplier C is a private company that primarily engages in the sales of high-efficiency electromagnetic components, with revenue of RMB2.8 billion in 2025 and located in Qingdao, Shandong.
- (5) Established in 2005, Supplier D is a private company that primarily engages in the wholesale distribution of electronic products and components, software-related technical services, international trade, logistics and technology development and consulting, with its group recording global revenue of RMB2,109.9 billion in 2025 and located in Shanghai, with headquarters in the United States.
- (6) Established in 2002, Supplier E is a private company that primarily engages in the import-export services across the home appliance, communications and automotive electronics sectors, with revenue of RMB2.5 billion in 2024 and located in Shanghai.
- (7) Established in 1921, Supplier F is a company listed in NASDAQ that primarily engages in the sales of technological solutions and electronic components, with revenue of RMB154.0 billion and located in Arizona, the United States.
- (8) Established in 2004, Supplier G is a private company that primarily engages in the sales of integrated touch-display products, with revenue of RMB0.6 billion in 2025 and located in Xiamen, Fujian.
- (9) Established in 1958, Supplier H is a company listed in Shenzhen Stock Exchange that primarily engages in the sales of electronic components, with revenue of RMB5.5 billion in 2025 and located in Nantong, Jiangsu.
- (10) Established in 2007, Supplier I is a private company that primarily engages in the sales of printed circuit board, with revenue of RMB1.1 billion in 2025 and located in Huizhou, Guangdong.

Except for Haier Group, all of our top five suppliers in each year/period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their close associates or any of our Shareholders (who owned or, to the knowledge of Directors, had owned more than 5% of our issued share capital) had any interest in any of our major suppliers in each year/period during the Track Record Period.

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INFORMATION TECHNOLOGY

Information technology systems are critical to enhancing our competitiveness and operational efficiency. Built upon our COSMOPlat, we have established a comprehensive end-to-end IT infrastructure that supports key business functions, including order management, inventory management, production, quality control and operational management. Our IT team continuously develops and maintains these systems in line with business growth and, leveraging the technological capabilities of the COSMOMind, integrates artificial intelligence into various business scenarios through customized intelligent-agent applications covering solution design, business opportunity management, contract review, procurement, delivery and other operational processes. Our core systems include an ERP system for integrating and managing enterprise-wide business processes, an enterprise digital platform (EDSP) for customer management, opportunity tracking and project delivery management, a PLM system for managing product-related data throughout the product lifecycle, and an OA system for collaboration, knowledge sharing and administrative management. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

COMPETITION

China’s market for platform-based industrial data intelligence solutions remained at an early stage of transition toward large-scale application in 2024 and was highly fragmented. According to Frost & Sullivan, in terms of revenue in 2025, the top three market participants accounted for only 3.8% of the market, and we ranked first with a market share of 1.7%. As demand from enterprises, industrial parks and industry customers for data governance, model management and cross-system collaboration continues to grow, competition in this market is expected to intensify. We also compete in the market for edge intelligent controllers, which is characterized by rapid product iteration, stringent requirements for hardware reliability and edge computing performance, and the need for adaptation to diverse downstream devices. In both segments, we face competition from domestic and international industrial platform providers, software companies, intelligent hardware manufacturers and AI technology companies, some of which have greater resources or longer operating histories. As the adoption of AI-enabled industrial platforms and intelligent edge controllers accelerates, industry concentration and differentiation based on technology, data assets and delivery experience are expected to increase. See “Industry Overview.”

DATA PRIVACY AND INFORMATION SECURITY

During the Track Record Period and up to the Latest Practicable Date, our customers are enterprises rather than individuals, and our data intelligence solutions are generally deployed on customers’ own on-premises infrastructure and operated within customer-controlled environments, with all data processing activities being carried out under customers’ exclusive management. When we provide our data intelligence solutions to customers under such on-premises deployment model, the purposes, types and scope of data processing are determined and conducted upon customers’ instructions and requirements, and all data processing takes place within customers’ own environments and systems. In such cases, we do not collect, store, own or independently process customers’ data. Upon delivery of our data intelligence solutions, customers obtain the datasets suitable for large model development or customized large model products.

In the course of identifying system malfunctions for enterprise customers and formulating corresponding remediation solutions, we develop an understanding of certain types of malfunctions and ways to resolve them. Such understanding represents the professional expertise and know-hows independently accumulated by us in the process of solution delivery, based on common malfunction characteristics, diagnostic methodologies, solution logics and applicable scenarios, and do not contain any proprietary information of specific enterprise customers, nor do they fall within any

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confidential information obtained from customers pursuant to contractual confidentiality obligations. Such expertise and know-hows also further enhance the functionality of our COSMOPlat platform.

We may have limited access to certain data of our enterprise customers in connection with on-site solution deployment or operation and maintenance services, subject to customer authorization. The types of data involved depend on the deployment model selected by the customer. Under a SaaS deployment model, customer-related data associated with our solutions is stored in our private cloud center located in Qingdao, Shandong Province. In such cases, we act solely as a data storage service provider and do not access or process customer data unless authorized by the customer for operation and maintenance purposes. Upon customer authorization, we may provide operation and maintenance services for our data intelligence solutions, which may involve limited access to certain business data, operational data and audit logs of enterprise customers, none of which involve personal information. Such audit logs generally refer to system operation records generated in the course of using the relevant solution. We access such audit logs only when necessary for troubleshooting, fault diagnosis, access control review, system security monitoring, performance optimization or verification of system operation status. In respect of our IoT products, we do not collect data from users of our controllers for our own purposes.

We have established comprehensive internal control measures to safeguard data privacy and security. For customer data stored under the SaaS deployment model, we implement encryption measures and strictly restrict access. As a data processor entrusted with data storage, we do not access or process customer data without customer authorization. Where operation and maintenance services are required, we apply strict permission control mechanisms to ensure that employees are granted only the minimum access rights necessary and that relevant access is subject to approval, logging and monitoring. We have also adopted a series of internal policies for data we control, including policies on data security lifecycle management, data classification and grading, data desensitisation and encryption, and application system access management. Technical safeguards such as HTTPS, data loss prevention (DLP) tools and identity authentication mechanisms are implemented. We further conduct regular data security and information protection training for employees to ensure effective enforcement of these measures.

We recognize that the confidentiality, integrity and availability of our data are essential to our operations. We strictly adhere to evolving data security and privacy laws and regulations, ensuring that our business data does not violate laws and regulations regarding cybersecurity and data protection in major aspects, including the Cybersecurity Law of the People’s Republic of China 《中華人民共和國網絡安全法》. We established internal policies and a series of procedures for effective information and cybersecurity management. Key among these internal policies and procedures are the following: (i) Network Security, Data Protection and Privacy. We employ firewalls, antivirus software and intrusion detection systems to protect our network infrastructure from external threats. The internal network must strictly comply with our information security standards and control requirements when connecting to the public internet in order to maintain network management security. We configure gateways with firewalls and deploy antivirus software on endpoint devices and we also regularly monitor systems, conduct virus scans and proactively assess threats to prevent cybersecurity incidents. We maintain a set of protocols for data handling and storage, including encryption, access controls and regular data backups. For example, we require approval from designated department personnel for access to relevant departmental files and shared folders. (ii) Security Audits, Employee Training and Disaster Recovery. We routinely perform cybersecurity penetration testing and vulnerability assessments to evaluate the robustness of our systems. Additionally, we conduct regular offensive and defensive security drills to enhance our security response capabilities. We promptly address any identified risks through corrective actions. We provide regular training programs to our employees on data security practices and responsibilities, enhancing overall security posture and awareness across our organization. We have developed a

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comprehensive disaster recovery plan to ensure the recovery of critical IT systems and data, minimizing operational disruption. We verify backup integrity and conduct regular recovery tests to ensure the availability and reliability of data.

To enhance internal collaboration and operational efficiency, we allow relevant employees of our affiliated entity registered in Thailand, upon obtaining appropriate authorization, to access certain internal work systems of our Group deployed in Chinese Mainland to view modules such as project management and order management. In the course of such access, employees of the overseas affiliated entity may, within the scope of their authorized access, remotely view limited personal information of the responsible persons or contacts, such as project managers, approvers or system administrators, related to such internal projects or orders. The relevant data subjects are limited to our employees located in Chinese Mainland, and the types of personal information involved are limited to names, employee numbers, positions and work email addresses. No sensitive personal information, important data, customer personal information or personal information of suppliers, business partners or other third parties is involved. The scale of personal information provided overseas is very limited. During the Track Record Period, the total number of data subjects involved did not exceed 40 individuals without deduplication, and the number of data subjects involved during each year of the Track Record Period did not exceed 10 individuals. The relevant access was conducted on an ad hoc, as-needed basis through role-based remote online viewing. The above cross-border data arrangement is one-way from Chinese Mainland to Thailand, as Thai personnel remotely access Chinese Mainland-hosted internal project management and order management systems for internal group collaboration, project progress review and order information verification. There was no reverse transmission of personal information or other data from Thailand to Chinese Mainland under this arrangement. All original data accessed by the Thai affiliated entity is stored on servers located in Chinese Mainland, while the Thai affiliated entity conducts remote online viewing only.

Data collected from our overseas operations primarily relates to our manufacturing facility in Thailand. Such data primarily comprises local employee payroll, personnel and attendance data, including employee card check-in records. Personal information such as payroll data and personnel data of Thai employees, are stored in independent local systems in Thailand and are physically and technically isolated from Chinese Mainland systems, without outbound transmission. Pursuant to Article 5 of the Provisions on Facilitating and Regulating Cross-border Data Flows, where we cumulatively provide personal information, excluding sensitive personal information, of less than 100,000 individuals overseas in a given year, we are not required to apply for a security assessment for cross-border data transfer, enter into a standard contract for cross-border transfer of personal information, or obtain personal information protection certification.

Our PRC Legal Adviser with respect to data compliance matters has advised us that, based on the foregoing facts and the limited nature and scale of the data involved, the above arrangements comply with the applicable requirements under the Provisions on Facilitating and Regulating Cross-border Data Flows in relation to the cross-border provision of personal information and do not require a security assessment for cross-border data transfer. We have obtained Thai legal advice that, under the Personal Data Protection Act B.E. 2562 of Thailand and its applicable subordinate regulations, Thailand does not impose a special cross-border data security assessment, filing or prior approval requirement for the above remote access arrangement, and that such arrangement has not violated Thai data protection laws and regulations in any material respect. In addition, we have informed relevant employees, by publishing an Information System User Responsibility Undertaking through our internal employee system and obtaining their consent, that their personal information may be accessed and obtained by overseas affiliated entities within the above scope. In addition, we are not required to apply cybersecurity review in respect of our proposed [REDACTED] in Hong Kong. This is because Article 7 of the Cybersecurity Review Measures stipulates that to go public abroad, an online platform operator who possesses the personal information of more than 1 million users shall declare to the Office of Cybersecurity Review for cybersecurity review, and a listing in Hong Kong does not constitute such circumstance.

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During the Track Record Period and up to the Latest Practicable Date, we did not experience any incident relating to breach of confidential information, material data leakage, data breach or data loss, nor did we receive any third-party infringement claim with respect to data security that could cause a material adverse effect on our business, financial condition or results of operations.

Based on the foregoing internal control measures and their implementation during the Track Record Period and up to the Latest Practicable Date, our Directors are of the view that our data privacy and information security control framework is adequate and effective in safeguarding data and ensuring compliance with applicable laws and regulations in all material respects. Based on the facts and analysis mentioned above, nothing has come to the Joint Sponsors’ attention in the course of conducting the due diligence work that would reasonably cause them to cast doubt on our Directors’ view as disclosed in the foregoing.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

ESG Governance

Our Company has established a three-tiered ESG governance system with well-defined responsibilities and collaborative mechanisms. As the highest ESG decision-making body, the Board comprehensively oversees and reviews ESG-related work proposals, including system formulation, objective setting and work implementation progress. The Board reviews and approves proposals to convene special committees, including proposals relating to the ESG Committee, in order to be informed of material ESG matters. The Board’s ESG committee is a dedicated deliberative body responsible for studying major ESG issues, making recommendations and reporting to the Board. The ESG committee is responsible for studying and formulating the ESG strategic plan, management structure, system and implementation rules, identifying and monitoring ESG-related risks and opportunities that have a significant impact on our business and guiding management to take appropriate measures to address ESG-related risks and opportunities. The ESG Committee considers ESG-related proposals and reports to the Board on material ESG matters on an annual basis. The ESG execution team, which comprises relevant functional departments for each issue, serves as the executive level and is responsible for breaking down objectives and driving their implementation.

Based on the ESG governance framework, we keep consolidating the ESG risk management mechanism. With all levels working together to regularly analyze and assess ESG-related risks and opportunities, we formulate an effective ESG risk response strategy in accordance with our business features. We also conduct periodic identification and assessment of ESG material issues based on changes in industry trends, external developments and stakeholder expectations, so as to determine the priorities of our ESG management. The Board plays a key oversight and guiding role in the identification and prioritization of material ESG issues. Based on ESG issue identification and materiality assessments conducted by relevant departments, our Board reviews the results of such identification and assessments, and provides comments and recommendations on the scope of issues, assessment methodologies and outcomes, to ensure that such issues adequately reflect our business characteristics and the key concerns of stakeholders.

In determining the prioritization of material ESG issues, the Board exercises prudent judgment based on management’s recommendations and a range of factors, including but not limited to industry sustainability disclosure practices, commonly identified ESG risks and opportunities within the industry, conclusions drawn from internal discussions and workshops, and, where appropriate, the views of external experts and professional advisers. On this basis, the Board confirms the final prioritization of material ESG issues to ensure alignment between ESG management priorities and our long-term strategy and sustainability objectives.

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Guided by our corporate vision and core values, we have formulated the sustainable development strategy of empowering the platform ecosystem under digital intelligence; building a sustainable future together under green-driven growth. Our Directors are of the view that, during the Track Record Period and up to the Latest Practicable Date, we have not committed any material non-compliance with applicable ESG-related laws and regulations in the principal jurisdictions in which we operate, and that such compliance status would not have any material adverse effect on our business, financial condition or listing eligibility. In forming the above opinion, the Directors have taken into account our established and implemented compliance and internal control systems, including relevant policies and procedures covering environmental protection, employment practices, information security and business ethics; the results of internal compliance reviews and internal control assessments conducted during the relevant period; and the professional advice provided by external auditors and legal advisers in respect of our compliance status. The Directors have also relied on confirmations provided by management regarding our compliance with relevant laws and regulations. We listen to our stakeholders constantly and identify, assess and dynamically update our materiality database. We drive the ongoing creation of sustainable value by aligning management priorities with materiality distribution.

Environment

Environmental Targets

We have established measurable environmental targets covering emissions, energy and resource consumption, and greenhouse gas emissions. In setting these targets, we have considered the anticipated evolution of our business structure and operational scale through 2030 — particularly the projected moderate capacity expansion in production-related segments such as IoT products, and the continued growth in scale and revenue contribution of non-production businesses including data intelligence solutions — and their consequent implications for overall environmental performance. These factors constitute the principal assumptions for the target-setting process. We have also reviewed targets disclosed by operationally comparable peers and aligned our goals with prevailing environmental disclosure frameworks to ensure their appropriateness and comparability.

Based on the above assumptions and assessment, using 2025 as the base year, we aim to reduce the intensity of air emissions, hazardous waste generation, energy consumption, water consumption, and Scope 1 and Scope 2 greenhouse gas emissions by 5% by 2030. We are also committed to ensuring 100% compliant industrial air emissions and 100% compliant disposal of waste on an annual basis. To achieve the aforementioned targets, we continuously optimize our environmental management system, strengthen full-process control and the implementation of responsibilities and promote the continuous improvement of each target while maintaining compliance. Meanwhile, we actively encourage the application of green and carbon-reduction technologies alongside management innovation, fostering the in-depth integration of environmental protection measures into daily operations.

Emissions Management

We have formulated and implemented internal protocols to institutionalize and standardize emissions management. Our investments in environmental compliance management and environmental governance during the Track Record Period are set out in the following table.

	Year ended December 31,			Three Months
	2023	2024	2025	ended March 31, 2026
Environmental Protection-related RMB'000	8,890	15,290	20,230	310
Investments				

Our operations and production do not involve high-pollution processes, nor do they generate large-scale emissions of exhaust or industrial wastewater, resulting in minimal environmental impact on surrounding areas. Non-hazardous waste generated from our operations primarily consists of plastics and cardboard, which are sorted and handed over to qualified third-party organizations for

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recycling or compliant disposal. Hazardous waste primarily comprises discarded circuit boards, waste solvents and used oils, which are centrally stored in a dedicated hazardous waste storage area. The entire transfer and disposal process is entrusted to a compliant third-party organization to ensure full compliance with environmental protection requirements. During production, we utilize fully enclosed and semi-enclosed equipment to effectively capture exhaust emissions. These are then purified through dedicated exhaust treatment facilities before being discharged in compliance with regulatory standards.

Set out below is our emissions data during the Track Record Period:

		Year ended December 31,			Three Months ended March 31,
		2023	2024	2025	2026
Hazardous waste generated	tons	343.26	404.26 ⁽¹⁾	461.23	119.13
Hazardous waste generation intensity	kg/'000s in revenue	0.063	0.073	0.072	0.081
Non-hazardous waste generated ⁽²⁾	tons	278.07	188.49 ⁽³⁾	1,077.18 ⁽⁴⁾	262.61
Non-hazardous waste generation intensity	kg/'000s in revenue	0.051	0.034	0.169	0.178
Air emissions	tons	11.40	11.14	29.71 ⁽⁴⁾	16.25
Air emission intensity	kg/'000s in revenue	0.002	0.002	0.005	0.011

Notes:

- (1) An increase in hazardous waste generated in 2024 was attributable to the higher production output at our factories in Hefei and Chongqing compared with the previous year.
- (2) As domestic and kitchen waste generated from production and operational activities is centrally managed by the local industrial park, it is not possible to separately disaggregate such disposal data. Consequently, the volume of non-hazardous waste does not include domestic or kitchen waste. Moving forward, we will collaborate with the park's property management departments to refine the scope of data collection and enhance the completeness of our disclosures.
- (3) In 2024, we implemented packaging optimization for certain products by replacing carton boxes with reusable shielding boxes. This led to a significant reduction in cardboard consumption and, consequently, a decrease in the total volume of non-hazardous waste generated during the year.
- (4) In 2025, the increase in output at the Hefei and Chongqing factories, together with the commencement of operations at the Foshan factory, led to an increase in the total amount of non-hazardous waste and air emissions.

Resource Utilization

We have formulated the Energy Conservation Management System to standardize the management of our energy and resource usage. The Company's primary energy consumption stems from office electricity and on-site power usage. Through electricity management and assessment mechanisms, we encourage staff to implement energy-saving measures, requiring offices to promptly switch off lighting, air conditioning, photocopiers and other electrical equipment. We undertake energy-saving technical upgrades, adding photoelectric sensors to automated production lines to reduce lighting duration. Furthermore, our integrated energy management platform enables visualized monitoring of electricity usage, facilitating the implementation of energy-saving initiatives.

The production process of our products does not involve water resource usage. Our water consumption primarily stems from the domestic usage of our staff. We actively encourage water conservation among staff, while documenting and reporting discovered instances of wasteful water usage. This is integrated into relevant performance management systems to foster continuous improvements in our management cycle. We adhere to green production principles, continuously promoting the use of recyclable packaging. We are progressively phasing out paper-based product packaging to minimize single-use of packaging materials.

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Set out below is our energy and resource usage data for the Track Record Period:

		Year ended December 31,			Three Months ended March 31,
		2023	2024	2025	2026
Total energy consumption ⁽¹⁾ . . .	MWh	48,868.00	52,150.50	42,618.93	14,190.99
Non-renewable energy sources . .	MWh	45,811.21	48,711.78 ⁽²⁾	36,539.87 ⁽³⁾	12,996.67
Renewable energy sources ⁽⁴⁾ . . .	MWh	3,056.79	3,438.73	6,079.06	1,194.32
Energy consumption intensity . .	MWh/'000s in revenue	0.009	0.009	0.007	0.010
Water consumption	m ³	259,368.96	253,315.39	123,191.35 ⁽³⁾	15,607.67
Water consumption intensity . .	m ³ /'000s in revenue	0.047	0.046	0.019	0.011
Packaging material consumption ⁽⁵⁾	ton	1,019.68	1,047.58	1,518.39	497.41
Packaging material consumption intensity	kg/'000s in revenue	0.187	0.190	0.239	0.337

Notes:

- (1) The energy consumed in the Company's operations primarily comprises natural gas, purchased electricity and steam. Comprehensive energy consumption is calculated in accordance with the *General Rules for Calculating Comprehensive Energy Consumption* (GB/T 2589–2020).
- (2) Due to variations in regional energy supply cycles and flow rates, the heating duration was extended and consumption volume increased at certain operational sites in 2024, resulting in a rise in non-renewable energy consumption for the year.
- (3) In 2025, following an adjustment to the Company's business structure, the purchased electricity and water consumption data no longer includes usage from the Qingdao mold factory. Consequently, the consumption of non-renewable energy and water consumption recorded a decrease compared to prior years.
- (4) Renewable energy is sourced from photovoltaic power generation systems installed within the industrial parks for our own consumption.
- (5) The packaging materials consumed in the Company's operations primarily comprise plastic, paper, metal and timber packaging. In 2025, the commencement of operations at the Foshan factory increased demand for plastic and paper packaging, resulting in a rise in total packaging material consumption.

Addressing Climate Change

Physical Risks

Extreme weather events may cause water and power outages, damage to office premises and production line disruption, which may adversely affect business operations. Such circumstances could impact employee attendance and equipment functionality, potentially leading to system failures and data loss, thereby negatively affecting service delivery and customer experience.

Transition Risks

As climate governance and resource management policies intensify under stricter regulations, we face heightened compliance thresholds and potential litigation or claims risks, which may drive up compliance costs. Further, growing customer demand for green products necessitates increased resource allocation toward green technologies and supply chain management, thereby elevating operational expenditures. We continue to strengthen climate risk management by enhancing resilience and responsiveness to climate change. Set out below is our greenhouse gas (“GHG”) emissions data during the Track Record Period:

		Year ended December 31,			Three Months ended March 31,
		2023	2024	2025	2026
Scope 1 GHG emissions ⁽¹⁾	tCO ₂ e	97.72	100.28	113.74	28.12
Scope 2 GHG emissions ⁽²⁾	tCO ₂ e	23,721.13	25,171.04	18,844.64	6,618.17
Scope 3 GHG emissions ⁽³⁾	tCO ₂ e	11,718.75	12,019.98	9,706.70	2,949.94
Total GHG emissions	tCO ₂ e	23,818.85	25,271.32	18,958.38	6,646.29
(Scope 1 + Scope 2)					
GHG emissions intensity	kgCO ₂ e/'000s in revenue	4.362	4.594	2.979	4.506
(Scope 1 + Scope 2)					

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Notes:

- (1) Scope 1 GHG emissions primarily stem from natural gas combustion, with relevant calculation parameters and factors selected from the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Enterprises in Other Industrial Sectors (Trial) (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission of the People’s Republic of China.
- (2) Scope 2 GHG emissions primarily stem from purchased electricity and steam. The emission factors of electricity are derived from the Announcement on the Release of Emission Factors of Carbon Dioxide from Electricity for 2023 (《關於發佈2023年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of the People’s Republic of China. The emission factors of steam heating are derived from the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Enterprises in Other Industrial Sectors (Trial) issued by the National Development and Reform Commission of the People’s Republic of China. The significant decrease in Scope 2 greenhouse gas emissions in 2025 was attributable to the aforementioned fluctuations in energy consumption.
- (3) Scope 3 GHG emissions encompass two major categories, namely fuel and energy activities and business travel. The Company will progressively enhance the coverage of data collection for Scope 3 GHG activities, thereby improving the transparency and completeness of GHG data disclosure.

Society

Employees

We strictly abide by laws and regulations and formulate and implement internal systems such as the Labor Contract Management Standard, holiday management manual and time management system to effectively protect the legitimate rights and interests of our employees. At the same time, we are resolutely eliminating forced labor and the use of child labor and effectively protecting the basic rights and interests of all workers. During the recruitment process, we also prohibit any form of discrimination based on gender, age, race, etc., and are committed to upholding fair and equitable employment opportunities.

Employee occupational health and safety is our core concern. The Company adheres to the relevant laws and regulations and has formulated internal management systems, such as the production safety responsibility system and the production safety accident management system, to protect the occupational health of employees, established clear accident reporting and handling procedures and regularly organizes safety emergency response drills and conducts two safety management compliance reviews annually to ensure the effective operation of its safety management system.

All of our factories in Chinese Mainland have obtained ISO 45001 Occupational Health and Safety Management System certification. We recorded zero workplace-related deaths and a zero fatality rate during the Track Record Period, with no major safety incidents occurring. Relevant employment data during the Track Record Period is set out below:

		Year ended December 31,			Three Months ended March 31,
		2023	2024	2025	2026
Number of employees		6,032	5,221	4,868	4,865
Number of employees by	Chinese Mainland	5,809	4,982	4,430	4,451
geographical region.	Other regions	223	239	438	414
Number of employees by gender.	Male	3,844	3,394	3,094	3,092
	Female	2,120	1,763	1,711	1,710
	Unknown ⁽¹⁾	68	64	63	63
Number of employees by age	30 and below	1,927	1,790	1,901	1,854
group	(inclusive)				
	31 to 50	3,858	3,222	2,801	2,841
	above 50 (exclusive)	179	145	103	107
	Unknown ⁽¹⁾	68	64	63	63
Number of employees by	R&D Personnel	1,427	1,180	1,173	1,177
professional background	Sales Personnel	662	491	559	575
	Workers	3,166	2,914	2,652	2,630
	Others	777	636	484	483

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Note:

- (1) Due to applicable legal and regulatory requirements in certain overseas jurisdictions, some overseas employees did not provide age and gender information.

Supply Chain Management

We have established supplier management system documents such as the borderless access process for first-class resources, the self-interaction process and supplier TQRDC performance evaluation process to carry out responsible supply chain management. During the supplier selection process, we conduct qualification checks and credit rating evaluations and require relevant licenses or certifications from hazardous chemical suppliers. Meanwhile, based on our social responsibility compliance audit checklist, we incorporate key areas, such as business ethics, labor practices, occupational health and safety, environmental protection, fire safety, freedom of association and communication, into our supplier selection system. We also conduct comprehensive audits and assessments through a combination of on-site inspections and reviews of supporting documents.

Product Responsibility

Product safety has always been our core principle. To ensure compliance during the product manufacturing process, we strictly adhere to enterprise standards such as Q/HR 0801001 Electronic Controls for Household Appliances General Requirement in our product design and quality inspection. With the manufacturing execution system at our core, we integrate key aspects of the production process, such as environmental and equipment management and material flow control, and incorporate the intelligent analysis capabilities of artificial intelligence big data models to achieve end-to-end quality assurance from raw material warehousing to finished goods delivery, constructing a unified digital quality management system that covers production, quality, business, process, raw materials and personnel management, which fully supports our intelligent manufacturing and quality control.

Technology Ethics

We place a high priority on the compliance and ethical use of our artificial intelligence products, software services and solutions throughout their development, design and operation, and have established management and control mechanisms covering the stages of research and development, deployment and operation. During the R&D and pre-deployment stages, relevant AI products are required to complete filing procedures and pass security and compliance reviews, with clear identification of data sources and scope of use. Technical measures such as AI content guardrails and source code audits are adopted to mitigate risks of data misuse, algorithmic bias and improper application. During operation, we implement continuous monitoring and management over model usage through mechanisms including policy controls, filing reviews and log audits to prevent misuse.

At the same time, we have implemented data security and privacy protection measures. At the governance level, we have established AI compliance-related policies and guidelines, and conduct filing management, security and compliance reviews, and ongoing supervision of AI projects through internal committees. We also conduct regular training and standardize the use of AI products and service.

Information Security and Privacy Protection

As an enterprise operating in the industrial internet sector, we place paramount importance on information security, recognizing it as a fundamental pillar of our operational framework. We strictly adhere to the requirements under relevant laws and regulations. We have also formulated and implemented systems. This establishes a management system covering the entire data lifecycle, achieving full-process compliance control. In terms of management mechanisms, we have appointed a dedicated person responsible for cybersecurity to coordinate and advance the implementation of privacy protection work. We continuously enhance data classification and the hierarchical

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management thereof, strengthen encryption protections during storage and transmission, conduct comprehensive information security awareness training for all staff at least once annually and implement an assessment mechanism to embed compliance consciousness. For oversight and response, we assess the impact of personal information processing activities on the system’s privacy implementation based on the internal policies. Routine monitoring and analysis of critical system access logs is observed.

INTELLECTUAL PROPERTY

We rely on a combination of patent, trademark, copyright and other intellectual property protection laws in the jurisdictions in which we operate, fair trade practices, contractual arrangements and confidentiality procedures to establish and protect our proprietary technologies. As of March 31, 2026, in the Chinese Mainland, we had (i) 740 issued patents, (ii) 1,806 granted trademarks, (iii) 1,384 granted computer software copyrights and 17 copyright of work and (iv) 97 granted domain names. As of the same date, in overseas jurisdictions, we had (i) five patents and (ii) 79 trademarks. See “Appendix VI — Further Information about the Business — Intellectual Property.”

We adopt a proactive approach to manage our intellectual property portfolio, implementing a comprehensive set of procedures for patent application, analysis, invalidation, operation, acquisition and asset evaluation. These strategies and procedures ensure that our intellectual property rights are effectively protected and managed throughout their entire lifecycle. Our legal department conducts regular oversight of our intellectual property assets and initiates appropriate actions whenever potential infringements are identified. We have implemented confidentiality measures that include requiring employees to enter into confidentiality agreements and adopting internal policies that specify the scope of service inventions. Upon termination of employment, we enter into non-compete agreements with certain core employees to protect proprietary information. Despite our precautions, we may be subject to risks associated with the alleged infringement of third-parties’ intellectual property rights or the infringement of our intellectual property rights by third parties. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material infringement of our intellectual property rights or allegations of infringement by third parties.

EMPLOYEES

As of March 31, 2026, we had 4,451 full-time employees in the Chinese Mainland, 63 employees in New Zealand and 351 employees in Thailand, respectively. The following table sets forth a breakdown of our employees by function as of March 31, 2026.

Function	Number of Employees	Percentage of Employees (%)
Production	2,630	54.1
Research and development	1,177	24.2
Sales and marketing	575	11.8
Management and others	213	4.4
Supply chain management	156	3.2
Finance	114	2.3
Total	4,865	100.0

We strive to provide our employees with comprehensive social benefits, a diverse work environment and a wide range of career development opportunities. Attracting, retaining and motivating the right talent is crucial for the success of our business. We believe that our talent pool is one of our core strengths and competitive advantages. We recruit with high standards and well-defined procedures and through various methods, including campus recruitment, online recruitment and third-party recruiters, in order to select the best-fit personnel for the corresponding positions in response to our various talent demands. We enter into standard labor contracts with our

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employees and confidentiality agreements and non-compete agreements with key management and professionals. We actively advance in the training and development programs for our employees to enhance their professional knowledge and keep abreast of the industry standards in their respective positions. We also provide tailored, ongoing training sessions by internal and external experts to employees to improve their technical skills in their practice areas and management skills training programs, including leadership training, to cadres in key positions. We have developed a pragmatic corporate culture that encourages teamwork, effectiveness, self-development and commitment to provide our customers with superior services. We also regularly organize activities to provide our employees with a deeper understanding of our culture. We uphold the core philosophy of “creating and sharing value together” and are committed to providing fair and equitable opportunities for all employees. We have established assessment criteria, career development pathways and development mechanisms tailored to different categories of employees, and conduct regular evaluations. We offer competitive compensation packages, typically determined based on employees’ value contribution and performance. We conduct periodic performance reviews and reward high-performing employees through recognition, salary increases and promotions.

As required by the laws and regulations in the jurisdictions in the PRC, we participate in various employee social security plans that are administered by provincial and municipal governments, including pension, unemployment insurance, childbirth insurance, work-related injury insurance, medical insurance and housing provident funds. We are required under PRC laws to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees.

During the Track Record Period, we did not make full contributions of social insurance and housing provident fund for certain employees based on their actual salary levels and failed to make such housing provident fund contributions for certain employees. Pursuant to PRC laws and regulations, in the event of under-contribution to social insurance, we may be required to pay the outstanding amount within a prescribed period and be subject to a daily overdue charge of 0.05% of the delayed payment amount. Failure to comply within the prescribed timeline may also lead to fines ranging from one to three times the overdue amount. Additionally, pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Similarly, if there is any failure to pay the full amount of housing provident fund as required, the competent housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is still not made within such time limit, the authorities may seek enforcement through the PRC courts. In addition, during the Track Record Period, we engaged third-party agencies to manage social insurance and housing provident fund contributions for certain employees. However, PRC regulations stipulate that employers must directly make these contributions from their own accounts rather than through third-party intermediaries. This could lead to additional payments for any outstanding contributions, late payment penalties, or enforcement actions by governmental authorities. The third-party human resources agencies confirmed that they had made the relevant social insurance and housing provident fund contributions for our employees in a timely manner during the Track Record Period. As of the Latest Practicable Date, we had terminated the arrangement of engaging third-party agencies to manage such contributions. The total shortfall of the social insurance and housing provident funds was RMB5.2 million, RMB5.4 million, RMB8.7 million and RMB8.7 million, respectively, in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, for which we have made full provisions.

The Supreme People’s Court Interpretation (II) on Several Issues Concerning the Application of Law in Labour Dispute Cases, which became effective in September 2025, does not introduce new substantive obligations relating to social insurance or housing provident fund contributions. Instead, it aims to unify judicial standards in labour dispute cases across different jurisdictions. The interpretation applies to labour disputes and does not alter employers’ statutory obligations under

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the PRC Social Insurance Law, nor does it increase administrative penalties for failure to make full contributions. Accordingly, as advised by our PRC Legal Adviser, the interpretation does not materially change our compliance obligations in respect of social insurance and housing provident funds.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not receive any notice from local governmental authorities regarding any shortfall, (ii) we did not incur any administrative penalties arising from any shortfall, (iii) we were not aware of any material employee complaints filed against us for any shortfall, (iv) we have made full provisions for the shortfall of social insurance and housing provident funds and (v) the Haier Corp and COSMO Digital Technology had undertaken that, if we are required to make up any past shortfall or incur any liabilities in connection with social insurance or housing provident fund contributions as demanded by the relevant authorities or employees, Haier Corp and COSMO Digital Technology will fully indemnify our Group for all related expenses, costs and losses primarily as part of their support for the Group’s compliance and long-term development. Based on the foregoing and the advice of our PRC Legal Adviser, our Directors are of the view that our historical shortfall in social insurance and housing provident fund contributions would not have a material adverse impact on our business, financial position or results of operations. See “Risk Factors — Risks Relating to Our Business and the Industry — We may experience increases in employee salaries and benefits, shortage of labor or deterioration in labor relations, as well as potential non-compliance with labor-related laws and regulations in the PRC, all of which could adversely affect our business, financial condition and operating results.”

Our employees in Chinese Mainland are currently represented by a labor union. Our employees in New Zealand and Thailand were not currently represented by labor unions as of the Latest Practicable Date. We believe we maintain a good working relationship with our employees and we have not experienced any material labour dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

PROPERTIES

Our headquarters office is located in Qingdao, Shandong Province. As of the Latest Practicable Date, we primarily owned and leased properties in the Chinese Mainland, New Zealand and Thailand. As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of the Latest Practicable Date, we owned 24 properties in the Chinese Mainland with an aggregate gross floor area of approximately 114,085 sq.m., which were primarily used for production and office purposes. As of the Latest Practicable Date, we had obtained the property ownership certificates for 14 of our owned properties. As of the Latest Practicable Date, we have not obtained the building ownership certificates for 10 of our owned properties we occupied and used, with an aggregate gross floor area of approximately 2,148 sq.m., accounting for less than 2.0% of our total owned properties, which were primarily used for substations, compressed air stations, storage rooms, warehouses, gatehouses, security rooms and waste disposal rooms. The relevant non-compliances arose primarily from historical circumstances, including limitations in obtaining certain planning and construction approvals at the time of development due to construction nature. As advised by our PRC Legal Adviser, pursuant to the relevant PRC laws and regulations, we, as the

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holder of the subject properties, may face potential administrative penalties from regulatory authorities including orders to rectify violations within a specified period, mandatory demolition or fines.

As of the Latest Practicable Date, we have not been subject to any administrative penalties regarding this matter. Given that: (i) the total area of properties without ownership certificates represents less than 2% of all domestic properties owned by us and (ii) the Controlling Shareholders and ultimate controller have provided a written commitment to compensate for potential losses. As advised by our PRC Legal Adviser, (i) with regard to construction permits, where a construction project is commenced without obtaining the required construction permit or without approval of the relevant commencement application, the competent authority may order suspension of construction, require rectification within a prescribed time limit and impose a fine generally ranging from 1% to 2% of the relevant construction contract value, (ii) with regard to construction planning approvals, under applicable PRC laws and local regulations, where construction is carried out without the required construction planning permits or in violation of the approved planning conditions, the competent planning authority may order suspension of construction. Depending on the severity and impact on urban planning, such authority may further require rectification, demolition or confiscation of the unlawful buildings and impose fines, which are generally calculated as a percentage of the relevant construction or project cost, (iii) with regard to environmental protection matters, where the relevant environmental impact assessment documentation has not been duly approved prior to commencement of construction, the competent environmental authority may order rectification within a prescribed time limit. In cases where construction continues without rectification, the authority may order suspension of construction and impose administrative fines up to RMB100,000 and (iv) with regard to fire safety compliance, where construction is commenced without submission or approval of the required fire safety design, or where a building is put into use without passing the required fire safety acceptance, the competent authority may order rectification or suspension of construction or use, and may impose administrative fines up to RMB1,000 on the responsible personnel. As further advised by our PRC Legal Adviser, the maximum potential penalties that may be imposed on our Group in relation to those properties without ownership certificates are approximately RMB0.7 million in aggregate, comprising (i) up to RMB0.1 million in respect of construction permit non-compliance, (ii) up to RMB0.4 million in respect of construction planning non-compliance and (iii) up to RMB0.2 million in respect of environmental protection non-compliance. In respect of fire safety compliance, the relevant fines may be imposed on the responsible personnel for up to RMB1,000 per person, rather than on our Group. Our Directors are of the view that, those properties without ownership certificates will not have a material adverse effect on our business, financial condition, results of operations.

Leased Properties

As of the Latest Practicable Date, we leased 27 major properties in the Chinese Mainland with an aggregate gross floor area of approximately 161,472 sq.m., which were primarily used for production or office purposes. The leases generally have a term ranging from one to 20 years.

As of the Latest Practicable Date, we leased one property in New Zealand with an aggregate gross floor area of approximately 6,145 sq.m., which was primarily used as our local delivery center. As of the Latest Practicable Date, we leased two properties in Thailand with an aggregate gross floor area of approximately 5,425 sq.m., which was primarily used as our production base. The leases generally have a term ranging from three to eight years. As of the Latest Practicable Date, we had obtained valid title certificates from the relevant landlords of both the properties.

As of the Latest Practicable Date, eight of our major leased properties which primarily used for production or office purposes, in the Chinese Mainland had not completed the required lease registration with governmental authorities primarily due to (i) the inability of certain lessors to provide the required lease registration documents, or (ii) the competent authorities of the relevant jurisdictions where certain of our leased properties are located confirmed that they are unable to process lease registration for leased properties situated on industrial land and for the rooftops of

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leased properties. As advised by our PRC Legal Adviser, a failure to register these lease agreements does not affect their legal validity. However, we may be required by the relevant local authorities to complete the registration within a specified period and may be subject to fines ranging from RMB1,000 to RMB10,000 per agreement provided that we fail to rectify within required time limits. The maximum aggregate penalty, if imposed, would be approximately RMB80,000, which our Directors believe would not have any material adverse impact on our business operations. Based on the foregoing and considering that, as of the Latest Practicable Date, we had not been required to register these leases by the authorities and had not been penalized for such non-registration, our Directors are of the view that the non-registration of the lease agreements will not have any material adverse effect on our business, financial condition or results of operations.

As of the Latest Practicable Date, we had not obtained the complete and valid property ownership certificates or sublease consents from the property owners for two major leased properties in the Chinese Mainland, which were primarily used for business operating and office purpose primarily because (i) one lessor was not the registered property owner and was unable to provide valid proof of ownership or authority to lease and (ii) the other lessor was unable to provide the ownership certificate of the relevant property or the construction project planning permit relating to such property. As a result, our leasehold interests may be affected, which could prevent us from continuing to use such properties. Taking into account (i) the relatively small proportion of such properties in our overall properties and (ii) given the readily replaceable nature of the property due to its standard usage, our Directors are of the view that such absence of valid title certificates or consents for such leased properties would not have any material adverse effect on our business, financial condition or results of operations.

As a contingency measure, we maintain ongoing communication with the relevant lessors to monitor, among others, the status of the property ownership certificates, the renewal of lease agreement. In parallel, we will relocate to ensure business continuity in the event relocation becomes necessary. For production activities, we are able to temporarily reallocate workloads to other facilities. For office functions, remote working arrangements and rapid office relocation can be implemented. In addition, there are alternative factory and office premises in the same or nearby regions that are readily available for lease under comparable commercial terms. The total expected relocation costs amounted to approximately RMB0.9 million. Our Directors are of the view that, with the market analysis of the Frost & Sullivan, given the mature industrial property market and the availability of comparable production and office facilities in the vicinity of our Group’s existing operations, if relocation were required, our Group would be able to identify and secure alternative premises within a reasonable timeframe and without material disruption to its business operations.

Considering (i) Qingdao West Coast New Area Administrative Committee issued a Confirmation Letter on March 27, 2026, stating that from January 1, 2023 to the date of issuance of the confirmation, it has not imposed any accident-related administrative penalties or non-accident-related administrative penalties on Shandong COSMO Intelligent Carbon Technology Co., Ltd., (ii) Hefei Economic and Technological Development Zone Fire and Rescue Brigade issued a Confirmation Letter on April 1, 2026, stating that from January 1, 2023 to the date of issuance of the confirmation, COSMO Energy Technology (Hefei) Co., Ltd. has not been subject to any administrative penalties imposed by the Hefei Economic and Technological Development Zone Fire and Rescue Brigade for violations of laws, regulations or regulatory documents relating to fire safety administration, (iii) according to the Public Credit Reports, Shandong COSMO Intelligent Carbon Technology Co., Ltd. and COSMO Energy Technology (Hefei) Co., Ltd. have no records of administrative penalties relating to non-compliance in areas including workplace safety and fire safety, (iv) our Group has not carried out construction or major renovation works after leasing the relevant properties, no separate fire control acceptance procedures are required under applicable PRC laws, (v) during the Track Record Period and up to the Latest Practicable Date there have been no administrative penalties imposed on our Group in respect of production safety or fire safety matters in our owned or leased properties and (vi) there have been no production safety incidents during the Track Record Period and up to the Latest Practicable Date, as advised by

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our PRC Legal Adviser, our Directors are of the view that our owned and leased properties comply with the applicable production safety and fire safety requirements in all material respects. In addition, our Group has established internal safety management measures, including production safety rules, emergency response plans, regular training and drills, and fire safety management systems.

Having taken into account the views of our PRC Legal Advisor and our Directors as described above, as well as the site visits conducted, the fact that we have not been subject to any administrative penalties in respect of production safety or fire safety matters in our owned or leased properties, and that there have not been any production safety incidents during the Track Record Period and up to the Latest Practicable Date, nothing has come to the attention of the Joint Sponsors in the course of conducting due diligence that would reasonably cause them to cast doubt on our Directors’ views as stated above in any material respects that such properties do not pose any production safety and fire safety issues.

INSURANCE

We maintain insurance coverage over our daily operations. As of the Latest Practicable Date, we maintained various insurance policies relating to our business operations, including enterprise property insurance, motor vehicle insurance, export credit insurance and employers’ liability insurance, which we believe have covered major risks in our daily operations. In line with general market practices, we do not maintain certain insurance that is not available in the jurisdiction in which we operate, or that is not generally required by law. We believe that our insurance coverage is adequate for our business and in line with general market practice. However, the risks related to our business and operations may not be fully covered by insurance. We will continue to review and assess our risk portfolio and make the necessary and appropriate adjustments to our insurance plans to align with our needs and with industry practice. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business.

IMPACT OF U.S. SANCTION AND EXPORT CONTROL

During the Track Record Period and up to the Latest Practicable Date, we conducted export sales to overseas markets and procured certain raw materials and parts from overseas suppliers. The following table sets forth a breakdown of countries and regions where we procured raw materials and parts from during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,	
	2023	%	2024	%	2025	%	2026	%
	(RMB'000)		(RMB'000)		(RMB'000)		(RMB'000)	
Chinese Mainland	3,873,807	98.3	3,797,865	98.0	4,385,387	96.8	1,119,539	93.7
Hong Kong.	16,626	0.4	1,007	0.0	108,442	2.4	51,175	4.3
New Zealand.	21,139	0.5	50,994	1.3	16,209	0.4	11,003	0.9
Others	28,510	0.8	25,363	0.7	21,790	0.4	12,941	1.1
Total	3,940,082	100.0	3,875,229	100.0	4,531,828	100.0	1,194,658	100.0

Our products sold to overseas were produced in Chinese Mainland and Thailand during the Track Record Period. The following table sets forth a breakdown of Relevant Jurisdictions which imposed tariffs and trade restrictions on our products sold to during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,	
	2023	%	2024	%	2025	%	2026	%
	(RMB'000)		(RMB'000)		(RMB'000)		(RMB'000)	
United States	287,139	100.0	273,060	99.6	307,103	96.7	53,731	99.7
European Union	113	0.0	1,141	0.4	10,268	3.2	118	0.2
United Kingdom	—	—	86	0.0	298	0.1	70	0.1
Total	287,252	100.0	274,287	100.0	317,669	100.0	53,919	100.0

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Taking into account (i) the applicable tariff rates, the non-stacking application of Sections 301 forced labor tariffs and Section 323 tariffs, applicable exemptions, (ii) the fact that our direct exports to the United States accounted for approximately 5.8%, 5.4%, 4.8% and 3.6% of our total revenue in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, (iii) since the U.S. tariff announcement in February 2025 and up to the Latest Practicable Date, we have not experienced any material order cancellations attributable to the U.S. tariffs, nor has there been any material adverse change in our revenue, gross profit margin or overall results of operations attributable to the U.S. tariffs, our Directors are of the view that the U.S. tariffs have not had, and are not expected to have, any material adverse impact on our business operations or financial performance. Having taken into account the views of our International Sanctions Counsel and our Directors as described above, the insignificant historical amounts of revenue generated from direct exports to the United States that are subject to tariffs, nothing has come to the attention of the Joint Sponsors in the course of their due diligence which would reasonably cause them to cast doubt on our Directors’ views that the U.S. tariffs have not had, and are not expected to have, any material adverse impact on our business operations and financial performance.

During the Track Record Period and up to the Latest Practicable Date, we had transactions with certain customers on the Entity List, CMIC List and UFLPA Entity List and certain suppliers on the Entity List and CMIC List.

During the Track Record Period, we had transactions with three customers included on the Entity List without a footnote. The aggregated amounts of revenue generated from these customers were nil, nil, approximately RMB0.2 million and RMB2.8 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing nil, nil, approximately 0.002% and 0.2% of our total revenue for the respective year/period. As advised by our International Sanctions Counsel, as our final products are not subject to the EAR, the transfer of such products to customers on the Entity List did not breach the EAR. If in the future our products become subject to the EAR for reasons such as increased controlled U.S.-origin content or as direct products of U.S.-origin technology, software, or manufacturing equipment, then we may be restricted from transacting with such customers.

During the Track Record Period, we procured parts or materials from eight suppliers included on the Entity List. The aggregated amounts of procurement from these suppliers were approximately RMB6.5 million, RMB1.0 million, RMB7.1 million and RMB2.4 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, each representing less than 0.2% of our total procurement amount for the respective year/period. The Entity List designation restricts any company from transferring items subject to the EAR to companies on the Entity List without an applicable license. It does not, however, prohibit companies from purchasing from companies on the Entity List. Thus, as advised by our International Sanctions Counsel, purchasing from Entity List suppliers during the Track Record Period did not breach the EAR. However, our suppliers that are on the Entity List may be restricted from obtaining U.S.-origin commodities, software and technology, which in turn may impair our ability to source goods from those suppliers to the extent non-U.S.-origin substitutes are not available.

During the Track Record Period, we sold intelligent controllers for home appliances to one related-party customer within Haier Group in Russia and one third-party customer in Belarus (the “**Russia and Belarus Sales**”). The aggregated amounts of the Russia and Belarus Sales were approximately RMB116.8 million, RMB170.0 million, RMB64.1 million and RMB6.1 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, each representing approximately 2.3%, 3.4%, 1.0% and 0.4% of our total revenue for the respective year/period. These products were shipped from the PRC, settled in Renminbi, designed using PTC Creo computer-aided design (CAD) software, and incorporated certain U.S.-origin items and items procured from the United States, all of which were classified as EAR99. We plan to cease business dealings with the Russian customer after June 2026, and no further transactions will take place thereafter. We currently have no plan to cease our business dealings with the Belarusian customer

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due to our long-standing cooperation history and commercial benefits derived therefrom. We have implemented measures to ring-fence the relevant risk exposure, including compliance screening and export credit insurance.

As advised by our International Sanctions Counsel: (i) we are not a Sanctioned Target and are not located, incorporated, organized or resident in a Sanctioned Country, nor do we qualify as a Sanctioned Trader; (ii) none of the items involved in the Russia and Belarus Sales were identified on the Common High Priority List; (iii) no customer involved in the Russia and Belarus Sales was identified as a sanctioned person based on screening of the relevant customers using a third-party screening vendor; (iv) the Russia and Belarus Sales did not violate applicable sanctions measures nor involve activities that would constitute secondary sanctionable conduct under applicable U.S. sanctions laws, including because none of the Russia and Belarus Sales customers was a named Sanctioned Target and we did not provide IT consultancy and design services or IT support services or cloud-based services for enterprise management software and design and manufacturing software to our Russian customer; and (v) during the Track Record Period, we did not conduct business in any Sanctioned Countries as defined for purposes of U.S. law and did not conduct business with any Sanctioned Targets that satisfied both the jurisdictional and substantive elements of U.S. primary sanctions. Based on the foregoing, our Directors are of the view that (i) our activities during the Track Record Period would not constitute Primary Sanctioned Activity or Secondary Sanctionable Activity under U.S. sanctions and (ii) the Russia and Belarus Sales did not have a material impact on our results of operations or financial position during the Track Record Period.

With respect to the U.S. outbound investment regime, our International Sanctions Counsel has advised that we are a “person of a country of concern” under the Outbound Investment Rule because we are an entity incorporated in, headquartered in, and with a principal place of business in the PRC, and the PRC is a “country of concern” under the Outbound Investment Rule. However, we do not engage, and do not plan to engage, in “covered activities” under the Outbound Investment Rule, we are not a “covered foreign person.” We do not engage in, and do not plan to engage in, any covered activities related to quantum computing or semiconductor and microelectronics, and we are not a person identified on any of the sanctioned-person categories described in the definition of prohibited transaction. Although we engage in the development of AI systems, such activities do not involve the level of computing capability or the types of end uses that would fall within the scope of a prohibited transaction or a notifiable transaction. The estimated computing power used to train our AI models is approximately 1.17×10^{21} computational operations, which is orders of magnitude lower than the 10^{23} computational operations threshold for notifiable transactions. Further, the AI systems we develop are not exclusively designed for, or intended to be used for, military, government intelligence or mass surveillance end uses, are not designed for military, government intelligence or mass surveillance end uses, and are not intended to be used for cybersecurity applications, digital forensics tools, penetration testing tools or the control of robotics systems. Accordingly, as advised by our International Sanctions Counsel, we are not a covered foreign person, and an investment by a U.S. person or its controlled foreign entity in us, including a purchase of Shares in the [REDACTED], would not be prohibited or require notification to the U.S. Department of the Treasury under the Outbound Investment Rule.

After our Shares become publicly [REDACTED] on the Stock Exchange, purchases of our publicly [REDACTED] securities by subsequent purchasers, including U.S. persons, would generally fall within the publicly traded securities exception under the Outbound Investment Rule and therefore would not be prohibited or notifiable under the Outbound Investment Rule, provided that the relevant investment does not confer rights beyond standard minority shareholder protections. As advised by our International Sanctions Counsel, this conclusion would apply regardless of whether we were considered a covered foreign person. However, acquisition of an equity interest in a covered foreign person that is not yet publicly traded for the purpose of facilitating an initial public offering, such as a purchase with the intent to create a market or resell the security on a secondary market as part of an underwriting arrangement, would not itself fall within the publicly traded securities

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exception. Services ancillary to initial public offerings that do not include the acquisition of an equity interest, including underwriting services that do not entail acquiring such an interest, would not be a covered transaction.

We have engaged International Sanctions Counsel in connection with the [REDACTED] and established sanction compliance guidelines and internal control measures to avoid sanction risks. In conjunction with the professional sanction lawyers currently engaged by our Company, a comprehensive identification of sanction risks in existing businesses has been conducted. In the future, we will strictly implement the aforementioned internal control measures on one hand, and on the other hand, engage legal advisers to provide compliance opinions as needed based on business development.

We have adopted and implemented group-level trade compliance policies and guidelines, and we identify and manage sanctions and export control risks through restricted-party screening, escalation procedures and ongoing monitoring of regulatory developments in relevant jurisdictions. Based on the advice of our International Sanctions Counsel, we are in compliance with applicable U.S. primary and secondary sanctions and export control laws during the Track Record Period and up to the Latest Practicable Date. Such conclusion was reached because (i) our business activities did not violate U.S. primary sanctions laws; (ii) the Russia and Belarus Sales did not violate applicable sanctions measures nor involve activities that would constitute secondary sanctionable conduct under applicable sanctions laws; (iii) our transactions with customers, suppliers and third-party payors on the CMIC List did not infringe the relevant sanctions measures, as CMIC designation only restricts U.S. persons from making direct or indirect investments in publicly traded securities of CMIC-listed entities; (iv) our transactions with entities on the Entity List did not breach the U.S. export control regime; and (v) the Russia and Belarus Sales did not infringe the EAR because the products involved in the Russia and Belarus Sales were not subject to the EAR nor listed on the Common High Priority List. On this basis, our Directors are of the view that (i) our internal control measures in relation to sanctions and export control risks are adequate and effective and (ii) sanctions-related matters have not had and are not expected to have any material adverse impact on our business operations, financial condition or results of operations. Based on the facts and analysis mentioned above and the due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention in the course of conducting the due diligence work that would reasonably cause them to cast doubt on our Directors’ view as disclosed above. Such due diligence work included but were not limited to (i) reviewing the group-level trade compliance policies and guidelines adopted by our Group; (ii) discussing with our management in relation to our internal control measures in relation to sanctions and export control risks as disclosed above; (iii) reviewing the internal control report prepared by our internal control consultant and performing due diligence with our internal control consultant; and (iv) reviewing draft memorandum in relation to international sanctions risk exposure prepared by the International Sanctions Counsel and performing due diligence with our International Sanctions Counsel.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may, from time to time, be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings that could have a significant adverse impact on our business, financial condition or operating results 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 and results of operations. As of the Latest Practicable Date, we were involved in three material ongoing legal proceedings as a defendant, all of which were sales contract disputes arising in the ordinary course of business. A first-instance judgment had been rendered in one of the proceedings, pursuant to which we were ordered to pay approximately RMB1.9 million, and we were preparing to appeal against such

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judgment. The remaining two proceedings were at the first-instance trial stage, with claim amounts of approximately RMB3.0 million and RMB2.5 million, respectively. As advised by our PRC Legal Adviser, given that the above ongoing legal proceedings are contractual disputes and the aggregate claim amount involved represents only approximately 0.14% of our net assets as of March 31, 2026, such proceedings are not expected to have any material adverse impact on our business operations or financial performance. Taking into account the nature and claim amounts of the above proceedings, and based on the advice of our PRC Legal Adviser, the Directors are of the view that, these legal proceedings have not had and are not expected to have any material adverse impact on our business operations or financial performance.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities. As advised by our PRC Legal Adviser, and based on the New Zealand and Thai legal advice obtained, during the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material non-compliance incidents that resulted in fines, enforcement actions, or other penalties that could have a material adverse impact on our business, financial condition or results of operations and were in compliance with applicable laws and regulations in the relevant jurisdictions.

We have established internal control measures to ensure our ongoing compliance with applicable laws and regulations in jurisdictions where we have material operations. Our legal department is organized by business lines and is responsible for handling domestic and overseas legal matters, including providing pre-transaction legal review and advice on contracts and business models to ensure that our business operations comply with relevant local laws and regulations. In addition, we engage local legal advisers in jurisdictions where we have material overseas operations, including New Zealand and Thailand, to provide timely and jurisdiction-specific legal support. We also include contractual provisions in our material business agreements in key operating locations requiring compliance with applicable local laws and regulations. For overseas investments, acquisitions and the establishment of subsidiaries, we strictly implement due diligence procedures, including legal due diligence, to identify and manage compliance risks.

De-registration of Value-added Telecommunications Services Licence

Xingwen Zhijiao (Nanjing) Technology Co., Ltd. (行文智教(南京)科技有限公司) (“**Xingwen Zhijiao**”), a wholly-owned subsidiary of our Company, first obtained a value-added telecommunications services license (the “**ICP License**”) for domestic-funded enterprises on November 6, 2019, solely in preparation for its potential operation of value-added telecommunications services, and renewed the license on September 12, 2024 upon expiry of the previous license from the same administration. Xingwen Zhijiao did not actually commence or conduct any value-added telecommunications business under such license or generate revenue therefrom at any time. Xingwen Zhijiao completed the de-registration of such value-added telecommunications services license on February 11, 2026.

Pursuant to the relevant PRC laws and regulations, entities engaging in value-added telecommunications services are required to obtain the applicable telecommunications business operating license. Domestic-funded enterprises and enterprises with foreign investment are subject to different qualification requirements and licensing procedures for value-added telecommunications services. In particular, where an enterprise has foreign shareholding (directly or on a see-through basis), it is required to typically apply for a foreign-invested enterprise license, unless otherwise provided. Separately, the applicable statutory foreign ownership cap for foreign-invested enterprises engaging in value-added telecommunications services is generally 50%, unless otherwise provided. Accordingly, the existence of foreign shareholding determines the applicable license type and approval procedure, while the 50% threshold is the foreign ownership cap applicable to foreign-invested telecommunications enterprises engaging in value-added telecommunications services.

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As Xingwen Zhijiao had foreign shareholding on a see-through basis at the relevant times, Xingwen Zhijiao should have applied for an ICP License applicable to foreign-invested telecommunications enterprises, rather than the ICP License for domestic-funded enterprises which it had previously obtained and renewed. Such mismatch in license type constituted a non-compliance. For completeness, the foreign shareholding in Xingwen Zhijiao on a see-through basis did not exceed 50% at the relevant times when Xingwen Zhijiao obtained or renewed its ICP License. The relevant non-compliance therefore arose from Xingwen Zhijiao having obtained and renewed an ICP License for domestic-funded enterprises despite having foreign shareholding on a see-through basis, rather than from the foreign shareholding percentage exceeding the statutory foreign ownership cap applicable to foreign-invested enterprises engaging in value-added telecommunications services.

As advised by our PRC Legal Adviser, considering that (i) Xingwen Zhijiao had de-registered its ICP License on February 11, 2026 and did not actually commence or conduct any value-added telecommunications business under the ICP License it obtained, and therefore did not generate any illegal income from such business; (ii) according to the Public Credit Report for Enterprises issued by the Nanjing Public Credit Centre, as of the Latest Practicable Date, Xingwen Zhijiao had not been subject to any administrative penalty imposed by the competent authority in respect of such conduct, and had not received any opinions or feedback from the competent authority regarding any ongoing or potential claims, investigations or liabilities in respect of such non-compliance and (iii) upon inquiry of the Jiangsu Communications Administration, no cases of administrative penalties imposed by the Jiangsu Communications Administration for similar circumstances within the past two years were identified, our Directors are of the view that the above non-compliance and the de-registration of Xingwen Zhijiao’s value-added telecommunications services license are not expected to have any material adverse effect on the business operations and financial condition of our Company.

Historical Non-compliant Practices Relating to Certain Services of COSMO Qingdao

During the Track Record Period, COSMO Qingdao was involved in the provision of certain blockchain information services and generative artificial intelligence-related functionalities as part of data intelligence solutions, but did not complete the requisite filing procedures in accordance with the applicable regulations within ten working days since the date of commencing such services. Such circumstances primarily arose from adjustments to our Group’s business arrangements, changes in the relevant service models and actual operating entities, as well as the time required for internal compliance assessments and preparation of the relevant filing materials.

Provisions of Blockchain Information Services

COSMO Qingdao provided blockchain information services from June 2025 to March 2026, without completing blockchain information service filing procedure. The relevant service was provided on its blockchain service platform, an independently developed blockchain service platform for industrial enterprises. Through standardized interfaces provided by the blockchain service platform, users could embed blockchain capabilities into their own business operations without building complex blockchain systems from scratch. In March 2026, COSMO Qingdao took the entry point offline and undertook that it will not resume such service until completing the relevant filing procedures. Such blockchain information services did not generate any revenue or profit during the Track Record Period and up to the Latest Practicable Date, therefore, the suspension of service has not had and will not have material impact on the business operations and financial positions. COSMO Qingdao submitted a blockchain information service filing through the Blockchain Information Service Filing Management System on the official website of the Cyberspace Administration of China (“CAC”) on January 14, 2026, and are awaiting the completion subject to the approval of the CAC as of the Latest Practicable Date.

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Pursuant to Article 22 of the Blockchain Information Service Management Provisions, where a blockchain information service provider fails to complete the filing procedures in accordance with these provisions, the national and provincial, autonomous region, or municipal cyberspace administration offices shall, in accordance with their respective duties, order it to rectify within a prescribed time limit. If it refuses to rectify or the circumstances are serious, a warning shall be given, and a fine of not less than RMB10,000 but not more than RMB30,000 shall be imposed. Given that (i) COSMO Qingdao had proactively rectified the non-compliance and completed the filing in accordance with the law before being ordered by the competent authority to rectify within a prescribed time limit, it does not constitute a case of refusal to rectify or serious circumstances under the above provisions, thus no warning or fine will be imposed on COSMO Qingdao, (ii) COSMO Qingdao has, on January 14, 2026, submitted a blockchain information service filing through the Blockchain Information Service Filing Management System on the official website of the CAC, (iii) according to the Public Credit Report of Business Entities issued by the Shandong Social Credit Centre, as of the Latest Practicable Date, COSMO Qingdao has not been subject to any administrative penalty imposed by the competent authority in respect of such non-compliance, (iv) as of the Latest Practicable Date, COSMO Qingdao has not received any notice of any ongoing or potential claims, investigations, or liabilities in respect of such non-compliance and (v) COSMO Qingdao did not generate any revenue or profit from the provision of blockchain information services during the Track Record Period, our PRC Legal Adviser is of the view that (i) the risk of COSMO Qingdao being issued a warning or imposed a fine in relation to this matter is relatively low and (ii) the non-compliance matters do not have, and are not expected to have, a material adverse impact on our Group’s business operations, financial position or future plans.

Provisions of Generative Artificial Intelligence-related Services

COSMO Qingdao provided generative artificial intelligence-related services from June 2025 to March 2026 without completing the required algorithm filing procedure. The relevant service consisted of an intelligent interaction engine entry point on COSMO Qingdao’s official website, through which visitors could conduct industrial knowledge searches and obtain preliminary recommendations on industrial scenarios through natural language interactions. In March 2026, COSMO Qingdao took the entry point offline. Such generative artificial intelligence-related services did not generate any revenue or profit during the Track Record Period and up to the Latest Practicable Date, therefore, the suspension of services has not had and will not have material impact on the business operations and financial positions. COSMO Qingdao submitted a deep synthesis service algorithm filing through the Internet Information Service Algorithm Filing System on the official website of the CAC on March 6, 2026 and the filing was completed on May 6, 2026. Upon completion of the filing procedure on May 6, 2026, COSMO Qingdao resumed the generative artificial intelligence-related services on June 22, 2026.

Pursuant to Articles 24 and 31 of the Provisions on the Administration of Algorithm Recommendation Services in Internet Information Services, providers of algorithm recommendation services with the capability of public opinion attributes or social mobilization shall complete the filing procedures within ten working days from the date of providing the services. Where the filing procedures are not completed, the cyberspace administration, telecommunications, public security, and market regulation departments and other relevant authorities shall, in accordance with their respective duties, issue a warning or circulate a notice of criticism, and order rectification within a prescribed time limit. Where the provider refuses to rectify or the circumstances are serious, the provider shall be ordered to suspend information updates, and a fine of not less than RMB10,000 but not more than RMB100,000 shall be imposed. Where the conduct constitutes a violation of public security administration under the Interim Measures for the Administration of Generative Artificial Intelligence Services, public security administration penalties shall be imposed in accordance with the law. Where a crime is constituted, criminal liability shall be pursued in accordance with the law. Given that (i) COSMO Qingdao had proactively rectified the non-compliance and completed the filing in accordance with the law before being ordered by the competent authority to rectify within a prescribed time limit, it does not constitute a case of refusal to rectify or serious circumstances under

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the above provisions, thus, COSMO Qingdao will not be ordered to suspend information updates or be subject to any fine, nor does it involve any violation of public security administration or criminal liability, (ii) COSMO Qingdao submitted a deep synthesis service algorithm filing through the Internet Information Service Algorithm Filing System on the official website of the CAC on March 6, 2026 and the filing was completed on May 6, 2026, (iii) according to the Public Credit Report for Enterprises issued by the Shandong Social Credit Centre, as of the Latest Practicable Date, COSMO Qingdao has not been subject to any administrative penalty imposed by the competent authority in respect of such conduct, (iv) as of the Latest Practicable Date, COSMO Qingdao has not received any notice of any ongoing or potential claims, investigations, or liabilities in respect of such non-compliance and (v) COSMO Qingdao did not generate any revenue or profit from the provision of generative artificial intelligence services, our PRC Legal Adviser is of the view that, (i) the risk of COSMO Qingdao being issued a warning or imposed a fine in relation to this matter is relatively low and (ii) the non-compliance matters have not had and are not expected to have, a material adverse impact on our Group’s business operations, financial position or future plans.

Given (i) COSMO Qingdao’s rectification of the above two non-compliance matters, (ii) the fact that the relevant blockchain information services and generative artificial intelligence-related services did not generate any revenue or profit during the Track Record Period and up to the Latest Practicable Date, (iii) the fact that COSMO Qingdao had not been subject to any administrative penalty by the competent authority in connection with the two non-compliance matters during the Track Record Period and as of the Latest Practicable Date, (iv) the fact that COSMO Qingdao had not received any notice of ongoing or potential claims, investigations or liabilities in connection with the above non-compliance matters as of the Latest Practicable Date, as advised by our PRC Legal Adviser, our Directors are of the view that the two non-compliance incidents have not had, and are not expected to have, any material adverse impact on our Group’s business operations, financial position or future plans. In addition, our Group has further enhanced internal control and compliance management systems in respect of regulated internet information services. Should we intend to resume or commence any blockchain information services or generative artificial intelligence-related services in the future, we will duly complete the requisite filing and compliance procedures in accordance with applicable laws and regulations prior to providing such services.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. Our Board is responsible for ensuring that our Group establishes and maintains appropriate and effective risk management systems and internal control systems, overseeing the management in the design, implementation and monitoring of such systems and ensuring that a review of the effectiveness of such systems is conducted regularly. We are committed to establishing and maintaining a robust set of risk management and internal control systems consisting of policies and procedures that are appropriate for our business operations and we are dedicated to continuously improving and implementing these systems to ensure our policies and implementation are effective and sufficient.

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted, or will continue to adopt, among other things, the following risk management measures (i) establish an Audit Committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see “Directors and Senior Management — Management and Corporate Governance — Board Committees — Audit Committee”; (ii) enhance our reporting and records system for factories, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities; (iii) establish a set of emergency procedures in the event of major quality-related issues; and (iv) distribute employee handbooks to enhance employees’ awareness of complying with laws and regulations. We have developed internal control policies and guidelines associated with our business processes. Our internal control measures aim to ensure comprehensive governance and ethical business conduct. To ensure that compliance culture is

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embedded into everyday workflow and sets the expectations for individual behaviour across the organization, we regularly review our internal control policies and procedures, adopt strict accountability internally and conduct compliance training.

We have engaged an independent internal control consultant to review our risk management and internal control systems and to perform an internal control review covering selected areas of our internal controls in November 2025. The internal control review covered, among others, entity level controls and business process level controls. At the entity level, the internal control review covered key aspects of our internal control system, including control environment, risk assessment, control activities, information and communication and monitoring. At the process level, the internal control review covered selected business and operational processes with reference to the following areas, including (i) sales, accounts receivable and collection, (ii) procurement, accounts payable and payment, (iii) inventory management; production and costs, (iv) human resources and payroll, (v) asset management, (vi) cash and treasury management, (vii) insurance management, (viii) financial reporting and information disclosure, (ix) taxation management, (x) research and development management, and (xi) IT general controls. Based on the review, the internal control consultant provided recommendations in relation to certain internal control matters. We have implemented rectification and improvement measures in response to the findings and recommendations of the internal control consultant. The internal control consultant conducted selective sample checks on the implementation of the remedial measures and did not identify any further internal control deficiencies. Having considered the report prepared by our internal control consultant in January 2026, our Directors are of the view that the major recommendations provided by the internal control consultant have been implemented and that corresponding remedial actions have been taken to address the identified internal control matters. Our Directors consider that our internal control measures are adequate and effective to support our business operations and to ensure compliance with relevant laws and regulations going forward.

LICENSES, APPROVALS AND PERMITS

As advised by our PRC Legal Adviser, we had duly obtained the requisite licenses, permits, approvals and certificates that are material to our operations from applicable authorities and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date. The following table sets forth the material licenses, permits, approvals and certificates that we held as of the Latest Practicable Date:

<u>Licenses/Permits/Approvals</u>	<u>Issuing Entity/Entities</u>	<u>Issuing Date</u>	<u>Expiry Date</u>
High-Tech Enterprises Certificate.	Qingdao Municipal Science and Technology Bureau, Qingdao Municipal Finance Bureau and Qingdao Tax Service	November 9, 2023	November 8, 2026
Value-Added Telecommunications Services License.	Ministry of Industry and Information Technology of the People’s Republic of China	November 13, 2025	November 13, 2030
Filing Certificate for the Graded Protection of Information System Security	Qingdao Municipal Public Security Bureau	December 19, 2018	Permanent
Registration Certificate of Customs Declaration Entity.	Qingdao Customs	November 19, 2018	Permanent
Filing Certificate for Internet Information Service Algorithms.	Cyberspace Administration of China	March 12, 2025	Permanent

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<u>Licenses/Permits/Approvals</u>	<u>Issuing Entity/Entities</u>	<u>Issuing Date</u>	<u>Expiry Date</u>
Filing Certificate for Generative Artificial Intelligence Services	Cyberspace Administration of China	November 29, 2024	Permanent

We renew the licenses, permits, approvals and certificates from time to time to comply with the relevant laws and regulations. As advised by our PRC Legal Adviser, provided that we continue to comply with the relevant provisions and conditions stipulated under applicable laws and regulations, the renewal of the licenses, permits, approvals and certificates required for our operations, including the High-Tech Enterprises Certificate is not expected to involve any material difficulties.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition regarding the quality and advanced technology used in our products and solutions. The following table sets forth the major awards and recognitions that we received during the Track Record Period and up to the Latest Practicable Date:

<u>Year</u>	<u>Name of Award or Recognition</u>	<u>Awarding Authority</u>
2026 . .	Selected for the “2025 Typical Cases of Integrated Application of New-Generation Information Technology”	Ministry of Industry and Information Technology of the PRC
2025 . .	Top ranking on the list of cross-industry and cross-domain platform certified by the Ministry of Industry and Information Technology for seven consecutive years from 2019 to 2025.	Ministry of Industry and Information Technology of the PRC
2025 . .	Selected for the “14th Five-Year Plan Advanced Scientific and Technological Innovation Achievements in Light Industry”	China National Light Industry Council
2025 . .	Selected for the “2025 Top Ten Scientific and Technological Advances in Intelligent Manufacturing”	International Coalition of Intelligent Manufacturing and Intelligent Manufacturing Alliance of CAST Member Societies
2025 . .	Selected for the “2025 Outstanding Cases of Innovation and Development in Central SOE Industrial Chains”	China Enterprise Reform and Development Society
2025 . .	Leader in IDC MarketScape: China Industrial Large Model and Intelligent Agent Solutions 2025 Vendor Assessment Report	International Data Corporation
2025 . .	China’s 500 Most Valuable Brands	World Brand Lab
2024 . .	First-Class Award for Scientific and Technological Progress in Shandong Province	People’s Government of Shandong Province
2024 . .	First Prize in the “Data Element X Industrial Manufacturing” Track at the National Finals of the 2024 “Data Element X” Competition	National Data Administration
2024 . .	Five-Star Certification for Industrial Internet Products (Highest Level)	China Industrial Internet Research Institute
2024 . .	China’s Most Socially Influential Startups 2024 by Fortune China	Fortune China