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OVERVIEW

Who We Are

We are a global consumer technology company with a diversified portfolio spanning four product categories, namely charging products and accessories, office products, audio and visual products, and storage products. Marketed under the “UGREEN” brand, our products reach consumers in Chinese mainland and overseas through a comprehensive network mostly comprising self-operated online stores, online retailers, direct-to-consumer websites and offline distributors. Our offerings are designed to support a wide range of everyday scenarios, including home, travel, work, and entertainment.

Since our establishment in 2012, we have developed a global presence under our renowned “UGREEN” brand. Our business is rooted in Chinese mainland market and extends to more than 180 countries and regions worldwide as of June 30, 2026. During the Track Record Period, we experienced rapid growth both in Chinese mainland and overseas, demonstrating strong growth momentum. For the six months ended June 30, 2026, our revenue generated from the Chinese mainland market and overseas markets accounted for 33.1% and 66.9% of our total revenue, respectively.

Leveraging our strong R&D capabilities, robust supply chain, and global distribution network, we have established a leading position in the global consumer technology market. According to Frost & Sullivan, we ranked first both in Chinese mainland and the global consumer technology extension products market in terms of shipment volume in 2025¹. In terms of revenue, we ranked first in Chinese mainland and second globally in the consumer technology extension products market in 2025, with a market share of 2.6% and 1.5%, respectively. We have also made notable progress in the storage segment with our consumer-grade network-attached storage (“NAS”) products. By substantially enhancing product functionality and user experience, we have successfully transformed professional-grade storage devices into mass-market consumer products.

Our Product Portfolio

Leveraging our foundational R&D capabilities, together with our in-house manufacturing capacity and a coordinated supply chain, we have, over the years, continuously refined and upgraded our product categories, including charging products and accessories, office products, audio and visual products, and storage products.

¹ The consumer technology market can be categorized by product type into consumer technology extension products and end devices. Consumer technology extension products, as an important component of the consumer technology market, refer to products that provide functional expansion and enhancement for consumer technology end devices. According to Frost & Sullivan, in 2025, consumer technology extension products accounted for 7.4% and 5.9% of Chinese mainland and the global consumer technology market, respectively, and consumer technology end devices accounted for 92.6% and 94.1% of Chinese mainland and the global consumer technology market, respectively. Our charging products and accessories, office products, and audio and visual products largely fall within the consumer technology extension products category, while our NAS products are classified as consumer technology end devices. For details, please see “Industry Overview.”

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Our current product portfolio comprises the following four product categories:



Charging Products and Accessories

Our charging products and accessories primarily comprise chargers and power banks. This category has demonstrated strong scale and growth momentum and serves as a core component of our product portfolio. For the six months ended June 30, 2026, our charging products and accessories recorded revenue of RMB2,666.7 million, representing a growth of 50.0% compared with the six months ended June 30, 2025 and contributing significantly to our total revenue growth.

We have expanded beyond traditional charging products by integrating energy-efficient technologies, safety-oriented thermal management and product design. We have continued to explore the application of gallium nitride (“GaN”) technology and launched multiple product series, including the popular “Nexode Air” and “Nexode Pro.” Our products also incorporate our self-developed ThermalGuard™ smart temperature control technology, AirPyra® electronic stacking technology, and UGREEN SmartCharge® power auto-distribution and intelligent voltage tracking technology, which support compact designs, improved energy efficiency and reduced heat generation. Our product offerings address a broad range of power supply requirements, from 20W smartphone fast charging to desktop power stations with output capacity of up to 500W.

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Office Products

We offer a comprehensive portfolio of office products, including docking stations, multi-display connectivity products, and office keyboards and mice, designed to meet the diverse needs of modern workplaces and home offices. We focus on addressing users’ efficiency needs in modern digital workplaces and providing practical productivity products for users globally. Our docking stations and hubs have achieved strong sales performance on major e-commerce platforms such as Amazon and Tmall, and are widely adopted by a broad user base, serving as a cornerstone product category in establishing our leadership in global markets.

Audio and Visual Products

We are committed to providing users with rich and convenient audio and visual products, offering products that cover a wide range of high-definition audio and video capture, connectivity and transmission devices, as well as various headphone products. Leveraging our deep expertise in fields including signal transmission, our video products support protocols such as HDMI 2.1 and DP 2.1, enabling lossless transmission for 8K and 16K content. We are actively exploring the application of AI in the acoustic domain, integrating AI algorithms into audio products such as true wireless stereo headphones. Whether building a private home theater or enjoying personal music moments, our audio and visual products are designed to allow users to experience high-quality digital content.

Storage Products

Our storage product category primarily comprises our NAS product line. Since entering the NAS-based private cloud industry, we have continued to increase our system-level R&D investment. Revenue from our storage products has maintained strong growth and represented one of our fastest-growing product lines during the Track Record Period. Our revenue from NAS products amounted to RMB640.0 million for the six months ended June 30, 2026, representing a growth of 115.9% compared with the six months ended June 30, 2025.

In the AI era, where data privacy has become increasingly important, we believe our consumer-grade NAS products are driving industry evolution by transforming into private cloud servers and edge computing hubs for individuals, families, and small businesses. NAS products function as permanent repositories for personal digital assets and, while remaining compatible with public cloud services, offer scalable local storage that addresses key limitations of public cloud products, including high subscription fees, limited data privacy control, and bandwidth constraints.

Powered by our self-developed UGOS Pro operating system, our NAS products enable cross-platform connectivity across Windows, macOS, Android, and iOS. At the hardware level, we integrate high-performance graphics processing units (“GPUs”) and neural processing units (“NPUs”), equipping our NAS products with on-device AI inference capabilities. By supporting third-party applications and providing local storage and computing capabilities based on users’ local data, our NAS products deliver enhanced functionalities and user experiences that make storage options once limited to professional users accessible to mass-market households.

Moreover, NAS is inherently positioned as the ideal architecture for AI agent deployment. By enabling natural language interaction, NAS empowers AI agents to perform autonomous task orchestration across multiple platforms. This transformation elevates the NAS functional profile from a passive storage container to an intelligent data management and automation platform with self-governing cognitive capabilities. As the central hub of our product portfolio, our NAS products are expected to further connect with a broader range of UGREEN products, enhancing product interoperability within our product portfolio.

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Our technological expertise, creativity, and manufacturing capabilities have enabled us to build a diversified product portfolio under the “UGREEN” brand. This unified brand identity has continuously reinforced our strategic evolution and category expansion, and created a virtuous cycle in which products build a strong brand, and a strong brand, in turn, drives the successful launch of new product categories. Leveraging our multi-layered global sales network, we translate this brand strength and product excellence into tangible value for consumers worldwide.

Market Opportunities

The global consumer technology industry is entering a new phase of development characterized by “intelligence” and “full-scenario integration,” with the overall market continuing to expand. According to Frost & Sullivan, the global consumer technology market reached USD1,075.3 billion in 2025 and is expected to grow steadily. With comprehensive competitive strengths in R&D, supply chain management, product innovation, brand building, and multichannel marketing, we are well positioned for continued expansion in the evolving global market landscape. Meanwhile, we believe we are presented with the following four major historical opportunities:

AI compute decentralization and the monetization of data assets. The widespread adoption of AI is driving the decentralization of computing power from the cloud to the edge. As the volume of high-definition videos, photos, and work-related documents generated by individuals grows exponentially, household users are experiencing a surge in demand for private knowledge bases and enhanced data privacy protection. According to Frost & Sullivan, the global consumer-grade NAS market is estimated at USD770 million in 2025 and is expected to rise further to USD3.6 billion by 2030, representing a CAGR of 36.3% from 2025 to 2030. Leveraging our first-mover advantage in the “AI + NAS” space, we have established a leading position in this emerging segment, and is well positioned to reshape the landscape of home data storage.

Regulatory standardization in consumer technology industry. Regulatory and compliance requirements relating to product safety and environmental standards in major global markets have become increasingly stringent. These developments are expected to materially raise industry entry barriers and accelerate the contraction of market shares held by unbranded manufacturers and small brands lacking sufficient R&D capabilities and quality control systems. With a strong track record of regulatory compliance, we are well positioned to benefit from the resulting consolidation of market share, as this “survival of the fittest” dynamic is expected to improve both the competitive landscape and overall profitability of the industry.

Brand elevation and deep localization in global markets. With the successful international expansion of high-value, highly interactive consumer technology end devices, represented by our NAS products, we have achieved a qualitative upgrade in brand perception among consumers, major e-commerce platforms, and leading offline retail groups such as Walmart, Costco, and Best Buy. The enhancement of brand premium capabilities has positioned us more proactively within the global competitive landscape. We have achieved key breakthroughs in building a distribution network across developed markets including the United States and Europe. Going forward, by continuing to strengthen brand momentum and deepen localized operations, we aim to further increase our market share in developed markets, and create greater value through the combined enhancement of brand and product capabilities.

Digital growth in emerging markets. Digital adoption is accelerating in emerging markets such as Southeast Asia and Latin America, leading to rapid growth in demand for consumer technology products. With a strong supply chain, innovative products, and growing global brand awareness, we believe we can repeat our success in these markets and develop new sources of growth.

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Backed by our strong technology base and integrated supply chain, we will continue driving innovation in our products and product categories. At the same time, we will strengthen our global strategy with strong local execution by leveraging better market insights and localized services to increase our market share. As a result, our brand strength and product competitiveness will reinforce each other and support our long-term, sustainable growth.

Financial Performance

Driven by continuous innovation across our product portfolio and a well-diversified global sales and distribution network, we delivered strong financial results across business cycles. We recorded revenue of RMB4,801.4 million, RMB6,166.3 million and RMB9,485.6 million in 2023, 2024 and 2025, representing a CAGR of 40.6% from 2023 to 2025. Our revenue increased by 50.8% from RMB3,854.8 million for the six months ended June 30, 2025 to RMB5,813.9 million during the same period in 2026. This growth rate substantially outpaced the industry average, demonstrating our strong organic growth momentum.

We recorded net profit of RMB393.7 million, RMB460.5 million, and RMB703.5 million in 2023, 2024, and 2025, representing a CAGR of 33.7% from 2023 to 2025. Our net profit increased by 58.0% from RMB273.6 million for the six months ended June 30, 2025 to RMB432.2 million during the same period in 2026. Our gross profit margin remained overall stable at 36.9%, 36.8%, and 36.5% in 2023, 2024, and 2025, respectively. Our gross profit margin increased from 36.1% for the six months ended June 30, 2025 to 38.4% during the same period in 2026. This highlights our ability to maintain strong operating efficiency and high earnings quality while pursuing rapid expansion, and to create long-term, sustainable value for shareholders.

OUR COMPETITIVE STRENGTHS

We believe that our established market competitiveness, and our proven strengths in global sales networks, supply chain and manufacturing capabilities, as well as talent development, together constitute substantial competitive barriers. Leveraging these competitive strengths, we are well positioned to capitalize on the growth opportunities in the global consumer technology market.

Capabilities in Building a Consumer Technology Product Portfolio

We adhere to a user-centric approach with product offerings spanning charging and accessories, office, audio and visual, and storage, with planned expansion into smart home products. Together, these offerings support interconnection across mobile work, home living, and outdoor mobility, addressing users’ needs for device connectivity, power management, data storage and data transmission.

Product Development

Our ability to identify and respond to market trends is well demonstrated by the successful commercialization of our NAS products. We recognized early that secure data storage and convenient data access and sharing have become fundamental needs in users’ daily lives, work, and social interactions. In response, we launched our NAS products and developed our proprietary, user-friendly UGOS Pro operating system, delivering multi-scenario file storage and management capabilities that address the data storage needs of individual and enterprise users.

We continuously iterate and upgrade our NAS products. We launched an AI-enabled NAS product capable of multimodal recognition and intelligent on-device data analysis, with real-time responses to user queries. This innovation addresses users’ increasing demand for personalization while meeting stringent requirements for data security and privacy.

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In addition, our user-centric R&D philosophy allows us to continuously collect real-time user feedback and refine product design and functionality. For instance, we have established the UGREEN NAS Private Cloud Community, an online user support center, to engage closely with NAS users and promptly capture their feedback, which we use to continuously upgrade the UGOS Pro system supporting our NAS products.

Leveraging our strong product development capabilities in consumer technology products, we have consistently received global recognition for industrial design excellence. As of June 30, 2026, our products have won 60 Red Dot Design Awards and 34 iF Design Awards in Germany, as well as major industrial design awards in Chinese mainland, including the Contemporary Good Design Award (當代好設計大獎) and the Red Star Design (中國紅星獎) Award.

Technological Innovation

We have consistently maintained a high level of investment in R&D, centered on product development and technology iterations. Our total R&D expenses amounted to RMB215.9 million, RMB304.1 million, RMB437.8 million, RMB173.5 million and RMB349.1 million in 2023, 2024, 2025, and for the six months ended June 30, 2025 and 2026, respectively. We have established an experienced and highly capable R&D team with strong innovation capabilities, focusing on the research and application of core underlying technologies. We are able to effectively translate R&D investment into technological innovation and, ultimately, commercialized products. As of June 30, 2026, we held a total of 2,506 registered patents globally, consisting of 48 invention patents, 517 utility model patents, and 1,941 design patents.

Typical examples of our technological innovation include:

Smart storage operating system. We observed that while traditional NAS products address certain limitations of public cloud services, they often remain complex to operate, limited in functionality, and inefficient in data management, with insufficient security safeguards.

To enable consumers to fully enjoy the benefits of NAS products, we independently developed the UGOS Pro operating system. It features an intuitive graphical user interface and supports AI-enabled functions such as intelligent content classification and semantic search, significantly lowering the user adoption threshold. The underlying system architecture incorporates multiple core technologies to ensure high-speed and stable data transmission and secure data storage. Supported by our proprietary lightweight model technology and edge-cloud collaboration capabilities, we have developed a comprehensive and modular algorithm platform that efficiently supports a wide range of AI-enabled hardware devices, delivering a consistent intelligent experience across devices and use cases.

In particular, we received dual certifications for our NAS products in 2025 from Société Générale de Surveillance (“SGS”), a globally recognized inspection, verification, testing, and certification organization: ISO/IEC 27001 for Information Security Management and ISO/IEC 27701 for Privacy Information Management. We are the first NAS brand in Chinese mainland to have obtained these two international security certifications from SGS, demonstrating the superior security performance of our NAS products.

Smart fast charging. Traditional charging products often deliver an unsatisfactory charging experience, particularly in fast-charging scenarios, due to issues such as limited compatibility, inadequate heat dissipation and safety concerns. To address these challenges, we have established a multidisciplinary R&D framework covering power electronics, thermodynamics, materials science and algorithm development, enabling us to pursue forward-looking technological advancements on an ongoing basis.

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We have developed GaN technologies and intelligent thermal management algorithms to achieve high power-density charging with controlled operating temperatures. Through intelligent algorithms, we enable precise data collection and real-time control, while integrating multiple protection mechanisms to overcome key challenges in power density, thermal management and electromagnetic compatibility. Leveraging a unified technology platform, we have realized the integration and commercialization of wired fast charging, wireless charging, and portable energy storage.

High-speed connectivity. In office environments, users often face challenges such as difficulty in coordinating multiple devices, transmission speed bottlenecks and insufficient connection stability. We focus on delivering high-speed, stable and intelligent connectivity by systematically developing a full-chain technology framework and advancing key capabilities in high-speed signal protocol conversion and low-latency transmission. Through multi-protocol integration and dynamic power delivery (“PD”) power management, we enable stable cross-platform device connectivity and efficient collaboration. In addition, we optimize the coexistence and anti-interference performance of Bluetooth and Wi-Fi modules to ensure reliable connectivity in complex usage environments.

Acoustics and noise reduction. Noise reduction technologies and intelligent algorithms have become key development directions in the field of acoustics. We adopt a dual-modal signal acquisition architecture, with the core technical approach of combining dual-source synchronized signal fusion with deep neural network-based noise reduction. Through hardware-level filtering, we ensure time-domain synchronization and amplitude consistency of signals. AI algorithms are then applied for feature extraction and cross-analysis, while deep neural network models are used to suppress noise and reconstruct clear human voice signals. This enables effective separation of speech from environmental noise and significantly improves call quality in complex usage scenarios.

A Global Multichannel Sales and Distribution Network

We have established a diversified, multichannel global sales and distribution network, with long-standing and extensive deployment across Chinese mainland and overseas markets, covering both online and offline channels, as well as distributor-based and direct-to-consumer sales models.

Online Channels

We have built a strong presence across leading domestic and international online channels, including JD.com, Tmall, Amazon and Shopee. We have also gained an early mover advantage in next-generation social commerce platforms such as Douyin, TikTok Shop, and Xiaohongshu. Our revenue generated from online sales amounted to RMB3,590.1 million, RMB4,630.9 million, and RMB7,038.1 million in 2023, 2024 and 2025, respectively, representing a CAGR of 40.0%. Our revenue generated from online sales increased by 45.7% from RMB2,846.6 million for the six months ended June 30, 2025 to RMB4,147.2 million during the same period in 2026.

Due to the strong sales performance of our products, we have received numerous honors and awards from both domestic and international e-commerce platforms. In domestic online channels, we were recognized as an Alibaba King Store (阿里巴巴王者店鋪) and a JD.com Annual High-Quality Store (京東年度好店), with multiple major products ranking first in transaction indices on JD.com and Tmall. In overseas online channels, we were recognized as Amazon Performance Peak Award (亞馬遜巔峰表現獎) and Amazon Global Expansion Excellence Brand of the Year (亞馬遜年度全球拓展卓越品牌) in 2024, and Amazon Decade-Long Growth Brand (亞馬遜十年同行長贏品牌) in 2025. Our products have also been consistently featured among Amazon Best Sellers (亞馬遜最暢銷產品) and Amazon’s Choice (亞馬遜之選).

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We also continue to strengthen the development of our direct-to-consumer websites. In developed overseas markets such as the United States, Canada and the European Union, we have progressively established brand-owned standalone websites to build our proprietary user base and private traffic, while providing personalized user support to enhance customer loyalty.

Offline Channels

We have established a distributor network with global coverage. As of June 30, 2026, we maintained a distribution network in Chinese mainland covering all provinces, autonomous regions and municipalities. As of the same date, we had also built an extensive overseas distributor network covering approximately 82 countries and regions. Our distributors possess localized market knowledge and the ability to provide timely customer support, which significantly enhances our ability to penetrate global markets, expand customer coverage and accelerate product market adoption.

As our brand recognition continues to strengthen, we have expanded our partnerships with leading retailers. In Chinese mainland, our products are available through major retail channels such as Sam’s Club, Walmart, Apple Authorized Resellers, and Sundan. Overseas, we have successfully entered the retail networks of well-known global retailers, including Walmart, Costco, Best Buy, B&H and Micro Center in the United States, as well as MediaMarkt in Europe.

Localized Deployment in Overseas Markets

We are firmly committed to globalization. During the Track Record Period, our overseas business achieved steady growth. Revenue generated from customers outside Chinese mainland increased by 46.5% from RMB2,419.5 million in 2023 to RMB3,543.7 million in 2024, and further increased by 64.3% to RMB5,821.4 million in 2025. Our revenue generated from overseas markets increased by 69.4% from RMB2,294.6 million for the six months ended June 30, 2025 to RMB3,887.6 million during the same period in 2026. Our broad market coverage demonstrates our insight into user preferences across different countries and regions, as well as our strong execution capabilities.

To deepen our penetration of overseas markets, we have established localized service subsidiaries in key markets including Hong Kong, the U.S., Germany, Japan, South Korea, Singapore, Vietnam, Malaysia and the United Arab Emirates. We have built a “1+N” service framework comprising one global headquarters supported by multiple localized regional service centers, enabling us to accurately identify local consumer preferences. Leveraging our overseas subsidiaries and offices as operational hubs, we work closely with local teams responsible for marketing and promotion, sales and channel management, local warehousing support, as well as localized technical and customer service support.

Based on the specific conditions and consumer preferences of each market, we implement differentiated product and go-to-market strategies. We actively recruit management and sales professionals with international experience and optimize our compensation and incentive systems to attract and retain high-caliber local talent. Through continuous optimization, we are progressively building an efficient and dynamic organization, enhancing our market responsiveness, user experience and brand loyalty.

Deep Integration of Manufacturing Capabilities and Supply Chain Management

We have established a supply chain model that combines in-house manufacturing and third-party manufacturing collaboration. This hybrid model enables the rapid commercialization of new products, supports flexible capacity allocation, and enhances the resilience of our supply chain.

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In-house Manufacturing

We regard innovation as a core driver of our business, with quality control forming the foundation of our operations. As of June 30, 2026, we owned four manufacturing subsidiaries. Through our manufacturing subsidiaries, we have strengthened our in-house manufacturing capabilities, focusing on new product prototyping, process improvement, and cost analysis. These capabilities enhance our ability to manage value creation across the supply chain.

The primary value of our in-house manufacturing system lies in improving the stability and security of our supply chain. Our manufacturing subsidiaries integrate early-stage product research, manufacturing process and cost assessment, and product risk evaluation. In the event of external supply chain disruptions or changes, our internal production capacity serves as a strategic buffer and backup, ensuring operational continuity and business stability.

Our in-house production strengthens our supply chain stability and security, and enhances our manufacturing insight. On the one hand, it helps mitigate risks arising from price volatility and supports effective cost management. On the other hand, the precise cost models developed through in-house production enable us to assess the reasonableness of quotations from third-party manufacturing partners, thereby strengthening our bargaining position in procurement negotiations.

In addition, in-house manufacturing enhances our operational coordination and efficiency. Our internal production capabilities allow us to retain control over key processes and risk assessment, which in turn strengthens our overall supply chain management and facilitates closer collaboration in product development across the supply chain.

Supply Chain Management

To maintain operational flexibility and fully leverage the strong manufacturing capabilities in the Chinese mainland, we collaborate with trusted third-party manufacturing partners. We lead the entire product development lifecycle, including product definition, feasibility studies, product design (covering industrial design, structure, functionality and software), product validation, testing and mass production, and retain ownership of the relevant IP rights. This approach safeguards our core competitiveness and proprietary technologies.

We have established a rigorous manufacturing partner selection and onboarding process, supported by a comprehensive supply chain system and stable relationships with our core supply chain partners. On the supply chain management side, we have implemented a multi-dimensional supplier admission and evaluation framework, under which suppliers are subject to tiered certification based on factors such as production capacity, quality control standards and management systems. In parallel, we have developed a dynamic performance evaluation model that quantitatively assesses suppliers across four key metrics: quality compliance rate, on-time delivery performance, cost optimization and service responsiveness. The evaluation results are directly linked to order allocation mechanisms, effectively incentivizing continuous capability enhancement and process innovation among suppliers.

Leveraging these flexible management mechanisms and a cross-functional collaboration platform, we have successfully built a differentiated competitive advantage characterized by high quality, cost efficiency and fast delivery. As a result, we have established a modern supply chain ecosystem that is self-controlled, dynamically optimized and capable of continuous improvement.

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To further enhance supply chain resilience, we are actively expanding our manufacturing footprint and plan to establish overseas manufacturing collaboration in the future. These initiatives are expected to help mitigate geopolitical risks and enhance our ability to serve international markets with greater flexibility.

A Cohesive Organization and an Experienced, Insightful Management Team

We have a management team with deep industry insight and extensive experience. Our founding team has, on average, over 15 years of experience in the consumer technology industry. Our founding team has consistently identified and capitalized on market opportunities to drive our rapid growth, to establish and maintain a leading position in the sector. The members of our founding team work closely together and have collaborated for more than ten years, providing a strong foundation for our sustained high-growth development.

We have dedicated teams responsible for the full lifecycle management of our products, from product definition through market launch, and operate under a business unit-based management structure. This enables us to respond swiftly to evolving market demand in product selection, design and R&D. Our sales and marketing teams continuously monitor market trends and promptly identify changing consumer needs across different regions, providing timely insights to inform product development. With a strong emphasis on innovation, we have built a leading R&D talent pool in the industry, including dedicated teams for AI-related product development, algorithm laboratories and software security, led by experts with extensive experience at leading industry players. This structure provides us with deep technical expertise and forward-looking industry insights.

Our founding team places equal emphasis on corporate growth and employee development and welfare. We have fostered a corporate culture with long-term competitiveness and established a dynamic talent development ecosystem that attracts and retains high-caliber professionals, providing a robust organizational foundation to support our advancement in the next phase of industry evolution.

OUR STRATEGIES

We intend to further solidify our leading position by pursuing the following strategies:

Expanding Our Consumer Technology Product Portfolio to Better Meet User Needs

R&D innovation has been a consistent strategic priority for us and remains the core driver of our future high-quality growth. We plan to continue investing steadily in R&D, leveraging breakthroughs in frontier technologies to empower our product portfolio. Centered on our consumer technology portfolio, we aim to provide users with a comprehensive range of products to better address diverse and evolving customer needs. Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to increasing our investment in technology innovation and product development.

Storage Products

We plan to further strengthen foundational technology innovation in areas such as localized AI deployment and computing resource orchestration. We will continue to invest in on-device AI R&D and build upon the intelligent capabilities of our iDX6011 Pro, our AI NAS product with a built-in local model, to deliver further upgrades. We aim to enable localized AI training and inference for everyday entertainment, office use and personal file management, allowing each user to establish a personalized home storage hub where data stored in a private cloud can fully benefit

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from AI-driven capabilities. With storage products as the core, we intend to extend AI-enabled experiences into home and office scenarios, delivering differentiated and enhanced user experiences across data management, content creation and sharing, and multi-device connectivity and control. Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be invested in the technology innovation and product development of our storage products centered on NAS.

Smart Home Products

We plan to introduce a smart home product line, initially focused on security and care devices such as internet protocol cameras (“IPC”). According to Frost & Sullivan, the global consumer IPC market is expected to reach approximately USD25.2 billion in 2025, with a CAGR of 20.7% from 2025 to 2030, reflecting strong and sustained demand.

Within this growing market, a structural shift is underway from cloud-subscription models toward on-device AI processing and local storage. This transition is driven by increasing consumer sensitivity to data privacy and recurring subscription costs, as well as the tightening of privacy regulations such as the EU General Data Protection Regulation (“GDPR”) and the PRC Personal Information Protection Law. However, mainstream market participants continue to rely heavily on cloud-based data storage and subscription-driven revenue models, and their data processing practices have faced heightened regulatory scrutiny in recent years.

Against this backdrop, the “local AI, no subscription” segment presents a clear supply gap. Our approach is designed to address this opportunity by aligning with consumer preferences for one-time hardware purchases and local data control, thereby offering a differentiated alternative within the current competitive landscape.

In the competitive landscape, we believe, as advised by Frost & Sullivan, our value proposition differs from both traditional IPC manufacturers and cloud-subscription providers. Traditional IPC manufacturers generally focus on hardware functionality and often rely on third-party platforms for data management and intelligent analytics, while cloud-subscription providers typically adopt recurring subscription-based business models centered on cloud storage and processing services. By contrast, our IPCs are designed to operate in conjunction with our NAS products, enabling local storage, edge AI processing and private data management within a unified ecosystem. This integrated architecture is intended to address increasing user demand for data privacy, local control and reduced dependence on recurring subscription fees. Leveraging this architecture, we believe we are well-positioned to offer differentiated product capabilities and user experience.

Furthermore, unlike new entrants seeking to establish capabilities across hardware, software, AI algorithms and data management simultaneously, we are able to leverage technological capabilities already developed and commercialized in our NAS and audio and visual businesses. The IPCs we are developing are designed to capture high-definition video data and transmit it in real time over a local network to our NAS products, which serve as local storage and edge AI processing hubs. This architecture leverages technological capabilities already validated in our existing NAS business. Also, the audio and video capture, encoding and decoding, remote transmission, local storage, AI recognition and data security capabilities required for IPCs are highly aligned with our existing technology stack. In particular, our existing capabilities in peer-to-peer transmission, streaming media, AI-based visual recognition and RAID technologies are transferable to smart security applications. Our core R&D team possesses over ten years of experience in audio and video products and has a proven track record in delivering low-power battery cameras and video doorbells from development to mass production. Compared to new entrants without such foundational capabilities, this experience is expected to shorten our product validation cycle and reduce development risks.

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According to Frost & Sullivan, both the global IPC market and the smart home market remain relatively fragmented, with no single participant holding a dominant market position. Leveraging our position as a leading global consumer technology products company, we believe we are well-positioned to capitalize on opportunities in these markets through our established brand recognition, extensive distribution network, mature supply chain management capabilities and broad customer base. These advantages are expected to facilitate customer acquisition, accelerate product commercialization and mitigate certain market-entry challenges typically encountered by new entrants.

Upon launch, these smart home products are expected to further expand our product portfolio and create synergies with our existing product lines. By integrating on-device AI processing with local storage through NAS, our approach enables data to remain within the user’s local network throughout collection, storage, and analysis, aligning with evolving privacy and compliance expectations. At the same time, our existing NAS user base provides a natural channel for initial adoption, which may result in lower customer acquisition costs compared to launching a standalone new brand. Matter 1.5, an open smart home connectivity standard developed by the Connectivity Standards Alliance and released in November 2025, for the first time natively supports cameras, allowing devices from different brands to interoperate seamlessly. This standardization lowers barriers to entry for new camera products. Together with continued reductions in the cost of on-device NPU computing power and the accelerating regulatory focus on data localization, collectively present a strategic window for us to enter this market in 2026. By focusing on the “local AI, no-subscription” segment — an area where incumbent players have yet to establish a dominant position — we aim to differentiate ourselves from existing market participants through product integration and ecosystem synergy, thereby building a sustainable competitive advantage. Approximately [REDACTED]%, or HK\$[REDACTED] million, of the [REDACTED] will be invested in the technology innovation and product development of smart home products.

Product Upgrades

Guided by our insights into the evolving customer preferences and anchored in technology innovation as a core growth driver, we continue to expand and enrich our product portfolio. On the one hand, we aim to proactively lead industry trends by developing products that redefine user expectations. On the other hand, we continuously translate user feedback into smarter and more user-friendly product upgrades, further enhancing the customer experience and strengthening user loyalty. Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to promoting continuous iterative upgrades of our other product categories, which include charging products and accessories, office products and audio and visual products.

Continuously Building a Valuable, Human-Centered Global Brand

We will continue to foster brand affinity and user loyalty. We plan to deepen engagement with younger audiences and cultivate long-term brand recognition and create both functional and emotional points of connection with young users. We will also continue to upgrade our brand-building efforts to consolidate and enhance the global influence of the “UGREEN” brand. We emphasize a globally unified brand image, and we plan to attract additional talent with strong international branding and marketing expertise and implement targeted incentive programs to support the effective execution of our global brand strategy. Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to our brand building.

Deepening an Integrated, Multichannel Footprint to Expand Global Influence

We plan to enhance our multichannel capabilities through strengthening our presence in developed markets and expanding in emerging markets.

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In developed markets where we have established advantages, we will focus not only on further scale expansion and higher market penetration, but also on upgrading the user experience we provide. We will consolidate our leading position by strengthening partnerships with established mainstream e-commerce platforms, maintaining agility in adopting new platforms, and deepening collaboration with distributors. We will enhance local team capabilities and elevate the brand presence of physical retail outlets. As brand influence continues to grow, we will actively expand our enterprise and mass-retail customer base, further deepen our direct-to-consumer operations, and pursue strategic partnerships to embed ourselves more deeply into local ecosystems.

In emerging markets with strong growth potential, we aim to rapidly gain market share and build brand awareness. We will pursue a dual strategy that balances expansion on leading e-commerce platforms with offline market access. Leveraging proven, mature products as entry points, we will establish a rapid market presence and progressively introducing our other product offerings. In parallel, we will customize marketing initiatives to local demographics and cultural characteristics to promote our business growth. Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to enhancing our sales channel development and market penetration.

Strengthening Talent Development and Organizational Competitiveness on a Global Scale

We place a high priority on organizational development and are committed to building a modern corporation with strong international competitiveness.

Talent development and team building remain our key strategic priorities. We will continue to invest in the cultivation of talent and the strengthening of our global workforce. We plan to recruit top-tier professionals worldwide who align with the development of our consumer technology product portfolio, with a focus on critical areas such as AI, information security, and data compliance. In support of our globalization strategy, we will place greater emphasis on attracting talent in overseas markets and individuals with a global perspective. Going forward, we will further strengthen our localized teams in major overseas markets including the United States, Europe, and APAC countries, while steadily expanding our localized teams in other emerging markets.

We will continue to optimize our organizational structure and management systems, supported by a well-established corporate culture and efficient organizational framework to drive the development of our four core business pillars: products, R&D, sales and distribution network, and branding. At the same time, we will enhance our management capabilities and internal resource allocation efficiency by introducing digital and AI-enabled management tools, to ensure the long-term competitiveness of our organizational system. Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to the intelligent evolution of our business processes.

Pursuing Strategic Investment Opportunities to Enhance Growth

We plan to selectively pursue strategic investment opportunities that are aligned with our business development objectives. To strengthen our technological capabilities and expand our business footprint, we intend to make strategic investments in or acquire technologies and teams that are complementary to our business or capable of generating synergies with our existing operations. Through such strategic investments, or acquisitions, we aim to further enhance our technological strength and broaden our market reach, thereby accelerating our growth. As of the Latest Practicable Date, we have not identified any specific investment or acquisition targets.

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OUR PRODUCT OFFERINGS

We are a global consumer technology company driven by innovation. Centered on four product categories, namely charging products and accessories, office products, audio and visual products, and storage products, we address a broad range of everyday usage scenarios across home, travel, work, and entertainment.

During the Track Record Period, all of our four product categories achieved robust growth. The following table sets forth a breakdown of our total revenue by product category, in absolute amounts and as a percentage of our total revenue for the year/period indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Charging products and accessories . . .	2,076,044	43.3	2,957,626	48.0	4,355,886	45.9	1,777,633	46.1	2,666,726	45.9
Office products	1,446,986	30.1	1,756,799	28.5	2,431,563	25.7	1,032,210	26.8	1,500,369	25.8
Audio and visual products	950,255	19.8	1,060,493	17.2	1,472,320	15.5	630,187	16.3	877,236	15.1
Storage products . . .	328,125	6.8	391,416	6.3	1,225,826	12.9	414,784	10.8	769,559	13.2
Total	4,801,410	100.0	6,166,334	100.0	9,485,595	100.0	3,854,814	100.0	5,813,890	100.0

Rooted in Chinese mainland with a global footprint, our business has achieved balanced growth across domestic and overseas markets, demonstrating strong growth momentum. According to Frost & Sullivan, we ranked first in the global consumer technology extension products market in terms of shipment volume in 2025. As of June 30, 2026, our products have been sold in over 180 countries and regions worldwide, making us one of the leading brands in the consumer technology market in Chinese mainland and globally. Our revenue from overseas markets continued to rise during the Track Record Period, representing 50.4%, 57.5%, 61.4%, and 66.9% of our total revenue in 2023, 2024 and 2025, and for the six months ended June 30, 2026, respectively.

The table below sets forth a breakdown of our revenue by geography, in absolute amounts and as a percentage of our total revenue for the year/period indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Chinese mainland . .	2,381,861	49.6	2,622,656	42.5	3,664,224	38.6	1,560,179	40.5	1,926,243	33.1
Asia (excluding Chinese mainland) .	849,664	17.7	1,275,129	20.6	2,049,236	21.6	916,344	23.8	1,281,081	22.0
Europe	810,289	16.9	1,181,429	19.2	2,075,340	21.9	740,962	19.2	1,402,422	24.1
– Germany	224,208	4.7	313,933	5.1	616,167	6.5	217,616	5.6	403,976	6.9
The Americas	692,092	14.4	968,361	15.7	1,502,142	15.8	559,364	14.5	1,068,349	18.4
– The U.S.	362,507	7.6	480,726	7.8	838,446	8.8	305,669	7.9	607,794	10.5
Oceania	48,056	1.0	96,804	1.6	152,266	1.6	63,322	1.6	108,230	1.9
Other countries/regions . .	19,448	0.4	21,955	0.4	42,387	0.5	14,643	0.4	27,565	0.5
Total	4,801,410	100.0	6,166,334	100.0	9,485,595	100.0	3,854,814	100.0	5,813,890	100.0

Note:

Other countries/regions primarily include the markets in African countries, such as South Africa and Egypt.

BUSINESS

Charging Products and Accessories

Charging Products

Our charging products include chargers, power banks, and other charging products. This category demonstrates strong market size and growth momentum. According to Frost & Sullivan, we ranked second in the global charging products market in terms of revenue in 2025.

Our product offerings address a broad range of power supply requirements, from 20W smartphone fast charging to desktop power stations with output capacity of up to 500W. These products incorporate our self-developed GaNInfinity® GaN energy matrix technology, ThermalGuard™ smart temperature control technology, UGREEN SmartCharge® power auto-distribution and intelligent voltage tracking technology, and AirPyra® electronic stacking technology, enabling faster charging, more compact form factors, and reduced heat generation in our chargers and power banks.

Chargers

Our fast chargers are compatible with major smartphones, tablets and PCs. Powered by our proprietary technologies, they combine compact portability with high performance. Featuring a three-stage fast-charging protection system that dynamically adjusts power output, our chargers enhance safety, reduce overcharging and overheating risks, and help extend battery life, making them a popular choice among consumers. During the Track Record Period, the retail prices of our chargers typically ranged from RMB11 to RMB1,403 in the global market, varying primarily by output power and port configurations.

The following diagram sets forth our signature chargers:

Product Series	Key Features
 500W GaN Desktop Fast Charger	Energy Efficiency: According to Frost & Sullivan, as of the Latest Practicable Date, there are no directly comparable peer products in the 500W GaN consumer-grade fast charger segment. Mainstream multi-port chargers typically offer 200W-350W total output (single-port generally ≤140W) with average efficiency of 93% or lower. In contrast, our 500W GaN Desktop Fast Charger delivers 500W total output, supports up to 240W (PD3.2) on a single USB-C port, and achieves 95%+ full-link energy conversion efficiency, functioning as a high-efficiency energy hub capable of powering demanding devices such as power tools, mobile workstations, and drones. Safety Mechanisms: Most high-power chargers rely on basic thermal throttling and lack dynamic safety responses, according to Frost & Sullivan. Our product incorporates an ultra-high-frequency safety monitoring system with orientation sensing and millisecond-level thermal analysis, enabling stable power output and safe operation even under continuous full-load or tip-over conditions. Power Density and Portability: Fast chargers in the 45W segment typically have power density below 0.9W/cm³, limiting portability and size optimization, according to Frost & Sullivan. In contrast, our product achieves 1.35W/cm³ through GaN components and proprietary AirPyra® electronic stacking technology, delivering stable 45W output in a compact form factor and outperforming peers in both power density and portability.

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Product Series

Key Features



45W GaN Fast Charger



160W 5-Port GaN fast Charger

- **Energy Efficiency and Thermal Management:** According to Frost & Sullivan, conventional 45W chargers typically use passive thermal control, limiting efficiency to 91% or lower and causing heat buildup and power derating under load. In contrast, our 45W GaN Fast Charger achieves 93.5%+ efficiency through GaN components, an integrated thermal management system, high-precision negative temperature coefficient sensors, and ThermalGuard™ smart temperature control technology, delivering superior efficiency and thermal control.
- **Energy Efficiency:** According to Frost & Sullivan, multi-port fast chargers with TFT screens typically face space constraints, limiting efficiency to 92% or lower and power density below 0.6W/cm³. In contrast, our 160W 5-Port GaN Fast Charger achieves 0.77W/cm³ power density while maintaining stable 160W output, delivering efficient performance in a compact design.
- **Safety Mechanisms:** According to Frost & Sullivan, conventional multi-port chargers rely on passive protection and limited display functions. Our product adopts a proprietary surge suppression and thermal field synergy architecture, enabling millisecond-level monitoring and active heat dissipation for full-chain thermal management under high load.

Power Banks

In the field of power banks, we have built a diverse product matrix ranging from lightweight power banks to high-power outdoor power stations. Our products offer battery output power ranging from 20W to 300W, providing safe and efficient power supply for smartphones, laptops, and outdoor equipments. Depending on battery capacity and maximum output power, the retail prices of our power banks typically ranged from RMB78 to RMB845 during the Track Record Period.

The following table sets forth our signature power banks:

Product Series

Key Features



55W Built-in Cable Power Bank

- **Retractable Cable and Power Delivery:** According to Frost & Sullivan, conventional power banks use retractable cables as low-power accessories with limited durability. The design of our 55W Built-in Cable Power Bank integrates a high-durability spiral spring and ball-bearing hinge, supporting 11V/5A high-current output and enabling the cable to function as a primary high-performance charging channel.
- **Fast-Charging Protocol Compatibility:** Mainstream power banks have limited compatibility with proprietary fast-charging protocols and low handshake success rates, according to Frost & Sullivan. Our product adopts a proprietary protocol recognition engine to optimize handshake timing, enabling stable 55W fast charging and significantly improved charging speeds.
- **Stacking and Thermal Management:** Conventional two-cell power banks face space constraints and rely on passive cooling, causing full-power output to throttle after about seven minutes, according to Frost & Sullivan. Our product uses compact multi-board stacking and a composite heat dissipation system with smart thermal management, sustaining full-power output for a substantially expanded period compared with mainstream industry competitors.

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Product Series



25W Magnetic Built-in Cable Power Bank

Key Features

- Thermal Management and Charging Efficiency:** Mainstream wireless chargers typically operate at 15W with integrated layouts that cause thermal crosstalk and early power derating, according to Frost & Sullivan. Our 25W Magnetic Built-in Cable Power Bank supports up to 25W Qi2 magnetic charging and adopt a separated modular printed circuit board design that isolates heat sources, reducing operating temperature by 5°C and shortening full charge time by 15 minutes compared to mainstream products.
- Integration and Dynamic Power Allocation:** Conventional chargers rely on multi-chip discrete solutions with higher complexity and limited power scheduling, according to Frost & Sullivan. In contrast, our single-chip dual-charge architecture with a 10-millisecond-level power data object detection engine simplifies design, lowers hardware costs, and enables real-time dynamic power allocation for improved efficiency and compatibility.
- Safety Mechanisms and Product Matrix Coverage:** According to Frost & Sullivan, typical third-party chargers use less accurate foreign object detection methods and face electromagnetic interference risks. Our phased foreign object detection mechanism and optimized electromagnetic interference shielding enhance detection accuracy, reduce power consumption, and ensure stable 25W multi-device charging, supported by a full product matrix covering foldable devices, stands, power banks, and multi-in-one chargers.

Other Charging Products

Our other charging products mainly include charging cables and power strips. The retail prices of these products typically ranged from RMB1 to RMB1,235 during the Track Record Period. The graphic below illustrates our signature products in the other charging products category:



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Accessories

We offer a diverse and creative range of accessories designed for daily use with mobile phones, tablets, and laptops. Our accessories include protective cases, screen protectors, stands and organizers. During the Track Record Period, the retail prices of these products typically ranged from RMB0.5 to RMB500. The graphic below illustrates our signature accessories:



Office Products

Our office products comprehensively cover the connectivity, extension, and functional enhancement needs of laptops and other digital devices. They include multi-port docking stations and data cables, as well as other office peripherals such as keyboards, mice, and wired and wireless adapters.

Docking Stations

Our docking station products are designed with high compatibility, multi-interface integration, and stable transmission as core advantages, enabling efficient expansion of device connectivity and a convenient user experience. According to Frost & Sullivan, we ranked first in the docking stations market in Chinese mainland in terms of revenue in 2025. Depending on supported transmission protocols, the number of extended interfaces and bandwidth capabilities, the retail prices of docking stations typically ranged from RMB33 to RMB3,066 during the Track Record Period.

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The diagram below sets forth our signature docking stations:

Product Series

Key Features



Maxidok Thunderbolt Docking Station

- **Thermal Management and High-Speed Stability:** Mainstream docking stations experience thermal throttling that reduces SSD speeds to 3,000-4,000MB/s after ~0.5 hours and causes screen flickering after ~2 hours of triple 4K output, according to Frost & Sullivan. In contrast, our Maxidok Thunderbolt Docking Station maintains ~7,000MB/s SSD speeds and stable triple 4K@144Hz output for over 12 hours, enabled by microcontroller unit based real-time temperature monitoring and dynamic fan control for sustained high-load operation.

- **Intelligent Power Allocation:** According to Frost & Sullivan, peer products primarily rely on fixed power pre-deduction, leading to rigid distribution and inefficiency in multi-device use. Our product supports PD3.1 140W charging with real-time dynamic power adjustment via a proprietary PD firmware mechanism, ensuring efficient allocation across ports while maintaining stable laptop charging.

- **Energy Efficiency and Signal Integrity:** According to Frost & Sullivan, ERP standards require sleep power below 0.5W, while current high-speed signal transmission faces integrity challenges. Our product achieves <0.16W sleep consumption and lossless ultra-high-speed signal transmission with full protocol compliance, enabled by proprietary energy-saving design and a signal closed-loop architecture.



USB4 & OCuLink eGPU Docking Station

- **Dual-Interface Synergy and Patented Charging Architecture:** According to Frost & Sullivan, conventional eGPU enclosures rely on a single interface, limiting bandwidth or charging capability. Our USB4 & OCuLink eGPU Docking Station supports both USB4/Thunderbolt and OCuLink with a patented control circuit, enabling simultaneous high-speed data transmission and reverse charging to the host, resolving performance-battery trade-offs.

- **Intelligent Hot-Plugging Safeguards:** Standard eGPU enclosures lack safeguards against improper disconnection, risking crashes or data loss, according to Frost & Sullivan. Our product integrates a delay-control algorithm and RGB status indicator to provide real-time feedback and prevent unsafe hot-plugging.

- **Power Stability and Signal Integrity:** High-performance GPUs require stable power and are prone to signal attenuation over long cables, according to Frost & Sullivan. Our product's enclosure features an 850W advanced technology extended power supply and Redriver signal enhancement technology, ensuring stable power delivery and reliable data transmission.

Other Office Products

We also offer a range of office products that enhance human-computer interaction efficiency and network connectivity, primarily comprising input devices and network communication devices. Our other office products include, among others, keyboards, mice, wireless adapters, Ethernet cables, and Bluetooth adapters. During the Track Record Period, the retail prices of these products

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typically ranged from RMB2 to RMB1,959. The graphic below illustrates our signature products in the other office products category:



Audio and Visual Products

Our audio and visual products include audio and video cables, headphones, and other audio and visual products such as microphones and cameras.

Audio and Video Cables

We offer comprehensive audio and visual peripheral connectivity products covering high-definition audio-video transmission, signal conversion, and extension needs. Our product line includes, among others, HDMI HD cables, DP cables, VGA/DVI cables, and various audio cables, supporting high-quality audio and visual transmission between multiple devices, providing reliable support for users to build stable and flexible home entertainment and office audio and visual systems. Depending on cable length and data transmission specifications, the retail prices of our audio and video cables typically ranged from RMB4 to RMB4,600 during the Track Record Period. The graphic below illustrates our signature products in the audio and video cables category:



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Headphones

We aim to provide a comprehensive product portfolio covering over-ear, in-ear, and open-ear headphones, including models equipped with smart display screens and multi-scenario functionality, to meet the diversified needs of consumers. We integrate technologies such as active noise cancellation and AI- powered multi-microphone calling with bone voiceprint recognition to deliver clear, stable audio across environments. Beyond audio, the headphones support AI meeting transcription and translation, while a companion app enables personalized features, enhancing user experience and brand loyalty. During the Track Record Period, the retail prices of our headphones typically ranged from RMB32 to RMB500. The graphic below illustrates our signature headphones products:



Other Audio and Visual Products

We also provide a diversified portfolio of other audio and visual products, covering USB desktop microphones, gaming microphones, wireless lavalier microphones, and webcams. In addition, we have launched wireless screen mirroring devices, audio-video capture devices, as well as signal management accessories such as splitters and switchers. During the Track Record Period, the retail prices of these products typically ranged from RMB50 to RMB700. The graphic below illustrates our signature products in the other audio and visual products category:



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Storage Products

Our storage products comprise consumer-grade NAS products and other storage products.

NAS Products

Our storage portfolio is centered on our consumer-grade NAS product line, which has become an increasingly important contributor to our growth. In the age of AI, as data privacy grows ever more critical, our consumer-grade NAS products are evolving into private cloud servers and edge computing centers for individuals, families, and small businesses. The graphic below illustrates our NAS products:



During the Track Record Period, our NAS product line emerged as one of our fastest-growing segments, demonstrating strong and consistent revenue expansion. This growth was further amplified following our multi-site Amazon launch in 2025, where our NAS products maintained the top sales position in the NAS category across the United States, Europe, and other key markets throughout the year. According to Frost & Sullivan, we became the largest global consumer-grade NAS brand by both shipment volume and revenue in 2025, capturing market shares of 20.6% and 17.5%, respectively. During the Track Record Period, the retail prices of our NAS products typically ranged from RMB1,100 to RMB14,300, primarily depending on data processing capabilities and the number of storage bays.

This strong performance is supported by the rapid expansion of the broader consumer-grade NAS market. According to Frost & Sullivan, the global consumer-grade NAS market is estimated at USD770 million in 2025 and is expected to rise further to USD3.6 billion by 2030, representing a CAGR of 36.3% from 2025 to 2030.

UGOS Pro System

UGOS Pro, launched in 2024, is our proprietary NAS operating system and the core of our integrated hardware–software ecosystem. Designed for home, light office and professional users, it offers a flexible and scalable platform for diverse scenarios. Built on a modular architecture with cloud synchronization, UGOS Pro functions as a centralized, visual data hub, enabling real-time multi-device sync and remote access across devices. Its role-based permission system supports layered user management and fine-grained access controls, ensuring data security while enabling flexible collaboration. Featuring an intuitive, all-in-one interface, UGOS Pro integrates functions such as automatic backup, media management and file tools, simplifying advanced data management. An open application platform with third-party integration further extends functionality, allowing users to customize workflows and supporting a continuously evolving storage-centric ecosystem.

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Product Usage Scenarios

Our NAS product series combines robust storage capacity, enhanced security, and user-friendly operation to serve a wide range of scenarios for both household and small to medium-sized enterprise users. Below are several typical use cases of NAS products:

Home data storage center. Our NAS products act as a centralized home data hub, allowing families to securely store, sync and manage photos, videos and documents in one place. They support automatic mobile photo backup, AI-based organization into shared albums, cross-device access, and media streaming to TVs and projectors. They are also evolving into the “brain” of smart home systems, integrating with devices such as IPCs to process visual data locally. Equipped with built-in NPUs, they enable real-time edge AI functions such as human, pet and infant detection. This encrypted, localized architecture ensures low-latency performance while protecting user privacy, forming a secure and intelligent link between physical and digital environments.

Enterprise data storage center. Our NAS products enable small and medium-sized enterprises to build a centralized data hub with multi- device and remote access, supporting cross-location collaboration and efficient data management through tiered permissions and real-time document collaboration. They also provide robust data protection through automated backups, snapshot recovery, encryption and access controls, ensuring end- to-end security.

Creative design workstation. Our NAS products serve as design and creative workstations, enabling cross-team file sharing, remote access and real-time updates to improve project efficiency. They provide high-speed, stable storage and fast retrieval for large media files, enhancing asset management. With permission controls and secure sharing via links, they ensure data protection while streamlining collaboration and presentation.

Certifications and Awards

Since the inception of our NAS products, we have adhered to the approach of placing “security as the foundation and usability as the standard.” We integrate the Privacy by Design principle throughout the entire product lifecycle and have proactively established a comprehensive technical framework for privacy protection. We have obtained security-related certifications for models equipped with the UGOS Pro system, including EU ETSI EN 303645, US Truste, US NIST IR 8425, and UK PTSI. In 2025, we received dual certifications from SGS, a globally recognized inspection, verification, testing, and certification organization, for the ISO/IEC 27001 for Information Security Management System and the ISO/IEC 27701 for Privacy Information Management System. We are the first brand in the NAS industry in Chinese mainland to obtain these two international security certifications from SGS, demonstrating the superior security performance of our NAS products. We showcased our latest NAS products at CES, one of the world’s largest and most influential trade shows for consumer technology, in 2026. Multiple leading industry and tech media honored us with “Best of CES” awards.

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Other Storage Products

Our other storage products comprise digital accessories such as portable hard drive enclosures, optical drive enclosures, and hard drive adapter cables, designed to provide users with efficient, stable, and convenient data storage and transmission capabilities. During the Track Record Period, the retail prices of these products typically ranged from RMB9 to RMB1,500. The graphic below illustrates our signature products in the other storage products category:



RESEARCH AND DEVELOPMENT

We are a consumer technology brand with a steadfast commitment to original innovation. We are committed to developing innovative technologies and continuously upgrading our technology infrastructure to enhance the functionality and features of our existing products, while expanding our product portfolio through in-house research and development. We have made, and will continue to make, substantial investments in R&D activities. In 2023, 2024, 2025, and for the six months ended June 30, 2026, our R&D expenses amounted to RMB215.9 million, RMB304.1 million, RMB437.8 million, and RMB349.1 million, respectively. Our total R&D expenses amounted to RMB1,306.9 million during the Track Record Period.

User Centric R&D Approach

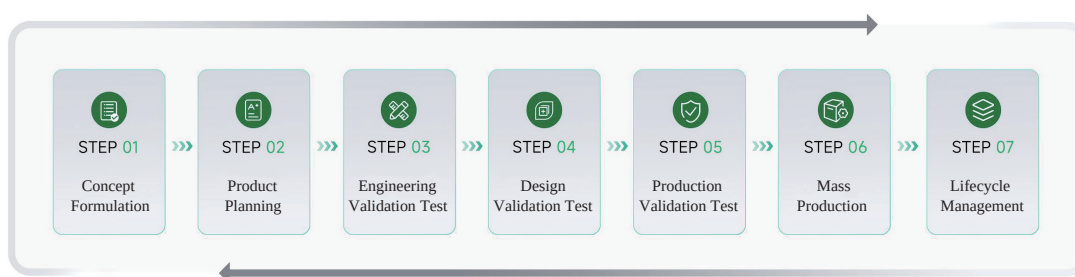
Our R&D strategies are fundamentally driven by consumer needs. We constantly collect consumer feedback through multiple channels, including reviews on e-commerce platforms, user communities, and public beta user groups. In addition, we regularly conduct user interviews and surveys to ensure a comprehensive understanding of user needs. By gathering feedback through multiple channels, we identify opportunities where innovative technology can make a meaningful difference. We have also incorporated a demand-voting mechanism that allows users to participate directly in feature planning. User feedback is translated into concrete product enhancements at each stage of development, including concept design, prototype development, and testing. Under this user-centric approach, our new or enhanced product features are developed in response to users' most pressing needs, ensuring that our product iterations remain closely aligned with market demand.

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R&D Process

Our R&D process encompasses key stages including concept evaluation, project initiation, product design, engineering validation, and mass production, with differentiated cycles tailored to product complexity, ranging from three months for accessories to eight to 12 months for complex hardware-software integrated devices.

Our R&D process comprises seven key stages: concept formulation, product planning, engineering validation test (“EVT”), design validation test (“DVT”), production validation test (“PVT”), mass production, and lifecycle management. Initially, based on market and user insights, we formulate product concepts and confirm feasibility before formally launching the project with detailed identity define design and requirements. Subsequently, we conduct detailed design work and prototype creation. Through the EVT and DVT phases, we rigorously test product functions, stability, and reliability under various scenarios via small-batch trials. Following the verification of processes and materials in the PVT phase, we advance to mass production and product delivery. Finally, we manage the product lifecycle by monitoring performance and adjusting strategies based on market feedback. The graphic below illustrates our R&D process:



Core Technologies

We believe our long-term competitiveness is underpinned by our deep technical capabilities in fields such as storage, consumer electronics connectivity, charging and energy management, which empower our existing portfolio of high-performance products and drive the continuous innovation of our future product portfolio.

Smart storage operating system. We have observed that while traditional NAS products address certain limitations of public cloud services, they continue to suffer from issues such as complex operation, limited functionality, low data management efficiency, and insufficient security. Our UGOS Pro operating system, specifically tailored for NAS, features an intuitive graphical user interface and support non-generative service functions, such as local AI smart classification and semantic search. Our system architecture incorporates multiple core technologies to ensure high-speed, stable data transmission and secure data storage. By leveraging proprietary lightweight model technologies and device-cloud synergy capabilities, we have established a comprehensive and modular algorithm platform. This platform efficiently supports various AI smart hardware product forms, delivering a consistent intelligent experience across devices and scenarios.

Charging and energy technologies. Supported by the four core pillars of GaNInfinity[®] GaN energy matrix technology, UGREEN SmartCharge[®] power auto-distribution and intelligent voltage tracking technology, ThermalGuard[™] smart temperature control technology, and AirPyra[®] electronic stacking technology, our core technology combines embedded integration processes, material innovation, and the application of advanced heat dissipation technologies. This combination achieves a systemic improvement in energy efficiency, a significant reduction in power

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loss, and breakthroughs in high-frequency application scenarios. Driven by intelligent algorithms, our products achieve precise data acquisition and real-time control, continuously expanding performance boundaries while maintaining high reliability.

Transmission technologies. We have developed docking station management software that elevates office connectivity from a mere hardware tool to an intelligent hub capable of centralized management, device synergy, and personalized customization. By defining hardware functions through software, we provide users with a one-stop connectivity product and lay the foundation for integration into the broader UGREEN AI ecosystem and office scenarios.

Acoustics and noise cancellation. Noise cancellation technology and intelligent algorithms have become a key development focus in the field of acoustics. We adopt a dual-modal acquisition architecture, utilizing the “synchronous fusion of dual-source signals + deep neural network noise cancellation” as our core technical logic. Through hardware-level filtering, we ensure signal time-domain synchronization and amplitude consistency. Leveraging AI algorithms for feature extraction and cross-comparison, we utilize deep neural network models to suppress noise and reconstruct clear vocal signals. This approach achieves the efficient separation of human voices from environmental noise, significantly enhancing call quality in complex scenarios.

AI algorithms. Driven by AI algorithms, we focus on the scenario-based application of large model technologies. Leveraging our proprietary lightweight model technologies and edge-cloud synergy capabilities, we have established a comprehensive and modular algorithm platform. This platform efficiently supports a diverse range of AI smart hardware products. By integrating hardware with algorithms, we deliver a consistent smart experience across devices and scenarios, optimize on-device intelligence, and serve as a core technological engine driving our business growth.

Industry Standards

Leveraging our deep technical accumulation and industry expertise, we actively participate in the formulation of national and industry standards to drive the high-quality development of the consumer technology sector. We are a contributor to several key technical specifications. During the Track Record Period, we actively participated in the drafting and formulation of category standards, including, among others, GB 20943-2025 “Energy Efficiency Limits and Grades for AC-DC and AC-AC Power Supplies,” GB 47372-2026 “Safety Technical Specification for Power Bank,” and GB/T 47292.4-2026 “Lithium Ion Battery Good Manufacturing Practice — Part 4: Battery Pack Process Control and Finished Product Testing.”

OUR GLOBAL PRESENCE

During the Track Record Period, we have achieved rapid development both in PRC and overseas markets, demonstrating our strong growth capabilities. Our revenue distribution is geographically balanced. In 2023, 2024, 2025, and for the six months ended June 30, 2026, overseas markets contributed 50.4%, 57.5%, 61.4%, and 66.9% of our revenue, respectively.

Strong Domestic Market Footprint

We actively deploy offline sales channels, with a domestic distribution network covering major provincial-level administrative regions nationwide. As of June 30, 2026, our domestic offline sales network has covered more than 180 key cities across all provinces, autonomous regions and municipalities, continuously strengthening our brand’s offline presence. We also actively expand our online presence, with products available on major domestic e-commerce platforms such as Tmall and JD.com, further extending our reach to consumers. Thanks to the popularity of our products, we have been recognized with honors including Alibaba King Store and JD.com Annual High-Quality Store.

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Rapid Global Expansion

Simultaneously, we are committed to promoting the “UGREEN” brand to the global market, adopting a model combining online and offline channels to achieve sales in multiple countries and regions globally. As of June 30, 2026, our products were available in over 180 countries and regions, and on major international e-commerce platforms such as Amazon and Shopee. The Company’s major products are consistently selected as Amazon’s Choice on Amazon, with the brand’s global influence continuously rising. To deepen our reach in international markets, we have established localized service subsidiaries in key markets including Hong Kong, the United States, Germany, Japan, South Korea, Singapore, Vietnam, Malaysia, and the United Arab Emirates, building a multi-dimensional service matrix of “global headquarters + regional centers” to accurately capture localized consumption characteristics.

OUR MULTI-CHANNEL SALES AND DISTRIBUTION NETWORK

Given the significant breadth and large volume of our product offering, we have a global multi-channel sales and distribution network comprising online retailers, offline distributors and direct sales.

The table below sets forth the revenue contribution in Chinese mainland and overseas markets by distribution channels during the Track Record Period:

	Year Ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Chinese mainland . . .	2,381,861	49.6	2,622,656	42.5	3,664,224	38.6	1,560,179	40.5	1,926,243	33.1
–Online	1,635,346	34.0	1,802,656	29.2	2,453,636	25.8	1,081,961	28.1	1,131,881	19.5
Online direct sales . .	847,194	17.6	1,004,715	16.3	1,330,480	14.0	599,090	15.6	689,812	11.9
Sales to online										
retailers	788,152	16.4	797,941	12.9	1,123,156	11.8	482,871	12.5	442,069	7.6
–Offline	746,515	15.6	820,000	13.3	1,210,588	12.8	478,218	12.4	794,362	13.6
Distributors	657,016	13.7	737,211	12.0	1,080,598	11.4	428,568	11.1	727,264	12.5
Direct sales	89,499	1.9	82,789	1.3	129,990	1.4	49,650	1.3	67,098	1.1
Overseas markets . . .	2,419,549	50.4	3,543,678	57.5	5,821,371	61.4	2,294,635	59.5	3,887,647	66.9
–Online	1,954,764	40.8	2,828,208	45.9	4,584,462	48.4	1,764,680	45.8	3,015,358	51.9
Online direct sales . .	1,927,144	40.1	2,807,283	45.5	4,547,705	48.0	1,748,541	45.4	2,983,648	51.3
Sales to online										
retailers	27,620	0.7	20,925	0.4	36,757	0.4	16,139	0.4	31,710	0.6
–Offline	464,785	9.6	715,470	11.6	1,236,909	13.0	529,955	13.7	872,289	15.0
Distributors	351,255	7.3	606,444	9.8	1,087,963	11.4	475,928	12.3	802,518	13.8
Direct sales	113,530	2.3	109,026	1.8	148,946	1.6	54,027	1.4	69,771	1.2
Total	4,801,410	100.00	6,166,334	100.00	9,485,595	100.0	3,854,814	100.0	5,813,890	100.0

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The table below sets forth a further breakdown of our revenue contribution by customer type, namely (i) consumers (through online direct sales), (ii) online retailers, (iii) offline distributors, and (iv) offline enterprise customers (through offline direct sales) during the Track Record Period:

	Year Ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Online	3,590,110	74.8	4,630,864	75.1	7,038,098	74.2	2,846,641	73.9	4,147,239	71.4
– <i>Online direct sales</i>	2,774,338	57.7	3,811,998	61.8	5,878,185	62.0	2,347,631	61.0	3,673,460	63.2
<i>Amazon</i>	1,544,671	32.2	2,157,666	35.0	3,484,379	36.7	1,325,298	34.4	2,265,102	39.0
<i>Tmall</i>	685,124	14.3	728,070	11.8	911,716	9.6	420,101	10.9	425,554	7.3
<i>Shopee</i>	129,461	2.6	182,530	3.0	335,509	3.6	141,542	3.7	234,852	4.0
<i>Other e-commerce platforms</i>	389,269	8.1	694,415	11.2	1,012,166	10.7	426,826	11.1	647,548	11.1
<i>Self-owned direct-to-consumer websites</i>	25,813	0.5	49,317	0.8	134,415	1.4	33,864	0.9	100,404	1.8
– Sales to online retailers	815,772	17.1	818,866	13.3	1,159,913	12.2	499,010	12.9	473,779	8.2
<i>JD self-operated store</i>	785,238	16.5	794,009	12.9	1,114,408	11.7	478,443	12.4	439,857	7.6
<i>Other online retailers</i>	30,534	0.6	24,857	0.4	45,505	0.5	20,567	0.5	33,922	0.6
Offline	1,211,300	25.2	1,535,470	24.9	2,447,497	25.8	1,008,173	26.1	1,666,651	28.6
– <i>Distributors</i>	1,008,271	21.0	1,343,655	21.8	2,168,561	22.8	904,496	23.4	1,529,782	26.3
– <i>Direct Sales</i>	203,029	4.2	191,815	3.1	278,936	3.0	103,677	2.7	136,869	2.3
Total	4,801,410	100.0	6,166,334	100.0	9,485,595	100.0	3,854,814	100.0	5,813,890	100.0

The table below sets forth a breakdown of our gross profit and gross profit margin by sales channel during the Track Record Period.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	<i>Gross Profit</i>	<i>Gross Profit Margin</i>	<i>Gross Profit</i>	<i>Gross Profit Margin</i>	<i>Gross Profit</i>	<i>Gross Profit Margin</i>	<i>Gross Profit</i>	<i>Gross Profit Margin</i>	<i>Gross Profit</i>	<i>Gross Profit Margin</i>
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Online	1,448,719	40.4	1,851,544	40.0	2,795,226	39.7	1,115,016	39.2	1,769,472	42.7
– <i>Online direct sales</i>	1,221,143	44.0	1,670,050	43.8	2,528,973	43.0	1,006,479	42.9	1,656,017	45.1
– <i>Sales to online retailers</i>	227,576	27.9	181,494	22.2	266,253	23.0	108,537	21.8	113,455	23.9
Offline	321,394	26.5	415,052	27.0	670,820	27.4	275,087	27.3	463,554	27.8
– <i>Distributors</i>	258,762	25.7	362,555	27.0	592,437	27.3	245,667	27.2	429,957	28.1
– <i>Direct Sales</i>	62,632	30.8	52,497	27.4	78,383	28.1	29,420	28.4	33,597	24.5
Total	1,770,113	36.9	2,266,596	36.8	3,466,046	36.5	1,390,103	36.1	2,233,026	38.4

The gross profit margin of sales to online retailers decreased from 27.9% in 2023 to 22.2% in 2024, and subsequently increased to 23.0% in 2025, primarily reflecting changes in the product mix at one of our major online retailers in the Chinese mainland market, where fluctuations in the proportion of sales contributed by high-volume products with relatively lower margins affected overall profitability.

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The gross profit margin of our online direct sales was higher than that of sales to online retailers during the Track Record Period, primarily due to differences in geographic mix and sales arrangements. First, our overseas sales generally carried a higher gross profit margin than our domestic sales. Revenue generated from overseas online direct sales accounted for 69.5%, 73.6%, 77.4%, and 81.2% of our total revenue from online direct sales in each year/period during the Track Record Period, respectively, whereas our sales to online retailers were mainly made to domestic online retail platforms, and revenue generated from sales to overseas online retailers accounted for only 3.4%, 2.6%, 3.2%, and 6.7% of our total revenue from sales to online retailers during the corresponding year/period. Second, online direct sales represented a retail model under which we sold products directly to consumers at retail prices, while sales to online retailers were essentially wholesale arrangements under which the relevant platforms were responsible for order fulfillment, delivery to consumers, provision of online shopping services and related expenses. Accordingly, the commercial arrangements and cost structures of the two channels differed, which contributed to the difference in supply prices and gross profit margins between online direct sales and sales to online retailers.

The table below sets forth a breakdown of our total sales volume and average selling price (“ASP”) by sales channel during the Track Record Period:

	Year ended December 31,						Six months ended June 30,	
	2023		2024		2025		2026	
	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP
	Units	RMB	Units	RMB	Units	RMB	Units	RMB
Online	68,440,522	52.5	81,385,814	56.9	110,798,210	63.5	59,493,519	69.7
– Online direct sales	46,174,632	60.1	57,254,818	66.6	79,337,319	74.1	46,024,620	79.8
Amazon	15,176,547	101.8	20,324,659	106.2	29,281,137	119.0	18,506,671	122.4
Tmall	20,294,576	33.8	20,613,203	35.3	23,920,977	38.1	11,402,899	37.3
Shopee	2,456,178	52.7	2,826,416	64.6	4,794,416	70.0	3,437,815	68.3
Other e-commerce platforms	8,123,139	47.9	13,292,882	52.2	21,067,418	48.0	12,500,667	51.8
Self-owned direct-to-consumer websites	124,192	207.8	197,658	249.5	273,371	491.7	176,568	568.6
– Sales to online retailers	22,265,890	36.6	24,130,996	33.9	31,460,891	36.9	13,468,899	35.2
JD self-operated store	21,429,035	36.6	23,336,656	34.0	30,134,216	37.0	12,322,824	35.7
Other online retailers	836,855	36.5	794,340	31.3	1,326,675	34.3	1,146,075	29.6
Offline	47,386,753	25.6	55,557,377	27.6	81,476,185	30.0	51,824,098	32.2
– Distributors	33,808,439	29.8	43,428,999	30.9	64,075,250	33.8	43,691,896	35.0
– Direct Sales	13,578,314	15.0	12,128,378	15.8	17,400,935	16.0	8,132,202	16.8
Total	115,827,275	41.5	136,943,191	45.0	192,274,395	49.3	111,317,617	52.2

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The following table sets forth a breakdown of our total sales volume and ASP by product category for the years/period indicated:

	Year ended December 31,						Six months ended June 30,	
	2023		2024		2025		2026	
	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP
		RMB		RMB		RMB		RMB
Charging products and accessories	52,403,120	39.6	64,297,308	46.0	93,785,199	46.4	55,700,484	47.9
Office products	39,385,849	36.7	46,784,050	37.6	65,158,665	37.3	37,331,144	40.2
Audio and visual products	21,633,070	43.9	23,475,754	45.2	30,133,688	48.9	16,565,042	53.0
Storage products	2,405,236	136.4	2,386,079	164.0	3,196,843	383.4	1,720,947	447.2
Total	115,827,275	41.5	136,943,191	45.0	192,274,395	49.3	111,317,617	52.2

The ASP of our storage products increased from RMB164.0 in 2024 to RMB383.4 in 2025, primarily due to our official launch of NAS products to overseas markets in 2025, which generally had higher ASPs than our other storage products.

The following table sets forth a breakdown of our total sales volume and ASP by geography for the years/period indicated:

	Year ended December 31,						Six months ended June 30,	
	2023		2024		2025		2026	
	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP
	Units	RMB	Units	RMB	Units	RMB	Units	RMB
Chinese mainland	79,869,418	29.5	88,149,475	29.8	120,177,855	30.5	64,900,586	29.7
Asia (excluding Chinese mainland).	17,841,325	44.4	24,557,192	51.9	37,292,336	55.0	23,123,139	55.4
Europe	9,740,690	83.1	13,141,288	89.9	19,029,009	109.1	12,787,813	109.7
The Americas	7,187,648	96.2	9,306,246	104.1	12,902,632	116.4	8,792,479	121.5
Oceania	655,402	73.2	1,137,513	85.1	1,714,662	88.8	1,039,839	104.1
Other countries/regions . .	532,792	35.4	651,477	33.7	1,157,901	36.6	673,761	40.9
Total	115,827,275	41.5	136,943,191	45.0	192,274,395	49.3	111,317,617	52.2

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The table below sets forth the number of our self-operated stores on e-commerce platforms, online retailers, self-owned direct-to-consumer websites, offline distributors and offline direct sales customers, for the year/period indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Third-party e-commerce platforms				
– Self-operated stores on e-commerce platforms ⁽¹⁾	60	63	66	63
– Online retailers	5	5	5	4
Self-owned direct-to-consumer websites	6	9	14	17
Offline distributors	189	221	287	265
Offline direct sales customers	966	799	894	557

Note:

- (1) In 2023, 2024 and 2025 and for the six months ended June 30, 2026, we run our self-operated stores on 28, 29, 27 and 25 third-party e-commerce platforms, respectively.
- (2) The numbers represent the number of third-party e-commerce platforms, self-operated stores on e-commerce platforms, online retailers, self-owned direct-to-consumer websites, offline distributors and offline direct sales customers from which we have generated revenue within the year/period.

Our Online Channels

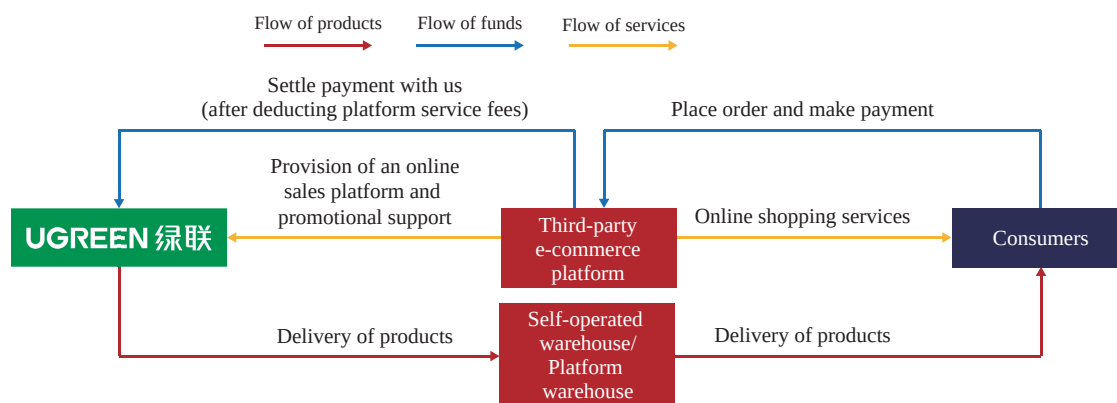
Designed to bring convenience and accessibility to our customers, our online channels primarily consist of online direct sales and sales to online retailers. In 2023, 2024, 2025, and the six months ended June 30, 2026, our revenue generated from the sales through online channels amounted to RMB3,590.1 million, RMB4,630.9 million, RMB7,038.1 million, and RMB4,147.2 million, respectively, accounting for 74.8%, 75.1%, 74.2%, and 71.4% of our total revenue, respectively.

Online Direct Sales

We operate our online direct sales business primarily through third-party e-commerce platforms, such as Amazon, Tmall, and Shopee. These e-commerce platforms provide online marketplace infrastructure, payment processing and promotional support, enabling us to sell our products directly to consumers. In line with market practice, we primarily enter into standard platform service agreements with such third-party e-commerce platforms. Under these arrangements, we maintain a service procurement relationship with the e-commerce platforms, while retaining control over product pricing, inventory management and fulfillment through our self-operated or platform warehouses. Consumers place orders through e-commerce platforms and make payments for their purchases. The platforms subsequently settle with us within agreed timeframes and remit the net proceeds after deducting platform service fees, which generally include sales commissions, platform warehousing fees and other platform-related service fees. In addition to the third-party e-commerce platforms, we also own, operate and sell directly to consumers through our direct-to-consumer websites. Revenue from sales on these platforms and from our direct-to-consumer websites is recognized when our products are delivered to consumers, at which point control of the products is transferred.

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The following chart illustrates the flow of products, funds and services among our Group, the third-party e-commerce platforms and the consumers under our online direct sales through third-party e-commerce platform model:



During the Track Record Period, we operated 60, 63, 66, and 63 self-operated stores on e-commerce platforms in 2023, 2024, 2025, and for the six months ended June 30, 2026, respectively, and six, nine, 14, and 17 self-owned direct-to-consumer websites in the same period, respectively. The table below sets forth the average revenue per self-operated store on e-commerce platforms and per self-owned direct-to-consumer websites for the years/period indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Self-operated stores on e-commerce platform	45,809	59,725	87,027	56,715
Self-owned direct-to-consumer websites	4,302	5,480	9,601	5,906

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The table below sets forth the average spending per customer of our sales through major e-commerce platforms and self-owned direct-to-consumer websites for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Amazon	169.8	191.3	225.8	184.7	210.6
Tmall	74.3	74.2	80.7	69.4	70.5
Shopee	113.0	133.0	144.7	127.9	121.6
Self-owned direct-to-consumer websites	448.6	535.8	1,010.1	685.7	1,084.3

Note: The average spending per customer is calculated as the total order value on the e-commerce platforms or self-owned direct-to-consumer websites in 2023, 2024, and 2025 and for the six months ended June 30, 2026, divided by the number of customers that have placed an order on such platforms/websites in the corresponding year/period.

The average spending per customer of our self-owned direct-to-consumer websites increased by 88.5% from RMB535.8 in 2024 to RMB1,010.1 in 2025, and further increased by 58.1% to RMB1,084.3 for the six months ended June 30, 2026, primarily due to our official launch of NAS products to overseas markets in 2025.

The following sets forth a summary of the salient terms of our typical agreements with the e-commerce platforms through which we conduct online direct sales:

<u>Key Terms</u>	<u>Description</u>
Duration	Typically one year with automatic renewal.
Service fees	We typically pay platform service fees to the e-commerce platforms, which generally comprise sales commissions, platform warehousing fees and other fees for store operation and related support services. During the Track Record Period, such platform service fees generally ranged from 5% to 16% of our revenue generated through the relevant e-commerce platforms, depending on the relevant e-commerce platform, geographic market and product categories. In addition to platform service fees, we may also pay the e-commerce platforms for their advertising, marketing and promotional support and/or logistics services, depending on the commercial arrangements (and such fees are not included in the platform service fees).

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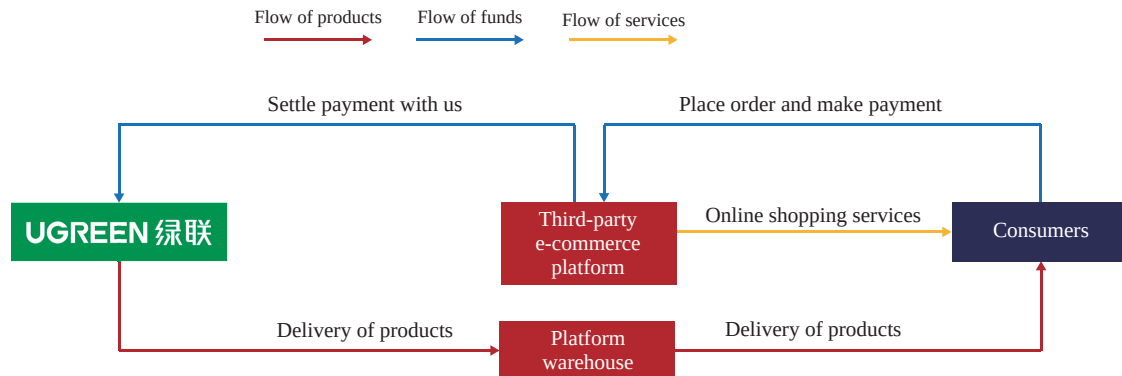
Key Terms	Description
Product delivery and inspection	We are responsible for sourcing, selling, packaging and shipping products in accordance with applicable order information and the relevant e-commerce platform’s policies. Products delivered to the platform warehouses may be subject to inspection and the platform may reject, return, repackage or relabel products that do not comply with applicable packaging or labelling requirements.
Product liabilities	In the event of product defects, quality issues, or damages caused by our products sold on third-party e-commerce platforms, we are generally responsible for relevant consumer protection obligations. The platforms may cancel transactions or notify consumers to claim product returns and refunds, seek reimbursement from us for amounts advanced to consumers, and may seek damages from us in severe cases.
Payment	The e-commerce platforms collect sales proceeds from consumers on our behalf and remit available balances to us after deducting applicable fees.
Product return	Returns are usually permitted for any reason within seven days of receipt. Following this initial period, returns are limited to cases involving product quality issues.
Termination	The agreement may be terminated by either party with prior written notice.

Sales to Online Retailers

We also sell to online retailers, primarily comprising third-party e-commerce platforms such as JD self-operated store. Such online retailers purchase our products in bulk and sell directly to consumers through their platforms. In line with market practice, we primarily enter into standard sales and purchase arrangements with such online retailers, under which we have a buyer-seller relationship with them. Under this model, we deliver products in batches to the platform warehouses designated by the online retailers, who are then responsible for order fulfilment and delivery to consumers, as well as the provision of online shopping services. We sell our products in batches to online retailers in accordance with agreed timelines and pricing, and the retailers subsequently sell to consumers through their platforms as orders are placed and paid. In 2023, 2024, 2025, and for the six months ended June 30, 2026, the number of our online retailers was five, five, five, and four, respectively. Revenue from these online retailers is recognized when our products are delivered to the online retailers, at which point control of the products is transferred.

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The following chart illustrates the flow of products, funds and services among us, the online retailers, and the consumers under our sales to online retailers model:



The following sets forth a summary of the salient terms of our typical agreements entered into with online retailers:

Key Terms	Description
Duration	The term of the agreements is typically one year.
Pricing	Prices are determined by parties through negotiation.
Minimum sales target	We generally do not have any minimum sales target for the online retailers.
Product delivery and inspection	We are responsible for delivering the products specified in each order to the online retailer’s warehouses in accordance with the agreed schedule. The online retailers are generally entitled to inspect the products within ten days upon receipt.
Product return	With respect to product returns, our agreements with online retailers generally provide for one of the following arrangements: (i) the platforms may return products for any commercial reasons without a specified return period; (ii) returns are permitted only under specified circumstances, such as product quality issues or where otherwise mutually agreed by the parties, without a specified return period; or (iii) the platforms may return products for any commercial reasons within a specified return period, which is generally around 30 days.
Product liabilities	We generally bear liabilities arising from product quality issues attributable to our products. We may be required to indemnify online retailers or other affected parties for related losses and undertake product recall and related after-sales obligations, where applicable.

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Key Terms	Description
Payment	Payments are generally settled 60 days after the products are accepted and warehoused by online retailers.
Termination	The agreement may be terminated by either party with prior written notice.

Strategic Positioning of Our Online Channels

To maximize market reach while minimizing internal competition, we implement differentiated user engagement, product, and pricing strategies across our online channels:

- Self-Operated Stores on E-commerce Platforms:** Serving as our primary volume drivers in both domestic and mature overseas markets, these stores focus on our core best-sellers. In terms of user engagement, we primarily rely on platform traffic and our brand appeal to reach mainstream consumer segments and maintain broad market coverage. For product offerings and pricing, we implement a standardized core product matrix and consistent pricing management policies, and focus on brand value cultivation and precise user operations. We place special emphasis on brand image building, private domain user accumulation, new product launches and in-depth membership engagement. This approach enables us to form complementary product offerings and customer segmentation with platform-based channels.
- Online Retailers:** Through online retailers, we sell a broad range of standardized products based on market demand, enabling us to flexibly adapt to the characteristics of different markets and expand their coverage. In terms of user engagement, we primarily rely on platform-based traffic and promotional activities. For product offerings and pricing, we focus on standardized products, with pricing managed flexibly by our operations within our recommended pricing guidelines and the applicable platform rules.
- Self-Owned Direct-to-Consumer Websites:** Our self-owned direct-to-consumer websites primarily target overseas markets and focus on brand fans. In terms of user engagement, we acquire users primarily through a membership system, private traffic, and brand marketing, leveraging differentiated content and promotional timing to set user engagement and traffic sources apart from our operations on third-party e-commerce platforms. For product offerings and pricing, these websites offer our full product portfolio as well as exclusive, market-specific customized models, emphasizing brand premium and service experience. At the same time, they strengthen our channel capabilities and enhance our understanding of customer behavior.

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Despite our differentiated strategies across online channels, we set recommended retail prices for key product categories and stock keeping units (“SKUs”), to help maintain overall pricing discipline and prevent channel conflicts and cannibalization. Our recommended retail prices are determined with reference to factors including market positioning, competitive landscape, promotional activities, channel strategies and market conditions, and are periodically reviewed and updated. We monitor product pricing across our online channels through our internal operation teams and publicly available information. In the event of material deviations from our recommended pricing guidelines, we generally communicate with the relevant online retailers and coordinate pricing adjustments where appropriate. We may also adjust promotional support, product allocation or channel strategies to maintain overall pricing consistency. We seek to maintain pricing consistency primarily through ongoing monitoring, communication and operational coordination measures rather than direct pricing controls.

Relationship with E-Commerce Platforms

We primarily operate our self-operated stores on leading domestic and international third-party e-commerce platforms. In particular, Amazon, Tmall, and Shopee together generated revenue of RMB2,925.5 million, or 50.3% of our total revenue, for the six months ended June 30, 2026. Among these, Amazon is the largest platform for our self-operated stores, contributing RMB2,265.1 million, or 39.0% of our total revenue, for the six months ended June 30, 2026.

E-commerce platforms also represent our largest online retail channel. In particular, JD self-operated store, as our largest online retailer, contributed approximately RMB439.9 million, or 7.6% of our total revenue, for the six months ended June 30, 2026.

To mitigate our exposure to risks associated with reliance on individual e-commerce platforms, we have implemented a series of measures: (i) establishing a comprehensive multi-platform presence across major channels, including Amazon, JD.com, Tmall, and Shopee, forming an integrated sales matrix that enables coordinated development across channels, reduces dependence on any single platform and strengthens the stability of our revenue base; (ii) further expanding our presence on emerging e-commerce platforms, such as Douyin and Pinduoduo, to broaden our sales matrix and diversify platform exposure; (iii) continuing to invest in proprietary brand development and deepen user engagement through refined membership management and targeted fan operations, thereby enhancing brand competitiveness and user loyalty while reducing reliance on platform traffic; (iv) strictly complying with platform operating rules and applicable regulatory requirements, and establishing end-to-end compliance and risk control mechanisms to mitigate risks such as store suspension or product delisting arising from non-compliance; and (v) maintaining dedicated platform liaison functions and a regular communication mechanism to closely monitor changes in platform policies and algorithms, enabling us to promptly adapt and optimize our operating strategies and mitigate the impact of external changes. According to Frost & Sullivan, such level of concentration on certain third-party e-commerce platforms is an industry norm in the consumer technology industry.

We also recognize the potential risk of cannibalization among our various online channels, such as customer diversion and operational conflicts. To minimize this risk, balance internal competition, and enhance overall channel efficiency across our digital footprint, we have implemented the following comprehensive measures: To minimize direct price comparison, we allocate specific SKUs and exclusive bundles to distinct channels, such as self-owned direct-to-consumer websites versus third-party platforms, while maintaining the availability of our signature products across all networks. This product differentiation is complemented by tailored marketing initiatives; for instance, we offer exclusive membership benefits on self-owned direct-to-consumer websites while executing volume-driven promotional events on third-party platforms to balance scale with brand experience. Operationally, we coordinate inventory

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allocation and replenishment through a unified supply chain system, ensuring that high-traffic events in one channel do not disrupt the stock stability of another. Finally, to safeguard market order, we implement a consistent guided retail pricing framework evaluated through a regular performance review procedure, and have a designated team actively monitoring unauthorized cross-channel selling.

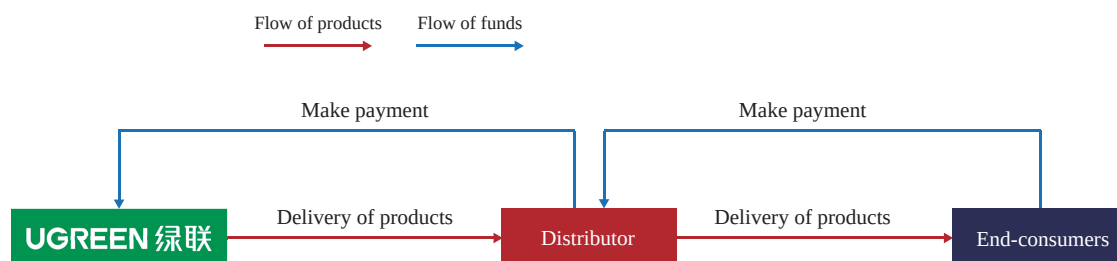
Our Offline Channels

Our offline channels in domestic and overseas markets primarily include offline distributors and offline direct sales. Offline distributors primarily include national and regional distributors who purchase products from us and resell them to smaller-scale distributors and/or retailers and consumers. Offline direct sales primarily refer to direct sales to enterprise customers.

Our Offline Distributors

We collaborate with distributors who possess extensive sales experience and strong market positions. Through cooperation with these distributors, we leverage their established local channels to rapidly expand our brand influence in Chinese mainland and globally. In 2023, 2024, 2025, and for the six months ended June 30, 2026, total revenue generated from sales to offline distributors accounted for approximately 21.0%, 21.8%, 22.8%, and 26.3% of our total revenue for the same year/period, respectively. Revenue from our offline distributors is recognized when our products are delivered to such distributors, which marked the transfer of control of the products.

The following chart illustrates the flow of products and funds between us, the offline distributors and the consumers under our distribution model:



The following table sets forth the total number of our offline distributors as of the dates indicated and the movements during the Track Record Period:

	For the Year Ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Offline Distributors				
Beginning of the period .	150	189	221	287
Additions	61	58	91	42
Terminations	22	26	25	64
Number of distributors at the end of the period .	189	221	287	265

During the Track Record Period, the number of our offline distributors increased from 150 as of the beginning of 2023 to 265 as of June 30, 2026. We added 61, 58, 91, and 42 offline distributors in 2023, 2024, 2025, and for the six months ended June 30, 2026, respectively, mainly due to our continued expansion and optimization of offline distribution network in domestic and

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overseas markets, with the higher number of additions in 2025 primarily driven by accelerated channel expansion, broader product offerings and increased market demand. We terminated or did not renew cooperation with 22, 26, 25, and 64 offline distributors in 2023, 2024, 2025, and for the six months ended June 30, 2026, respectively, primarily as part of our proactive channel optimization initiatives. The relevant decisions were made based on a comprehensive assessment of distributor performance and strategic considerations, primarily including (i) the distributor’s suboptimal performance against our sales targets, and (ii) the distributor’s relatively limited business development, misalignment with our brand strategy, or insufficient depth of regional market coverage.

During the Track Record Period, the fluctuations in the number of our offline distributors primarily reflected our dynamic channel management strategy and regular performance evaluations. Specifically, we actively engaged new offline distributors to capture emerging market opportunities, expand our geographical footprint, and align with evolving local market demands, while concurrently terminating or electing not to renew distribution agreements with certain existing distributors who failed to meet our sales targets, operational standards, or compliance requirements following our comprehensive annual reviews. According to Frost & Sullivan, this distributor turnover rate, characterized by such strategic additions and terminations, is consistent with customary channel management practices and normal business operations within the consumer technology industry.

Our offline distributors primarily include national and regional distributors, local importers, and a wide range of offline retailers, ranging from large home appliance and digital accessories retailers to small electronic product retailers. Our domestic offline distributors are generally established local market participants in Chinese mainland with experience in distributing consumer technology products and stable business channels, and maintain regular cooperation with downstream retailers, enterprise customers and small- and medium-sized distributors. Our overseas offline distributors are generally local distributors or importers with established regional sales networks and familiarity with local market conditions, consumer preferences and regulatory requirements. Collectively, these distributors leverage their well-established distribution networks and market presence to support our expansion across retail and enterprise procurement channels, while also assisting in navigating varying regulatory environments and market conditions. In addition to managing relationships with downstream retailers, they provide support in key operational areas such as localized logistics coordination and inventory management.

Relationship with Our Offline Distributors

We engage offline distributors to undertake sales and customer development responsibilities within their authorized regions and product categories. Our relationship with them is that of buyer and seller. They are our customers and do not act on our behalf when dealing with their own customers. During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, all of our offline distributors were Independent Third Parties, and none of them had any employment, financing, or family relationship with us.

Contractual Arrangements with Our Offline Distributors

We enter into distribution agreements with our offline distributors. The summary of the salient terms of our distribution agreements is set forth below:

Key Terms	Description
Duration	The term of the distribution agreements is typically one year.

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Key Terms	Description
Pricing	Distributors purchase products based on the prices set in our order management system. We may also provide our distributors with recommended retail prices for their pricing reference.
Product acceptance and delivery	Distributors are typically responsible for the product delivery cost. Distributors are required to inspect and accept the goods within three working days upon receipt; failure to raise objections within this period is deemed as acceptance of the products.
Payment	We generally require distributors to make full payment prior to the shipment of products.
Product return and exchange	We adhere to our product return policies and generally do not allow product returns unless for quality issues, which is in line with customary industry practice.
Yearly minimum commitment	We generally require our distributors to meet annual and monthly sales targets. If a distributor fails to meet the sales targets for a specified period, we reserve the right to adjust their distribution rights (such as adjusting the authorized region or product categories) or terminate the distribution agreement.
Designated distribution area	We generally prohibit distributors from selling across regions or through unauthorized channels without our prior consent. The distribution rights are typically non-exclusive.
Intellectual properties	Distributors are authorized to use our brand solely for the purposes of selling and promoting our products within the authorized scope. Distributors are strictly prohibited from manufacturing counterfeits or selling fake products.
Product liabilities and warranty	We generally warrant that our products are new, complete, unused and compliant with applicable industry quality and technical standards. Distributors are required to raise objections within the applicable period for quality issues or upon receipt for non-quality issues such as damage, failing which the products are generally deemed accepted.
Termination	Both parties may terminate the agreement upon mutual consent or due to force majeure. Both parties may terminate the agreement upon the other party’s material breach, with notice periods.

During the Track Record Period and up to the Latest Practicable Date, we had not received any material product returns or indemnification claims from our offline distributors. During the Track Record Period, revenue generated from our largest offline distributor was RMB62.6 million, RMB113.0 million, RMB183.1 million, and RMB148.2 million in 2023, 2024, 2025, and for the six

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months ended June 30, 2026, respectively, accounting for 1.3%, 1.8%, 1.9%, and 2.5% of our total revenue in the corresponding year/period. We have implemented a series of measures to mitigate our exposure to potential risks arising from reliance on individual distributors, including, among others: (i) establishing a multi-regional and diversified distributor network to reduce concentration risk associated with any single distributor and to ensure channel stability; (ii) entering into standardized cooperation agreements with our distributors, supported by clearly defined incentive and penalty assessment mechanisms, to safeguard the achievement of our overall sales targets; (iii) setting reasonable sales targets based on historical performance and regional capacity to alleviate sales and inventory pressure on distributors, thereby reducing the risk of cooperation termination or supply disruption; and (iv) strategically allocating resources to support high-potential distributors while maintaining a pipeline of qualified alternative partners.

Prevention of Channel Stuffing and Cannibalization

We have established a comprehensive offline distributor management and control framework. In selecting distributors, we primarily evaluate their industry experience, local market presence, and reputation. Upon the commencement of our partnership, we assess whether to continue the relationship based on factors such as sales performance and compliance with our market conduct requirements.

Furthermore, to prevent cannibalization involving offline channels, we actively manage the density of our offline distributors. We assess the number of points of sale a regional market can accommodate based on factors such as consumer traffic, local purchasing power, and the coverage of existing stores to minimize unhealthy internal competition. We grant designated sales territories to our offline distributors and strictly enforce anti-fleeing policies to prevent cross-regional sales. Additionally, offline distributors are explicitly prohibited from selling our products on any online e-commerce platforms without our prior approval. To further mitigate conflicts, we may allocate distinct product lines or specific SKUs exclusively to our offline network, catering to the distinct purchasing behaviors of offline consumers while minimizing direct competition with our online channels.

To further strengthen our offline distributorship network, mitigate potential channel-stuffing and cannibalization risks and ensure orderly distribution, we monitor and manage our offline distributors through contractual arrangements and a series of control measures. First, we formulate rational sales targets based on historical performance and regional capacity, avoiding unattainable quotas that could induce hoarding. Second, to monitor actual sell-through performance and inventory levels, we conduct regular and ad-hoc market inspections, including on-site visits to retail terminals. Should we detect abnormal inventory accumulation or non-compliant operations, we would promptly communicate with the relevant distributor to enforce prompt rectification measures, such as adjusting product supply rhythms. Crucially, we generally do not allow product returns unless for quality issues, which helps to eliminate the commercial incentive for distributors to hoard excessive stock merely to meet sales targets. Furthermore, by maintaining a guided pricing system, we also reduce the motivations for speculative hoarding or malicious price dumping. We will address any non-compliance promptly, and in severe cases, we may suspend sales and shipments or terminate the relevant distribution agreements.

To mitigate the risk of cannibalization across our different online and offline channels, including product diversion, customer traffic overlap and price competition among channels, we have adopted channel management measures covering product allocation, pricing guidance, promotional arrangements and pricing monitoring. We implement differentiated product and SKU allocation strategies based on the positioning of each channel, consumer preferences and market demand, and may allocate different models, SKUs, product bundles or promotional arrangements

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to different channels, including platform-customized models and channel-exclusive models, so as to create product-level differentiation among channels and reduce direct overlap between online and offline sales. For major product categories and SKUs, we provide recommended retail prices and promotional guidelines to help maintain overall pricing discipline and reduce channel conflicts. We monitor product pricing through our internal operation teams and publicly available information. If we identify material deviations from our recommended pricing guidelines, we generally communicate with the relevant sales channels and, where appropriate, coordinate pricing adjustments through commercial communications.

Sub-distributors

Some of our offline distributors may engage sub-distributors. They typically enter into further agreements with their sub-distributors, while we do not enter into agreements with or establish direct relationships with those sub-distributors. Therefore, we do not have direct control over sub-distributors. Instead, we effectively oversee our downstream channels and mitigate channel-stuffing risks through our primary offline distributors. Contractually, we hold our primary offline distributors accountable for managing their sub-distributors to ensure strict compliance with our sales and brand policies. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material violation of our sales policies by our offline distributors or their sub-distributors, or any material claims or non-compliant incidents involving sub-distributors.

Our Offline Direct Sales

To a limited extent, we sell our products offline directly to enterprise customers. We typically enter into sales and purchase agreements with them. The salient terms of our typical sales and purchase agreements with such enterprise customers are set forth as below:

Key Terms	Description
Payment and delivery	In general, the buyer shall make payment to us after execution of the contract, and we shall arrange delivery within three working days upon receipt of full payment.
Quality assurance and inspection	We warrant that the products supplied are new, complete and unused, and comply with applicable industry quality and technical standards. The buyer shall raise objections for quality issues within six working days upon receipt and for other issues, such as damage, upon receipt; otherwise, the products shall be deemed accepted.
Dispute resolution	Disputes shall be resolved through consultation, failing which either party may submit the dispute to arbitration or bring proceedings before the competent court.

We also sell a limited amount of unbranded products through some of our subsidiaries directly to enterprise customers. Such subsidiaries primarily undertake in-house production for our Group, but also engage in OEM manufacturing for external customers. Except for such unbranded products, all of our products were sold under the “UGREEN” brand during the Track Record Period and up to the Latest Practicable Date.

Our Sales and Marketing Strategies

We intend to deepen our presence in existing markets and steadily expand our share in major global markets, consolidating our leading position in Chinese mainland while strengthening cooperation with both traditional and emerging online platforms as well as offline distributors. We will further enhance market penetration and promote online-offline synergy, including expansion into mainstream offline retail channels, supported by improved localized operations and a strengthened global team.

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We will continue to enhance brand building to strengthen the global influence of the “UGREEN” brand through differentiated regional strategies, recruitment of overseas branding talent, and targeted marketing initiatives such as celebrity endorsements, youth engagement, international exhibitions, and IP co-branding, to improve global recognition of the brand’s technological appeal and consumer affinity.

PRICING

In determining product pricing, we comprehensively consider multiple factors, including consumer preferences, prevailing price levels, production costs, raw material costs, technological differentiation, supply chain dynamics, procurement strategies, and the expected gross profit margins of various products. We also evaluate the competitive landscape, including overall market conditions and the pricing of comparable products offered by our peers. We believe that our long-term partnerships, product quality, extensive application scenarios, and the unique value proposition we offer enable us to command premium pricing for our products while maintaining market competitiveness.

OUR PRODUCTION

During the Track Record Period, we utilized a flexible hybrid production model that combines in-house production with third-party manufacturing partners. Our in-house production is primarily conducted through our subsidiaries, Haiying Zhilian and Zhize Technology, which serve as our hubs for new product introduction, process verification, and component manufacturing. We also collaborate with third-party manufacturing partners to expand and strengthen our overall manufacturing capabilities. In-house production enhances the stability and security of our supply chain, deepens our insight into manufacturing and price assessment, and improves synergistic efficiency. Meanwhile, third-party manufacturing leverages production flexibility to help us better respond to fluctuations in market demand.

Production Bases

As of the Latest Practicable Date, our self-operated production facilities were located in Shenzhen and Huizhou, Guangdong Province, and Ji’an, Jiangxi Province, with a total gross floor area of approximately 41,547 sq.m.

Existing Bases

The table below sets out details of our production bases as of June 30, 2026:

<u>Production Bases</u>	<u>Aggregate GFA</u>	<u>Major Products Produced</u>
Shenzhen Production Base	13,131 sq.m	This base mainly produces docking stations, wireless display adapters, switches, hard drive enclosures, splitters, switchers, charging cables, and wireless adapters.
Huizhou Production Base	21,150 sq.m	This base mainly produces charging and data cables, locators, Bluetooth receivers and transmitters, and audio and video cables.

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Production Bases	Aggregate GFA	Major Products Produced
Ji'an Production Base	7,266 sq.m	This base mainly produces docking stations, wireless display adapters, switches, hard drive enclosures, splitters, switchers, and wireless adapters.

Utilization Rate

During the Track Record Period, we achieved stable mass production and shipments. The table below sets forth details of the designed production capacity, actual production volume, and utilization rates of our production facilities for the year/period indicated:

	For the Year Ended December 31,									Six months ended June 30,		
	2023			2024			2025			2026		
	Designed Production Capacity ⁽¹⁾	Actual Production Volume ⁽²⁾	Utilization Rate ⁽³⁾	Designed Production Capacity ⁽¹⁾	Actual Production Volume ⁽²⁾	Utilization Rate ⁽³⁾	Designed Production Capacity ⁽¹⁾	Actual Production Volume ⁽²⁾	Utilization Rate ⁽³⁾	Designed Production Capacity ⁽¹⁾	Actual Production Volume ⁽²⁾	Utilization Rate ⁽³⁾
	(units)	(units)	(%)	(units)	(units)	(%)	(units)	(units)	(%)	(units)	(units)	(%)
Production Base												
Shenzhen Base	27,177,148	26,518,608	97.6%	15,394,162	14,847,644	96.5%	14,723,391	14,166,639	96.2%	4,829,733	4,606,619	95.4%
Huizhou Base	-	-	-	18,277,817	17,368,474	95.0%	30,365,022	29,271,881	96.4%	15,188,380	14,123,237	93.0%
Ji'an Base	-	-	-	-	-	-	4,325,016	4,151,979	96.0%	4,465,495	4,292,408	96.1%
Total	27,177,148	26,518,608	97.6%	33,671,979	32,216,118	95.7%	49,413,429	47,590,499	96.3%	24,483,608	23,022,264	94.0%

Notes:

- (1) Our production capacity for each year/period is calculated based on working days, daily working hours, and production speed, taking into account time for maintenance and replacement of machinery and equipment.
- (2) Production output for the year/period represents the total volume of products produced during the respective year/period.
- (3) Utilization rate for the year/period is calculated by dividing the production output by the production capacity for the respective year/period.
- (4) The designed production capacity, actual production volume and utilization rate were not available for Huizhou Base in 2023 and Ji'an Base in 2023 and 2024, as the respective bases had not commenced commercial production during the relevant year/period.

During the Track Record Period, the utilization rates of our production bases remained broadly stable between 94.0% and 97.6%. The slight fluctuations in the utilization rates of our production bases during the Track Record Period were mainly attributable to the commencement of commercial production and capacity ramp-up of new production bases, changes in production allocation among different bases, and our continuous optimization of production layout.

Production Equipment

During the Track Record Period, our production machinery was mainly sourced from reputable suppliers in Chinese mainland. Our production lines utilize a combination of readily available machinery and custom-built equipment designed and manufactured to our specifications. To the best knowledge of our Directors, given the ample market supply, we do not rely on any single equipment manufacturer and can locate alternative qualified suppliers within a short period if necessary.

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Our key machinery deployed includes floor-standing two-in-one automation units, double-sided pulse welding machines, and single-drive bidirectional piggyback automated guided vehicles. We execute preventive maintenance plans according to a scheduled timetable. Daily servicing and maintenance are performed by our in-house technical staff, and we have established and continuously update standard operating procedures tailored to the specific characteristics and operational requirements of each type of equipment. During the Track Record Period and up to the Latest Practicable Date, our major production machinery was properly maintained and in good working condition, and we do not expect to require any material replacements due to expiration of service life in the near term. For the accounting policy regarding depreciation of plant and machinery, please refer to “Financial Information — Material Accounting Policy Information.” During the Track Record Period and up to the Latest Practicable Date, we did not experience any material production interruptions due to facility or equipment failure or malfunction, nor did any material accidents occur.

Production Process

Our in-house production process commences at the product R&D stage. Once a product is confirmed through testing and validation, it is handed over to the asset department to arrange for production operations, delivery, shipment, and after-sales services. We have deployed flexible manufacturing lines capable of producing diverse product types, allowing different product categories to share the same production lines. This model accommodates the high SKU count and wide variety of our consumer technology products, enabling our production lines to adjust dynamically based on demand. This enhances equipment utilization efficiency and our flexibility in responding to market changes.

The lead time from initial product design to final delivery varies depending on the product category, the complexity of the underlying technology, and the specific manufacturing and certification processes involved. Specifically, our overall lead times generally range from 75 to 240 days, varying by product category as follows: (i) 120 to 240 days for office products; (ii) 150 to 210 days for audio and visual products; (iii) 75 to 210 days for charging products and accessories; and (iv) 150 to 180 days for storage products.

Our Collaboration with Third-party Manufacturing Partners

We collaborate with third-party manufacturing partners. We carefully evaluate these partners based on factors such as pricing, quality, production capacity, financial condition, delivery schedules, business scale, and reputation. We also assess their experience in specific product categories, R&D capabilities, and quality control competencies. In 2023, 2024, 2025, and for the six months ended June 30, 2026, we engaged 165, 203, 229, and 209 third-party manufacturing partners, respectively. Geographically, the vast majority of our third-party manufacturing partners are located in Chinese mainland, predominantly clustered in Guangdong Province and Jiangxi Province.

The third-party manufacturing partners typically manufacture our products based on our designs and specifications, while we retain control over product development and intellectual property. These manufacturers are engaged under standard supply agreements that set quality, pricing, warranty and confidentiality requirements. Set forth below is a summary of salient terms with our third-party manufacturing partners:

Key Terms	Description
Term and renewal	Typically three years with an automatic renewal option for two years.

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Key Terms	Description
Payment and credit terms . . .	We are typically granted credit terms of up to 90 days.
Logistics	Suppliers must deliver products in accordance with the delivery time and location specified in the purchase orders.
Return arrangements	For products deemed non-conforming upon inspection, the suppliers generally must retrieve them within five working days after receiving notice; otherwise, we have the right to dispose of the non-conforming products.
Pricing	Prices are tax-inclusive and are confirmed by each purchase order. Suppliers may not unilaterally increase prices without our prior written approval.
Product warranties	Products carry a warranty period of 18 months from the date of acceptance into our warehouse. Suppliers must comply with applicable national and international quality standards.
Product liability	Suppliers bear full liability for losses arising from product quality defects, including costs of inspection, rework, recall and third-party claims.
Termination	We may terminate the agreement in the event of a material breach by the suppliers.
Intellectual property	All IP rights in designs, drawings and technical materials provided by us are owned by us. Suppliers warrant to us that their products do not infringe any third-party IP rights and must take prompt remedial measures upon notice of any third-party IP claim.
Confidentiality	We typically include confidentiality provisions in our agreements, with confidentiality obligations potentially extending beyond agreement expiration.

We principally engage in the R&D and design of our products, while the manufacturing of our products is primarily carried out by third-party manufacturing partners. Under this operating model, we maintain control over product specifications, design standards and quality requirements, whereas our manufacturing partners are responsible for production in accordance with our instructions and quality control framework. This arrangement enables us to enhance operational efficiency and optimize our supply chain structure. In terms of total production volume, approximately 82.9%, 82.5%, 81.8%, and 80.3% of our products were manufactured by third-party partners in 2023, 2024, 2025, and for the six months ended June 30, 2026, respectively, with the remainder independently and entirely manufactured at our in-house facilities.

Certain important manufacturing processes during the Track Record Period and up to the Latest Practicable Date were carried out with the assistance of third-party manufacturing partners. To safeguard our core technologies, we have established a comprehensive intellectual property protection framework covering ex-ante segregation, in-process monitoring and ex-post controls. At the outset of collaboration, we enter into strict non-disclosure agreements and, where appropriate,

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supplement these with project-specific confidentiality undertakings during the mass production stage. We subject key materials involving core technologies to centralized or designated procurement to mitigate the risk of leakage at the supply chain level. During product development, prototyping and pilot production, we deploy our core technical personnel on-site to oversee critical processes and ensure proper execution of key technologies and secure handling of sensitive information. In addition, we incorporate information security into our supplier assessment framework, including reviews of production processes and data access controls to ensure that technical information is used solely for agreed purposes and is not disclosed or misused.

We manage and monitor the performance of our third-party manufacturing partners closely and require them to comply with our internal guidelines and policies. Specifically, we focus our assessment on their operational experience in relevant categories, R&D technical capabilities, actual production load capacity, and the effectiveness of their quality management systems, while continuously tracking the execution of their delivery schedules.

If a third-party manufacturing partner fails to comply with our internal guidelines and policies, or falls short of expectations regarding product category suitability, R&D support, production and quality control, or delivery fulfillment, we may terminate our cooperation. We maintain long-term cooperative relationships with our third-party manufacturing partners. For the material terms of our procurement agreements with our third-party manufacturing partners, please refer to “Business — Our Suppliers.”

OUR CUSTOMERS

During the Track Record Period, our customers primarily consist of online retailers, offline distributors and end users who purchase our products. The aggregate revenue generated from our five largest customers in each year/period during the Track Record Period was RMB1,006.2 million, RMB1,098.4 million, RMB1,587.8 million, and RMB790.6 million, accounting for 21.0%, 17.8%, 16.7%, and 13.6% of our total revenue for the respective year/period. In 2023, 2024, 2025, and for the six months ended June 30, 2026, the revenue generated from our largest customer in each year/period during the Track Record Period was RMB785.2 million, RMB795.0 million, RMB1,118.8 million, and RMB443.1 million, accounting for 16.4%, 12.9%, 11.8%, and 7.6% of our total revenue for the respective year/period. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our five largest customers in each year/period during the Track Record Period were Independent Third Parties, and none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

Agreements with Our Customers

The terms of the framework sales agreements we entered into with our customers vary depending on their specific requirements. For the material terms of the framework sales agreements generally entered into with our key customers, which are also our distributors, please refer to “Business — Our Distributors — Contractual Arrangements with Our Distributors.” During the Track Record Period and up to the Latest Practicable Date, we did not experience any material breach of agreements with our customers or any material product returns from our customers.

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After-sales Services

We provide after-sales services designed to support our customers and address their needs. Our services include warranty coverage, customer support through online chat, email, and phone, as well as access to service centers in various regions. Our warranty policy varies by product type, with typical coverage periods ranging from three to 12 months. The warranty period may be adjusted according to the legal requirements of the country where the product is sold. We aim to respond to customer inquiries in a timely manner and provide prompt assistance regarding product issues, returns, and exchanges. Complaints are logged and referred to relevant departments for investigation. Our customer service team then communicates the resolution to close the case. Records are analyzed to drive improvements.

Product Returns and Recalls

We have implemented a comprehensive product return and recall policy in compliance with applicable PRC laws and regulations and relevant third-party platform policies. We have set a comprehensive product return policy across sales channels in line with industry practices. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material product recalls, returns or defects.

OUR SUPPLIERS

Our major suppliers primarily consist of third-party manufacturing partners. In 2023, 2024, 2025, and for the six months ended June 30, 2026, the aggregate purchases from our five largest suppliers in each year/period during the Track Record Period (together, the “**Five Largest Suppliers**”) amounted to RMB652.3 million, RMB772.9 million, RMB1,451.4 million, and RMB876.7 million, respectively, representing 24.2%, 23.0%, 26.4%, and 26.3% of our total purchase amount for the respective year/period. In 2023, 2024, 2025, and for the six months ended June 30, 2026, the purchases from our largest supplier in each year/period during the Track Record Period was RMB173.0 million, RMB222.0 million, RMB441.0 million, and RMB275.5 million, respectively, representing 6.4%, 6.6%, 8.0%, and 8.3% of our total purchase amount for the respective year/period. For the material terms of the framework supply agreements we generally entered into with our third-party manufacturers, which are our main suppliers, please refer to “Business — Production — Our Collaboration with Third-party Manufacturing Partners.”

During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our Five Largest Suppliers. All of our Five Largest Suppliers were Independent Third Parties.

Overlapping of Customers and Suppliers

During the Track Record Period, seven out of our nine Five Largest Suppliers were also our customers. The overlap between such suppliers and customers is principally attributable to the nature of our supply chain operations. Certain of our third-party manufacturing partners and core component suppliers, while primarily providing production services, components or technical solutions to us, also procure our products, customized kits, testing accessories or technical services from us or our subsidiaries to meet their own operational needs. In addition, certain of our suppliers procure a limited quantity of our products for ancillary purposes such as office use, employee benefits or bundling with their own products for sale. Our revenue generated from these overlapping suppliers/customers in 2023, 2024, 2025, and for the six months ended June 30, 2026 amounted to approximately RMB2.5 million, RMB3.4 million, RMB2.8 million, and RMB1.3 million, respectively, representing 0.05%, 0.05%, 0.03%, and 0.02% of our total revenue for the respective year/period.

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Among them, our revenue generated from the largest overlapping supplier/customer in terms of revenue contribution was RMB1.3 million, RMB1.9 million, RMB1.7 million, and RMB0.6 million, in 2023, 2024, 2025, and for the six months ended June 30, 2026, respectively, representing 0.03%, 0.03%, 0.02%, and 0.01% of our revenue for the respective year/period.

In 2023, 2024, 2025, and for the six months ended June 30, 2026, the gross profit margin attributable to our sales to such overlapping suppliers/customers was 14.9%, 11.9%, 15.5%, and 15.2%, respectively, which was lower than our overall gross profit margin of 36.9%, 36.8%, 36.5%, and 38.4% in each respective year/period. The difference was primarily attributable to the fact that such sales were principally conducted through our subsidiary, Zhize Technology, which is primarily engaged in new product introduction, process verification and high-precision component manufacturing for our Group. Zhize Technology prices its products on an arm’s length basis and applies the same pricing to both intra-group and external customers. Our overall gross profit margin is higher as it reflects the additional value generated at the sales level from brand operation, marketing and channel management, which is not captured in Zhize Technology’s supply pricing. In 2023, 2024, 2025, and for the six months ended June 30, 2026, the gross profit margin of Zhize Technology on its sales to all external customers (including both overlapping and non-overlapping customers) was 15.1%, 16.4%, 9.4%, and 5.1%, respectively. Other than in the first half of 2026, where Zhize Technology’s overall profitability was reduced by a non-overlapping customer, Zhize Technology’s overall profitability was broadly consistent with the gross profit margin attributable to such overlapping suppliers/customers, confirming that no preferential pricing was accorded to such overlapping customers.

All of our purchase from and sales to the above mentioned overlapping suppliers/customers were conducted in the ordinary course of business and on an arm’s length basis, and were neither inter-connected nor inter-conditional. According to Frost & Sullivan, customer-supplier overlap is a common, well-established and commercially rational practice in the global consumer technology industry, driven by high vertical integration, modular supply chains and strategic partnerships among leading component makers, manufacturers, and brands, and the overlap between certain of our suppliers and customers is consistent with such industry norm. Save as disclosed above, to the best of our knowledge, none of our Five Largest Suppliers was a customer of us and vice versa during the Track Record Period.

We believe we have sufficient alternative suppliers for our business that can provide us with substitutes of comparable quality and prices. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption to our business as a result of any significant shortage or delay in supply.

Raw Material Procurement

During the Track Record Period, our raw materials primarily included packaging materials, chips, casings, wires, and hard disks. We procured most of our raw materials from Chinese mainland. In 2023, 2024, 2025, and for the six months ended June 30, 2026, approximately 20.0%, 24.2%, 27.9%, and 26.1% of our total raw materials were sourced from markets outside the Chinese mainland, respectively, primarily from Hong Kong, Taiwan, and Macao.

Supply Chain Management

We implement a rigorous supplier admission process with cross-functional participation from multiple teams such as quality control, R&D, production, and procurement. We also monitor the continuous performance of our suppliers using a comprehensive scoring system that prioritizes quality, followed by R&D capabilities, supply chain stability, and cost. We actively mitigate concentration risk among third-party manufacturing partners through a diversified “1+N”

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supplier strategy, under which each key category or process is supported by one primary supplier and multiple backup suppliers, with procurement volumes distributed across a broader supplier base to avoid over-reliance. We implement a dynamic multi-dimensional performance evaluation system based on cost, delivery, quality, service, as well as confidentiality and compliance requirements, with results directly linked to order allocation to drive continuous improvement and maintain healthy supplier competition. At the same time, we adopt a proactive end-to-end monitoring approach, including on-boarding and periodic on-site audits covering capacity ramp-up risks and close oversight during critical development and pilot production stages, to ensure real-time visibility over supplier capacity and operational stability. In parallel, we strengthen contractual safeguards through long-term agreements, while also maintaining a pool of pre-qualified backup suppliers in standby status to enable rapid substitution and ensure seamless supply continuity in the event of disruptions. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material supply chain issues.

QUALITY CONTROL

Quality Control Measures

We have established a comprehensive quality control system and obtained multiple quality-related management system certifications. As of the date of the relevant PRC quality confirmation, we had obtained various quality management system certifications and other related qualifications. To ensure compliance with the applicable product safety and certification standards across our product lines, including the China Compulsory Certification (“3C”) requirements for products such as power banks, power adapters and chargers, as well as the EU directives and national standards applicable to our products, we have adopted a series of key compliance procedures.

At the product initiation stage, our safety certification team assesses the product attributes to determine whether they fall within the scope of compulsory certification requirements and identifies the safety and certification standards applicable to each target sales market. For products subject to compulsory certification, we adopt a “certification assessment first, R&D second” approach, under which certification planning is completed and the applicable standards are identified before the commencement of product development. We engage external testing laboratories to conduct type testing and safety testing for our products before launch to ensure all applicable indicators are met. We maintain domestic and overseas certificate management ledgers to dynamically track the certificate number, applicable scope and validity period for all products subject to compulsory and voluntary certifications, and have established an early-warning mechanism to initiate renewal procedures in advance of certificate expiration. We also implement supplier admission review procedures for key components, requiring suppliers to provide compliance documentation in accordance with the applicable standards, and any modifications to product structure, circuitry or key components that may affect product safety are subject to re-testing before the modified products may be released for sale. Where the product is subject to compulsory certification, a corresponding certification amendment must also be obtained. Prior to shipment, our quality inspection team conducts sample inspections to verify compliance markings, packaging and product specifications, and any products without valid certifications or which do not conform with the applicable safety standards are prohibited from leaving the factory.

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To implement our quality management system in daily operations, our product inspection and testing activities are organized under a group-wide quality management framework covering the full product lifecycle, from incoming materials to mass production and shipment. In accordance with our internal inspection and test control procedures, we carry out planned inspections and tests on key stages of production, including incoming materials, in-process manufacturing and finished goods, with reference to applicable national and industry standards. Through this process-oriented quality control mechanism, we seek to ensure that only products meeting our internal quality requirements are released for delivery to customers. During the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable product quality laws and regulations in all material respects, and we did not experience any material quality disputes or claims arising from product quality issues that had a material adverse impact on our business operations.

Our Quality Accreditations

We organize production strictly in accordance with product standards and production technical standards and carry out quality management and quality control in accordance with these standards to ensure that our products meet customer quality requirements. We have obtained valid 3C certificates for all of our products sold in Chinese mainland that fall within the scope of the 3C compulsory certification catalog during the Track Record Period and up to the Latest Practicable Date. We have also obtained certifications for QC 080000:2017, ISO 45001:2018, ISO 14067:2018, ISO 14064-1:2018, and ISO 56005:2020 standards, and we are committed to continuously optimizing our management processes. We strictly comply with EU directives such as LVD 2014/35/EU, RoHS 2011/65/EU, and EMC 2014/30/EU, as well as national standards including GB 3124-2022, GB 4943.1-2022, and GB 2099.7-2024, implementing comprehensive product lifecycle control. Our robust defect traceability system, closed-loop customer feedback mechanism, and ongoing PDCA (Plan-Do-Check-Act) quality improvement cycle work together to consistently enhance product reliability.

Effective August 15, 2025, the “Compulsory Product Certification Implementation Rules for Power Banks, Lithium-Ion Batteries, and Battery Packs (Trial)” (《强制性产品认证实施规则移动电源、锂离子電池和電池組(試行)》) (“**New Rules**”) has officially come into force. The relevant designated certification bodies shall, in accordance with the New Rules and the general implementation rules for compulsory product certification, formulate corresponding detailed implementation documents for certification, and may implement certification and issue certificates pursuant to the New Rules only after filing such documents with the Certification and Accreditation Administration of China.

Promulgated on March 31, 2026, the Safety Technical Specifications for Power Banks shall be implemented on April 1, 2027, and we were involved in its drafting process. Once this mandatory national standard is officially implemented, our products shall comply with the requirements specified therein. We are actively preparing for the transition to the new standard through our established full-lifecycle quality management system, which covers R&D design, incoming material control, production processes, quality inspection, and market feedback, in order to ensure our continuous compliance and our long-standing commitment to user safety.

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During the Track Record Period, the 3C certificates for certain of our power bank models were revoked or suspended due to: (i) a discrepancy in the implementation of testing standards between the original certification and a subsequent regulatory spot check (PB504); and (ii) the suspension of the certificate following the revocation of the 3C certificate for an upstream supplier’s battery cells (PB505). We ceased sales of the relevant products immediately after the change in certificate status. In 2023, 2024, 2025, and for the six months ended June 30, 2026, the revenue contribution of the affected SKUs accounted for 0.0%, 0.3%, 0.2% and 0.1% of our total revenue for the respective year/period. As advised by our PRC Legal Advisor, the above revocations of 3C certificates did not involve any non-compliance with mandatory standards, and during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material litigation, arbitration, or administrative penalty arising from product quality issues. Based on the foregoing, we believe that such changes in 3C certification status did not have any material impact on our business or financial performance.

To ensure that all of our products comply with the applicable 3C certification requirements, we have implemented the following enhanced internal control measures: (i) dynamically tracking applicable laws and regulations in target markets (including 3C certification standards) at the product inception stage and communicating such requirements upfront to R&D and quality assurance teams; (ii) establishing a three-tier inspection system comprising incoming material inspection, in-process inspection and outgoing inspection, and upgrading our in-house laboratory equipment and testing methodologies to ensure full alignment with national standards; (iii) establishing a supplier admission and annual performance assessment mechanism, proactively managing various supply chain risks, optimizing procurement costs on an overall basis, and ensuring stable delivery to safeguard production, thereby implementing a tiered supplier classification under which stronger-performing suppliers are rewarded and underperforming ones are phased out; and (iv) incorporating suppliers’ compliance status and public opinion risks into dynamic assessments and establishing a backup supplier library for key components. Our Internal Control Consultant is of the view that the enhanced internal control measures described above are adequate and effective by design in preventing future recurrence of similar incidents.

We have also established comprehensive product quality control and recall procedures. During the Track Record Period and up to the Latest Practicable Date, we did not experience any product recalls, product returns, or product liability claims that had a material adverse effect on our business. As advised by each of our PRC Legal Advisor (with respect to PRC law only), Hong Kong legal advisor (with respect to Hong Kong law only), Japanese legal advisor (with respect to Japanese law only), U.S. legal advisor (with respect to U.S. law only) and German legal advisor (with respect to German law only), during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in relation to product liability in all material respects in the PRC, Hong Kong, Japan, the U.S. and Germany (as the case may be).

LOGISTICS, WAREHOUSING AND INVENTORY MANAGEMENT

Logistics

We generally engage qualified third-party logistics service providers to deliver products to customer-designated locations. Service providers are selected and periodically evaluated based on qualifications, on-time performance, geographic coverage and quotation. Our logistics arrangements allow us to provide responsive delivery while reducing fixed asset intensity and mitigating transportation risks.

Warehousing

During the Track Record Period, our global warehousing needs were primarily met through leased storage facilities operated by us and third-party logistics providers, as well as warehouses of third-party e-commerce platforms. Our self-operated warehouses are mainly located in Chinese mainland.

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Inventory Management

Our inventory primarily consists of finished goods, with a minor portion of raw materials and electronic components.

To maintain our competitiveness, align our products with evolving market demand, and prevent inventory obsolescence, we have implemented measures to optimize our inventory levels. We utilize digital information systems to assist in material requirement planning, warehouse operations and traceability, providing management with near real-time visibility on inventory status and movements across sites. We have established a comprehensive inventory management policy and maintained a safety stock level to prepare for unexpected increase in demand or delay, or shortage in supply. We routinely monitor our inventory and ensure that all goods in transit are effectively managed. We also proactively track market condition change and pre-order and stockpile in advance strategic raw materials in anticipation of potential supply shortage.

To mitigate the impact of raw material price fluctuations on our operations, we have adopted the following measures: (1) establishing a dedicated cost management team to closely monitor price trends of key raw materials; (2) based on price forecasts, strategically building inventory for raw materials expected to rise in price; (3) adopting alternative materials to replace raw materials experiencing significant price increases; (4) leveraging price-linkage mechanisms, including entering into price range agreements with suppliers; and (5) incorporating some of the increased material costs into product prices.

As of December 31, 2023, 2024, 2025, and June 30, 2026, our total net carrying amount of inventories amounted to RMB995.9 million, RMB1,234.6 million, RMB2,000.5 million, and RMB2,457.7 million, respectively, representing 44.2%, 36.8%, 43.1%, and 52.7% of our total current assets as of the same dates, respectively. For discussion of inventory turnover metrics, please refer to “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Assets — Inventories.” During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material shortages or obsolescence of inventory.

TRANSFER PRICING ARRANGEMENTS

During the Track Record Period, we conducted our operations through subsidiaries in Chinese mainland and multiple overseas jurisdictions to expand our business footprint. We follow the fundamental principle that intercompany transactions must be conducted on an arm’s length basis. Our intra-group transactions primarily include tangible goods buy-sell, supporting services and others.

The table below sets forth the amount of our intra-group transactions for the years/period indicated:

	Year ended December 31,			Six months ended June 30
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Tangible goods buy-sell	2,983,464	4,379,024	7,562,084	5,043,820
Provision/receipt of services	405,541	586,542	1,022,846	712,237
Others	1,874	19,899	5,398	10,365
Total	3,390,879	4,985,465	8,590,328	5,766,422

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During the Track Record Period, we primarily carried out our business through (i) the Company, as a comprehensive functional entity; (ii) Haiying Zhilian, Huizhou Zhize, Zhize Technology and Ji’an Haiying (collectively, the “**Domestic Production Entities**”); (iii) Shenzhen Ugreen Trading Ltd (深圳市綠聯智能工控有限公司) and Ugreen Import & Export Co., Ltd. (深圳市綠聯進出口貿易有限公司) (collectively, the “**Domestic Distribution Entities**”); (iv) Wuhan Ugreen E-commerce Co., Ltd. (武漢綠聯電子商務有限公司) and Dongguan Ugreen Supply Chain Co., Ltd. (東莞市綠聯供應鏈服務有限公司) (collectively, the “**Domestic Service Entities**”); and (v) Haiying SmartLink (HK) Co., Limited, Ugreen Hong Kong, Ugreen Germany, Ugreen Japan, Ugreen USA, UGREEN GROUP VIETNAM COMPANY LIMITED and Ugreen Korea Co., Ltd. (collectively, the “**Overseas Distribution Entities**”).

Tangible goods buy-sell: Domestic Production Entities sell their manufactured goods (i) either directly, or indirectly through another Domestic Production Entity, to the Company and Domestic Distribution Entities; and (ii) indirectly through Domestic Distribution Entities to Overseas Distribution Entities. This includes the following: Huizhou Zhize sell finished goods to Zhize Technology and Ji’an Haiying sell finished goods to Haiying Zhilian. Zhize Technology and Haiying Zhilian sell finished goods primarily to Shenzhen Ugreen Trading Ltd and our Company. For Chinese mainland market, Shenzhen Ugreen Trading Ltd and our Company sell finished goods to our domestic third-party customers. For overseas markets, Ugreen Import & Export Co., Ltd. procures finished goods from Shenzhen Ugreen Trading Ltd and afterwards sell to our Overseas Distribution Entities, with Haiying Zhilian also selling finished goods to Haiying SmartLink (HK) Co., Limited, for their sales to overseas third-party customers.

Provision/receipt of services: One of our Domestic Service Entity, Dongguan Ugreen Supply Chain Co., Ltd., provides warehousing services to our Company and Shenzhen Ugreen Trading Ltd. Another Domestic Service Entity, Wuhan Ugreen E-commerce Co., Ltd., provides after-sale support services to our Company. Our Company also provides business Process Management services to some of our Overseas Distribution Entities.

Others: The Company engaged in a small number of other connected transactions with Ugreen Import & Export Co., Ltd., Shenzhen Ugreen Trading Ltd and Haiying Zhilian, including transfers of rights to use tangible assets and sales of materials.

We have engaged a transfer pricing advisor to review our intra-group transactions during the Track Record Period and to conduct benchmarking studies in accordance with the OECD Transfer Pricing Guidelines and applicable transfer pricing laws and regulations. Our Transfer Pricing Advisor determined that the Transactional Net Margin Method (“TNMM”) was the most appropriate transfer pricing method to assess whether the transfer pricing arrangements related to the intra-group transactions involved were consistent with the arm’s length principle. The range of reasonable profit level was determined by reference to the range of reasonable profit level derived from comparable companies. The Transfer Pricing Advisor has performed benchmarking studies for the intra-group transactions to search for reliable comparable companies with publicly available information. The Transfer Pricing Advisor has applied both quantitative and qualitative criteria to select comparable companies. Based on the above analysis, our Transfer Pricing Advisor is of the view that our intra-group transactions generally complied with the arm’s length principle. Accordingly, no transfer pricing adjustments giving rise to additional tax liabilities were identified. As for our Group as a whole, the relevant subsidiaries of the Group were not exposed to the risk of underpayment of corporate income tax within the respective jurisdictions during the Track Record Period and up to the Latest Practicable Date. In addition, our Group has complied with its obligation of related-party filings and/or Transfer Pricing documentation (local file) according to the transfer pricing regulations of relevant jurisdictions in which it operates during the Track Record Period and up to the Latest Practicable Date.

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During the Track Record Period and up to the Latest Practicable Date, we were not subject to any penalties, investigations, inquiries or transfer pricing audits carried out by local tax authorities in relation to these intercompany transactions. Our Directors are of the view that, as advised by our Transfer Pricing Advisor, the above-mentioned intercompany transactions generally complied with the arm’s length principle and were in compliance with all applicable tax laws and regulations in the relevant jurisdictions during the Track Record Period and up to the Latest Practicable Date.

Our Directors confirm that in ensuring ongoing compliance with the applicable transfer pricing laws and regulations, we adhere to the arm’s length principle when entering into intercompany transactions, taking into account factors such as costs, market prices, and the functions of each entity, and adopt reasonable pricing methods accordingly. On a regular basis, we monitor the financial and profit status of each entity to manage the implementation of transfer pricing policies, and maintain compliance documentation.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period, certain customers (individually or collectively, the “**Relevant Customer(s)**”) settled payments with us through accounts belonging to parties (individually or collectively, the “**Third-Party Payer(s)**”) other than the contractual counterparties under the corresponding sales and purchase agreements (the “**Third-Party Payment Arrangements**”) entered into between us and such Relevant Customers, except where the Third-Party Payers have assumed the payment obligation to us by entering into a separate contract.

In 2023, 2024, 2025, and for the six months ended June 30, 2026, the number of the Relevant Customers was 57, 79, 77, and nil, respectively; and the aggregate amount settled through such Third-Party Payment Arrangements was RMB16.8 million, RMB70.0 million, RMB103.0 million, and nil, respectively, representing 0.4%, 1.1%, 1.1%, and nil of our total revenue for the corresponding year/period. During the Track Record Period, our Third-Party Payers and the Relevant Customers involved both PRC and non-PRC entities. In 2023, 2024, 2025, and for the six months ended June 30, 2026: (i) the Relevant Customers involved ten, four, four, and nil PRC entities and 47, 75, 73, and nil non-PRC entities, respectively; (ii) the aggregate amount settled through such Third-Party Payment Arrangements by non-PRC entities was RMB15.0 million, RMB69.1 million, RMB101.7 million, and nil, respectively, representing 0.3%, 1.1%, 1.1%, and nil of our total revenue for the corresponding year/period; and (iii) the aggregate amount settled through such Third-Party Payment Arrangements by PRC entities was RMB1.8 million, RMB0.9 million, RMB1.2 million and nil, respectively, representing approximately 0.04%, 0.02%, 0.01%, and nil of our total revenue for the corresponding year/period.

Based on the representations of the Relevant Customers and to the best knowledge of our Directors, the Relevant Customers adopted Third-Party Payment Arrangements primarily due to convenience and flexibility. According to our Directors’ best knowledge, during the Track Record Period, the Third-Party Payers involved in the Third-Party Payment Arrangements mainly consisted of entities that had other existing business relationships with the Relevant Customers, and the owner(s) or employee(s) of the Relevant Customers. Our Directors have confirmed that, to the best of their knowledge, during the Track Record Period, the Relevant Customers and the Third-Party Payers involved in the Third-Party Payment Arrangements were Independent Third Parties.

During the Track Record Period and up to the Latest Practicable Date, according to our Directors’ best knowledge, (i) all Third-Party Payment Arrangements were initiated by the Relevant Customers, (ii) we had not encountered any disputes with, nor received any refund request from any of the Relevant Customers or the Third-Party Payers, (iii) we had not been subject to any penalties, investigations or enquiries by any authorities as a result of our

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involvement in the Third-Party Payment Arrangements, (iv) the clauses of the agreements we entered into with the Relevant Customers were in line with our other customers not involved in the Third-Party Payment Arrangements in all material respects, and (v) we had not provided any discount, commission, rebate or other benefits to any of the Relevant Customers or the Third-Party Payers to facilitate or encourage the Third-Party Payment Arrangements. According to Frost & Sullivan, it is a common commercial practice in the industry where we operate to utilize the Third-Party Payers for payment.

Legality

During the Track Record Period, we and our subsidiaries involved in the Third-Party Payment Arrangement were predominantly incorporated in the PRC or Hong Kong. The sales and purchase agreements related to the Third-Party Payment Arrangement were predominantly PRC and Hong Kong law-governed. Generally, the Relevant Customers (regardless of jurisdictions in which they are located) were requested to make their payments to our bank accounts in the PRC or Hong Kong.

As advised by our PRC Legal Advisor, our acceptance of payments from customers through the Third-Party Payment Arrangements: (1) does not violate any mandatory provisions of PRC laws and regulations and does not constitute invalid acts under PRC laws; (2) the risk of our Third-party Payment Arrangements being deemed to constitute the crime of money laundering under the Criminal Law of the PRC for the purpose of disguising or concealing the source and nature of criminal proceeds and their gains is remote; (3) according to the provisions of the Civil Code of the PRC, the risk of our suffering material losses arising from the Third-party Payment Arrangements is remote; and (4) according to the compliance certificates and tax payment certificates issued by the relevant competent tax authorities, we and our PRC subsidiaries have not been subject to any disputes or penalties by their respective competent tax authorities due to the Third-Party Payment Arrangements.

As advised by our Hong Kong legal advisor, during the Track Record Period and up to the Latest Practicable Date, the Company’s acceptance of payments from customers through the Third-Party Payment Arrangements: (1) does not violate any mandatory provisions of Hong Kong laws and regulations and does not constitute invalid acts under Hong Kong laws; (2) our Hong Kong subsidiary has not been identified for violating any anti-money laundering, anti-bribery or counter-terrorist financing laws or regulations in Hong Kong as a result of the Third-Party Payment Arrangements, the uncertainty and risk of our Hong Kong subsidiary being accused or prosecuted for money laundering, bribery or terrorist financing is considered remote; (3) there has been no dispute or potential dispute relating to the Third-Party Payment Arrangements (including any claims for return of funds); as such, the litigation risks to our Hong Kong subsidiary, including potential claims from the Relevant Customers or the Third-Party Payers (or their liquidators, if appointed) are considered remote; and (4) our Hong Kong subsidiary has not been identified as having violated any applicable tax laws or regulations in Hong Kong, nor has it been subject to any penalties or investigations by any Hong Kong governmental authority in connection with the Third-Party Payment Arrangements. The uncertainty and risk of our Hong Kong subsidiary being accused or prosecuted for violating applicable Hong Kong tax laws in this regard is remote.

Based on the above and as advised by our PRC and Hong Kong legal advisors, our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, the Third-Party Payment Arrangements did not contravene any applicable PRC and Hong Kong laws and regulations. Based on the due diligence work performed by the Sole Sponsor, nothing has come to the Sole Sponsor’s attention that would cause it to disagree with the Director’s view above.

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Mitigation Measures

On January 16, 2026, we implemented enhanced internal control policy to mitigate potential risks associated with such arrangements. Under the internal control policy, we require all the Relevant Customers and the Third-Party Payers to enter into tripartite agreements with us to document the Third-Party Payers’ intention to assume legal payment obligations under the corresponding agreements between us and the Relevant Customers, and the Third-Party Payment Arrangements without such an agreement will not proceed. Our internal control policy also stipulates, among others, the following:

Tripartite agreement requirement. We have adopted a standardized tripartite agreement form that defines the payment obligations between the Relevant Customers, the Third-Party Payers and us. Any request for Third-Party Payment Arrangements must be reviewed and approved by the relevant teams. Our sales team is required to inform customers that Third-Party Payment Arrangements are not acceptable, except where the Relevant Customer, the Third-Party Payer and us have entered a tripartite agreement that clearly specifies the rights and obligations of relevant parties. As advised by our PRC and Hong Kong legal advisors, these tripartite agreements we entered are legally valid and enforceable under PRC and Hong Kong laws.

Screening and approval. We have revised and implemented our financial and accounting management policy, which defines the permissible scope of the Third-Party Payers. Prior to the execution of a tripartite agreement, our sales team shall submit an application and our finance, legal and other responsible teams shall review the Third-Party Payment Arrangement request. Such review will be based on the authenticity of the business, the reasonableness of the customer’s stated purpose, and the customer’s historical record, including the frequency of the Third-Party Payment Arrangements and consistency of reasons. The aforementioned teams will also assess the risk level in accordance with relevant internal control policies to determine whether the arrangement is acceptable. Once approved, the sales team will formally notify the Relevant Customers and the Third-Party Payers and execute a tripartite agreement. The finance team can only confirm the payment after receiving the signed tripartite agreement, duly signed by us, the Relevant Customers, and the Third-Party Payers.

Rights and obligations. Our standard tripartite agreement stipulates, among others, the following: (i) the Third-Party Payers will, on behalf of the Relevant Customers, make the payments to us to our designated bank account; (ii) once the payment is executed, the Third-Party Payers shall have no right to request a refund or claw-back from us for any reason, including any disputes between the Third-Party Payers and the Relevant Customers; (iii) we shall not be responsible for any internal arrangements, debts, or disputes between the Relevant Customers and the Third-Party Payers; (iv) the Third-Party Payers warrants that the funds used for this payment are legal and do not violate any anti-money laundering laws or regulations, and the Relevant Customers warrants that this tripartite agreement does not violate any local laws or the terms of the original transaction; and (v) the Third-Party Payers agree to provide us with any necessary identity verification documents required by our designated banks to facilitate the receipt of funds.

Know-your-customer (“KYC”) procedures. To prevent fraud or money laundering activities, we continue to maintain our KYC procedures to gain a comprehensive understanding of our customers. If any abnormalities are detected, we will promptly liaise with the Relevant Customers for verification and report. In addition, our sales team will continue to hold regular meetings with the Relevant Customers to gain insights into their business operations, thereby reducing the risk of involvement in fraudulent or money laundering activities.

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Anti-money laundering and combating the financing of terrorism policy. We have internal guidelines in place regarding anti-money laundering and combating the financing of terrorism, which require our employees to exercise reasonable due diligence with respect to all trading parties, including their business nature, business models, ownership and proposed transactions, to identify potential risks of money laundering.

Enhanced system control. The finance team shall conduct regular reconciliations with Third-Party Payers to verify fund receipts and payments, safeguard funds, and ensure accounting records accurately reflect actual transactions. Accounting treatments shall be performed promptly based on collection and payment agreements and settlement vouchers to maintain the accuracy of accounts receivable, accounts payable, and related expenses. Prior to the expiration of tripartite agreements, the finance team shall evaluate their performance, and for any renewal, relevant sales team shall refile the application and follow the established approval process.

As of the Latest Practicable Date, we have fully implemented the above-mentioned internal control measures. Therefore, our Directors are of the view that the above measures are effective and adequate in preventing unapproved Third-Party Payment Arrangements and their associated risks (including risks relating to money laundering, tax evasion and other potential violations of applicable laws and regulations), and our Directors are committed to overseeing the continued effectiveness of these measures. Our Internal Control Consultant is of the view that the enhanced internal control measures adopted by the Group are adequate and effective by design to mitigate the risks associated with the Third-Party Payment Arrangements. Based on the due diligence conducted, the Sole Sponsor is of the view that nothing has come to the Sole Sponsor’s attention that would cause it to disagree with the Internal Control Consultant’s view above.

In view of the above and facts that (i) the Third-Party Payment Arrangements account for only an insignificant proportion of our total revenue in each year/period of the Track Record Period, (ii) we have ceased all the Third-Party Payment Arrangements with Relevant Customers who did not enter into a tripartite agreement with us as of the Latest Practicable Date, and (iii) we have implemented effective internal control and risk-mitigation measures, the Directors are of the view that the Third-Party Payment Arrangements do not have any material adverse effect on our business, operations, performance or financial condition.

INTELLECTUAL PROPERTIES

Our success and competitive advantages depend in part on our ability to develop and protect our core technologies and intellectual property. We acquire patents through in-house development. As of June 30, 2026, we held a total of 2,506 registered patents globally, consisting of 48 invention patents, 517 utility model patents, and 1,941 design patents. As of June 30, 2026, we also held 598 registered trademarks, 123 domain names, and 77 software copyrights globally.

We rely primarily on a combination of patents, copyrights, trademarks, trade secret and unfair competition laws and contractual rights, such as confidentiality agreement, to protect our intellectual property rights. We have adopted a multidimensional IP protection system. On the one hand, we have adopted a series of measures to proactively mitigate IP infringement risks. We have established a dedicated IP department to integrate patent and trademark filings into the earliest stages of R&D, and deployed a digital management platform to monitor the real-time status of our IP lifecycle to ensure core assets remain fully protected. We enter into agreements with our business partners that include confidentiality and IP ownership clauses, each of which provides for substantial liquidated damages. For products containing our core technologies, we purchase different components from multiple suppliers or self-supply certain key materials to our third-party manufacturing partners. Besides, we enter into non-compete and confidentiality agreements with our core R&D personnel and management personnel, and conduct regular compliance training to enhance the confidentiality awareness of our employees.

On the other hand, we have also adopted a series of anti-counterfeiting enforcement. We developed a dedicated IP enforcement team to regularly monitor mainstream domestic and

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international e-commerce platforms, proactively screening for suspected infringing products. For identified IP infringement on e-commerce platforms, we ask relevant platform to remove the links to relevant products immediately; when encountering infringement, we conduct relevant investigations, obtain proper evidence, take appropriate action such as warnings and legal proceedings, to safeguard our legal rights and interests. Furthermore, we have recorded our trademarks and patents with the General Administration of Customs of the PRC to effectively block the cross-border flow of counterfeit goods. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal proceedings in relation to infringement of any intellectual property rights which would have any material adverse impacts on our business, financial condition, or results of operations. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology.

COMPETITION

The consumer technology market in which we operate is highly competitive, fragmented, and defined by rapid technological advancements, shifting customer preferences, and frequent product iterations. Within this dynamic landscape, our current and potential competitors generally fall into two primary categories: established technology brands and long-tail white-label manufacturers. Across the market, product differentiation remains significant, driven by variations in underlying technology, design, and manufacturing processes.

According to Frost & Sullivan, leading brands benefit from mature supply chains and technological expertise, enabling them to respond swiftly to market demands while maintaining a balance between cost and quality. In contrast, small and medium-sized manufacturers often lack strong brand recognition, customer loyalty, and robust R&D capabilities, limiting their ability to compete in segments where innovation and quality are key differentiators. Therefore, leading brands will continue to leverage their scale and brand strength, thereby will potentially increase their market share.

In this environment, we believe that our diversified product portfolio, broad sales channels, agile supply chain, and extensive distribution network help us serve a wide spectrum of customers. In addition, our advanced technological capabilities differentiate us from our competitors and provide us with long-term competitive advantages, supporting our sustainable growth. Most importantly, as the market continues to consolidate around quality and innovation, we are well-placed to capture growth and strengthen our market presence.

RECENT REGULATIONS IN RELATION TO TARIFFS, EXPORT CONTROLS, SANCTIONS, AND U.S. OUTBOUND INVESTMENT RULE

Tariff Policies

Since early 2025, the U.S. government has adopted new tariff measures that increased duties on imports from Chinese mainland, including certain of our products. For details of the changes in policies issued by the U.S. in relation to imports from Chinese mainland, see “Regulatory Overview — Laws, Regulations and Policies of the United States — Recent Regulations in Relation to Tariffs.” The U.S. tariff and trade policies are subject to constant changes, influenced by evolving geopolitical dynamics, economic priorities and regulatory agenda, and such policies may be amended, expanded, or replaced with little or no advance notice.

Our products exported from the Chinese mainland to the U.S. were generally subject to elevated U.S. tariffs. During the Track Record Period, substantially all of our products imported from the Chinese mainland into the U.S. were subject to (i) the 10% reciprocal tariff and (ii) the 10% tariff imposed under Executive Order 14195, both of which ceased on February 24, 2026. Concurrently, the U.S. government implemented a temporary global import surcharge of 10% on certain imported products under Section 122 of the Trade Act of 1974, effective from February 24,

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2026 for a period not exceeding 150 days. On July 24, 2026, the 10% temporary global import surcharge expired and the U.S. government concurrently imposed additional duties at rate of 12.5% on certain goods imported from the Chinese mainland under Section 301 of the Trade Act of 1974. As of the Latest Practicable Date, certain of our products imported from the Chinese mainland into the U.S. were subject to the Section 301 duties of 12.5%. During the Track Record Period, we have adopted two primary logistics and clearing models for goods imported into the U.S., which are bulk shipment and international direct mail. For bulk shipment, which includes online direct sales on Amazon and our self-owned direct-to-consumer website, offline direct sales and offline distribution, Ugreen USA procures products from our PRC subsidiaries with the products shipped in bulk from the Chinese mainland to the warehouses in the U.S., and Ugreen USA is responsible for paying the U.S. tariffs. The Group generated revenue of RMB358.8 million, RMB468.3 million, RMB835.7 million, and RMB606.9 million from products shipped in bulk to the U.S. in 2023, 2024, 2025, and for the six months ended June 30, 2026, respectively, representing 7.5%, 7.6%, 8.8%, and 10.4% of the total revenue of the corresponding year/period. International direct mail are used in online direct sales on e-commerce platforms such as AliExpress, where the products are directly mailed as small parcels from the Chinese mainland to consumers in the U.S. The consumers as the importing party are responsible for paying the U.S. tariffs. See “Regulatory Overview — Laws, Regulations and Policies of the United States — Recent Regulations in Relation to Tariffs — Small Parcel Tariff Policy.” The Group generated revenue of RMB3.7 million, RMB12.4 million, RMB2.7 million, and RMB0.9 million from international direct mail model to the U.S. in 2023, 2024, 2025, and for the six months ended June 30, 2026, respectively, representing 0.1%, 0.2%, 0.0% and 0.0% of the total revenue of the corresponding year/period. We incurred custom duties of RMB30.3 million, RMB27.7 million, RMB110.3 million, and RMB9.0 million in 2023, 2024, 2025, and for the six months ended June 30, 2026, respectively, accounted for as our cost of sales and amounting to 0.6%, 0.4%, 1.2% and 0.2% of our revenue of the corresponding year/period. U.S. customs duties accounted for 68.6%, 71.1%, 83.9% of the total custom duties incurred in 2023, 2024 and 2025. We recorded a negative amount of U.S. custom duties for the six months ended June 30, 2026, primarily due to the receipt of a refund of IEEPA duties amounting to RMB63.9 million during the period. See “Regulatory Overview — Laws, Regulations and Policies of the United States — Recent Regulations in Relation to Tariffs” for more details. During the Track Record Period and up to the Latest Practicable Date, there were no material changes in the tariff policies of other major countries/regions where we operate.

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material adverse changes in our order volume or pricing in the U.S., nor had we received any material request from our customers (including both U.S. and non-U.S. customers) to cancel or renegotiate orders as a result of the imposition of U.S. tariffs. While we do not believe such tariffs will materially and adversely affect our business operations and financial performance, we will closely monitor the developments relating to such tariffs.

We believe that the U.S. tariffs imposed on our products are not expected to have, and have not had, during the Track Record Period and up to the Latest Practicable Date, any material adverse impact on our business operations or financial performance, based on the following considerations:

Diversified Global Revenue Base

The resilience of our business to the impact of U.S. tariffs is multifaceted, demonstrated by our geographically diversified and balanced revenue distribution and distinct product and operational strengths that provide a competitive buffer.

In 2023, 2024, 2025, and for the six months ended June 30, 2026, the revenue generated from the U.S. amounted to RMB362.5 million, RMB480.7 million, RMB838.4 million, and RMB607.8 million, respectively, representing 7.6%, 7.8%, 8.8%, and 10.5% of our total revenue, and 15.0%,

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13.6%, 14.4%, and 15.6% of the revenue generated from overseas markets, of the corresponding year/period. The increase in our revenue generated from the U.S. was RMB118.2 million from 2023 to 2024 and RMB357.7 million from 2024 to 2025, representing 8.7% and 10.8% of the total revenue growth of the corresponding year/period. The increase in our revenue generated from the U.S. was RMB302.1 million from the six months ended June 30, 2025 to the six months ended June 30, 2026, representing 15.4% of the total revenue growth for the same period. While revenue from the U.S. market has continued to grow, its contribution to our total revenue growth has remained relatively limited compared with other regional markets, which significantly mitigates our overall exposure to U.S. trade policy fluctuations.

Comprehensive Operational Efficiency Optimization

We have been devoted to improving our operational efficiency through comprehensive supply chain optimization, precision marketing and cost management.

We seek to further optimize our supply chain and production costs by integrating upstream resources and leveraging economies of scale to reduce procurement costs. Furthermore, we continuously evaluate our existing supplier matrix to identify more cost-effective sourcing options, including secondary suppliers and manufacturing partners located in tariff-neutral jurisdictions. Since 2024, we have conducted market research and trial sourcing transitions to other countries, including Vietnam, through cooperation with qualified local manufacturing partners, with a view to leveraging potential tariff advantages. We will continue to monitor developments in tariff policies and adjust our sourcing arrangements accordingly. Through these strategic sourcing initiatives, we aim to optimize our product cost structure while maintaining our stringent quality standards.

Therefore, we believe the combination of diversified global revenue base and comprehensive operational efficiency optimization significantly mitigates the potential adverse impact of and ensure long-term financial resilience against U.S. tariffs on our business operations and financial performance. Accordingly, our Directors are of the view that the elevated U.S. tariffs resulted from recent trade tensions have not had and are not expected to have any material adverse effect on our Group’s business operations or financial performance. On the basis of their independent due diligence work conducted, nothing has come to the attention of the Sole Sponsor which cause them to cast doubt on the reasonableness of our Directors’ views aforementioned.

U.S. Export Controls and Sanctions

Since October 7, 2022, the U.S. Department of Commerce’s Bureau of Industry and Security (the “**BIS**”) has introduced a series of export control measures targeting semiconductor manufacturing, supercomputers, and advanced computing items, as well as certain end-uses and end-users in Chinese mainland, Hong Kong and Macau (the “**U.S. Chip Export Restrictions**”). Moreover, the BIS maintains lists of individuals and entities subject to enhanced export control restrictions (the “**Entity List**”). BIS’s rules on advanced computing and semiconductor manufacturing were implemented in two key areas. These rules impose restrictive export controls on certain advanced computing semiconductor chips and software, transactions for supercomputer end-uses, and transactions involving certain entities on the Entity List. These rules also impose new controls on certain semiconductor manufacturing items and on transactions for certain integrated circuit (“**IC**”) end uses.

During the Track Record Period and up to the Latest Practicable Date, we did not import any raw materials from the United States, except for product labels procured in 2025 with an aggregate value equivalent to approximately RMB5,700. To the best of our knowledge, none of the raw materials procured from our major suppliers were imported from the United States. Nevertheless, certain chips we procured through non-U.S. suppliers for our NAS products are of U.S. origin and are subject to the U.S. Export Administration Regulations (“**EAR**”). The

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procurement amounts of such chips were approximately RMB19.7 million, RMB45.0 million, and RMB151.1 million, and RMB64.5 million in 2023, 2024, 2025, and for the six months ended June 30, 2026, respectively, accounting for 0.7%, 1.2%, 2.5%, and 1.8% of our cost of sales for the corresponding year/period. Based on the information provided by our suppliers, such chips are classified as 5A992 items, which are generally low-sensitivity items and do not require a license for export, re-export or transfer to Chinese mainland, Hong Kong and Macau, except in limited circumstances. As advised by our International Sanctions Counsel, the above-mentioned U.S. origin chips do not fall within the scope of the U.S. Chip Export Restrictions relating to advanced computing or restricted end-uses, and no export license was required for their supply to the Group during the Track Record Period and up to the Latest Practicable Date. In addition, we did not encounter any material disruption, delay or increased cost in procuring such chips during the Track Record Period and up to the Latest Practicable Date.

Notwithstanding the above, given the evolving nature of U.S. export control policies, there can be no assurance that such chips will not become subject to additional restrictions in the future. In response, our procurement team monitors the supply landscape closely. Our Directors are of the view that, based on our current assessment and market inquiry, functionally equivalent chips from non-U.S. suppliers or from alternative production origins are available in the market and, in the event that these U.S.-origin chips become subject to adverse U.S. export control policies or sanctions, we would be able to substitute such chips without material technical modifications to our products, material disruptions to our production, or any material adverse impact on our business operations or financial performance.

During the Track Record Period and up to the Latest Practicable Date, we did not sell or transfer any items subject to the EAR to any end-users or destinations that are prohibited or subject to licence requirements under the EAR, and we did not conduct any sales or procurement transactions with any Sanctioned Country or Sanctioned Target. Based on the advice of our International Sanctions Counsel, our business activities during the Track Record Period and up to the Latest Practicable Date did not violate applicable U.S. export control and sanctions laws and regulations, did not constitute any Primary Sanctioned Activity, and the associated risk of U.S. secondary sanctions is immaterial. After taking into account the advice from our International Sanctions Counsel, our Directors are of the view that the U.S. export control and sanctions laws would not have any material adverse impact on our business operations or financial performance.

U.S. Outbound Investment Rule

On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Final Rule, to implement the executive order of August 9, 2023. The Final Rule became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for certain investments in entities associated with China (including Hong Kong and Macau) that are engaged in certain activities, collectively defined as “Covered Foreign Persons.” U.S. persons subject to the Final Rule are in some instances prohibited altogether from making, and in other instances required to report, certain investments in Covered Foreign Persons, which are defined as “Covered Transactions.”

Notably, issued on February 21, 2025, the “America First” Investment Policy Memorandum proposes to further expand the industry sectors of concern. During the Track Record Period and up to the Latest Practicable Date, as advised by our International Sanctions Counsel, and on the basis that (i) none of our products themselves are integrated circuits or other “semiconductors and microelectronics” that would implicate the relevant “covered activity” definitions related to those technologies; and (ii) especially with respect to our AI-empowered products, our business activities do not involve the development of AI systems designed for any restricted end use, nor any AI system trained using a restricted quantity of computing power under the Final Rule, we believe we are not a “Covered Foreign Person” as defined in the Final Rule. However, if we were in the future deemed to be a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations or the interpretation thereof, our ability to raise capital from U.S. persons could be significantly and negatively affected.

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DATA PRIVACY AND CYBERSECURITY

We place significant emphasis on information security management, drawing on international best practices in our operations. In the ordinary course of our business, we may need to process the personal information of customers, employees, job applicants, and other third-parties. We sell our products through our self-owned direct-to-consumer websites and third-party e-commerce platforms, and receive order information from such websites and platforms, which includes customer names and addresses. However, such information is anonymized. We also operate websites, mobile applications, and mini-programs to facilitate understanding, order placement or use of our products by consumers. During this process, users provide certain personal information upon registration, such as profile pictures, nicknames and mobile phone numbers. Such information is usually de-identified. Internally, we collect employees’ human resource data such as name, mobile phone number, gender and educational background through employment contracts and onboarding procedures. Based on job applicants’ voluntary filling, we may also collect their personal information via a third-party platform, and such platform has also signed user agreements and privacy policies with job applicants. Save as disclosed below in relation to cross-border data transmission, all personal data collected by us from Chinese mainland are stored on servers or databases deployed within Chinese mainland. Where we collect personal data through our apps, mini-programs and websites, we have published user agreements and privacy policies in prominent positions on the relevant platforms and websites and obtained users’ informed consent prior to data collection, in accordance with applicable personal information protection laws. For employee data and certain data collected for fulfilling statutory obligations, we rely on the applicable statutory exemptions under such laws. By establishing a high-standard data security management system that complies with regulatory standards and ensures full coverage, we have laid a robust foundation for information security, benefitting both domestic and international clientele. We have clearly defined compliance requirements for the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information, and we continuously improve our safeguards to strengthen privacy protection.

The PRC government has introduced a series of laws, regulations and policies aimed at protecting cybersecurity, data security and personal information in recent years. See “Regulatory Overview — Laws, Regulations and Policies of the PRC — Laws and Regulations on Cybersecurity and Data Security.” These regulatory developments concerning cybersecurity, data security and personal information protection could broadly affect the data collection, use, storage and other data processing activities of enterprises in the technology sector, including us.

On December 28, 2021, the Cyberspace Administration of China (the “CAC”), the NDRC, the MIIT, and several other administrations jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》, the “**Cybersecurity Review Measures**”), effective on February 15, 2022, which provides that entities meeting certain standards shall be subject to a cybersecurity review.

We strictly abide by the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》), Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》), the Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》) and other national or regional laws and regulations to conduct business.

On December 31, 2025, we and our PRC Legal Advisor conducted a consultation through telephone with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心) (the “**CCRC**”), which is delegated by the CAC to accept applications for cybersecurity review and therefore the competent organization for such consultation. During the consultation, the staff of CCRC confirmed that a listing in Hong

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Kong does not fall within the scope of the term of “listing abroad (國外上市)” under the Measures for Cybersecurity Review. Given that (i) CCRC has confirmed that listing in Hong Kong does not constitute a listing abroad; (ii) as of the Latest Practicable Date, we have not received any official notification from relevant regulatory authorities designating our network facilities and information systems as Critical Information Infrastructure (“CII”), and therefore we are not deemed as a CII operator; and (iii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security, therefore, our PRC Legal Advisor is of the view that as of the Latest Practicable Date, we were not required to file cybersecurity review under the Measures for Cybersecurity Review for our proposed listing.

Although we are not required to apply for a cybersecurity review under the Cybersecurity Review Measures in relation to our proposed listing, the interpretation and application of these laws and regulations regarding cybersecurity review are subject to ongoing evolution, and we cannot assure you that no additional regulatory obligations will arise from new laws or regulations in this area.

Additionally, the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), promulgated on July 7, 2022 and effective since September 1, 2022, and the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), promulgated and effective on March 22, 2024, stipulate that the transfer of personal information and important data by data handlers meeting certain volume thresholds or other specified criteria shall require security assessment, filing of a standard contract for cross-border data transfer or obtaining personal information protection certification. For the purpose of enabling users based in the Chinese mainland to continue accessing their NAS devices when travelling outside of Chinese mainland, we transmit users’ mobile phone numbers and the NAS product’s location information, both de-identified, to our server deployed in Hong Kong; save for the foregoing, we did not engage in any other cross-border data transmission during the Track Record Period. As advised by our PRC Legal Advisor, we are not required to undergo a data export security assessment, on the basis that: (i) our business does not involve critical information infrastructure, we do not provide services to any critical information infrastructure operators, and we have not been designated as a critical information infrastructure operator by any relevant PRC authority; and (ii) the data involved in our sole cross-border data transmission scenario consists of hash values and device location information, which are not highly sensitive in nature, constitute general personal information only and do not fall within the definition of “important data” under the applicable PRC laws and regulations. In line with our actual business operations, we have filed the Standard Contract for the Cross-Border Transfer of Personal Data (“個人信息出境標準合同”) and obtained the relevant certification. As our business expands, our cross-border data transfer arrangements may change. There may be instances where we engage in such cross-border data transfers, including adjustments to the compliance mechanisms for cross-border data transfers. In those cases, to meet legal and regulatory requirements, we may need to comply with the above obligations relating to cross-border data transfers as well as any other restrictions under PRC laws in force at the time.

We are also subject to data privacy and cybersecurity laws in different jurisdictions. We may be subject to federal and state regulations in the United States and Europe. Our data processing activities may also be subject to developing federal and state privacy laws, which impose further duties concerning data access, deletion, opt-out options and limitations on cross-border sharing.

We anticipate that new, amended laws and regulations on cybersecurity, data security and personal information protection will continue to be proposed or enacted, therefore, we have integrated data and privacy compliance into our comprehensive compliance management framework. We respond promptly to remote inspections by regulatory authorities and proactively address and resolve any user privacy issues identified during our business operations.

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Furthermore, to protect data privacy, appropriate physical, administrative and technical measures are in place to prevent unauthorized access to and use of such data. For instance, we have a comprehensive set of internal policies and protocols. Key measures include our Procedures for Security Management of Personal Information Processing, Management Measures for the Full Lifecycle Security of Personal Information, Mechanism for Responding to Users’ Exercise of Rights, Emergency Response Procedures, and Measures for Personal Information Security and Protection Training. Our capabilities in data protection are evidenced by multiple certifications, including TRUSTe, ISO/IEC 27001 (Information Security Management), and ISO/IEC 27701 (Privacy Information Management). Furthermore, to ensure strict compliance, we have engaged external legal counsel and professional data governance consultants to provide ongoing legal support and advisory services.

During the Track Record Period and up to the Latest Practicable Date, we have not received any claim from any third party against us on the ground of infringement of such party’s right to data and privacy protection as provided by any applicable laws and regulations in the PRC or other jurisdictions.

As advised by each of our PRC Legal Advisor (with respect to PRC law only), Hong Kong legal advisor (with respect to Hong Kong law only), Japanese legal advisor (with respect to Japanese law only), U.S. legal advisor (with respect to U.S. law only) and German legal advisor (with respect to German law only), during the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable laws and regulations on data security and personal information protection in all material respects in the PRC, Hong Kong, Japan, the U.S. and Germany (as the case may be), and no material data breaches, data losses or unauthorized use of personal information had occurred in relation to our operations in the PRC, Hong Kong, Japan, the U.S. and Germany (as the case may be).

SEASONALITY

As an industry deeply integrated into people’s daily lives, the consumer technology market exhibits certain seasonal characteristics due to changes in consumer habits, with specific magnitudes potentially varying due to product launch cycles and market conditions. Specifically, demand tends to be strong during peak promotional periods such as June, November, Christmas, and New Year, while production schedules may also be affected by the Chinese New Year holidays in the first quarter.

EMPLOYEES

As of December 31, 2023, 2024, 2025, and June 30, 2026, we had 3,187, 3,628, 5,097, and 5,875 full-time employees, respectively. The vast majority of our employees are based in Chinese mainland. The following table sets forth the number of our employees categorized by function and percentage of our total number of employees as of June 30, 2026:

Function	As of June 30, 2026	
	Number of Employees	% of Total
Marketing	1,586	27.0
Production	1,652	28.1
R&D Technology	1,546	26.3
Supply Chain	597	10.2
Others	494	8.4
Total	5,875	100.0

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Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our talent management strategy, we offer employees competitive base salaries, performance-based bonuses and other incentives.

We place a strong emphasis on attracting, retaining, and developing qualified employees. During the Track Record Period and up to the Latest Practicable Date, we primarily recruited staff through recruitment websites. To enhance employee satisfaction, we offer competitive remuneration packages, including salaries, allowances, and performance-based incentives, supported by an annual performance evaluation system that informs salary levels, bonuses, and promotions.

We also provide employees with onboarding and on-the-job training to improve their understanding of internal policies, their professional skills and overall performance. As required under PRC labor laws, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, housing provident funds and unemployment benefit plans. We have established a labor union that protects employees’ rights, helps fulfill our economic objectives, encourages employee participation in management decisions and assists in mediating disputes between us and union members. We believe that we maintain a good working relationship with our employees and we have not experienced significant labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

We typically enter into standard employment agreements. These contracts include a standard non-compete covenant that prohibits the key personnel from competing with us, directly or indirectly, during his or her employment and for two years after termination of his or her employment. Furthermore, we are committed to strictly complying with applicable laws, regulations and standards in different countries and regions related to workplace safety, providing a safe and healthy workplace for our employees and implementing an effective management system to ensure employee safety and well-being.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and other relevant regulations, we are required to provide our employees with welfare schemes covering social insurance. According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》), we are required to make housing provident fund contributions for our employees. During the Track Record Period and up to the Latest Practicable Date, we did not make contributions to the social insurance and housing provident funds in full amount required by the relevant PRC laws and regulations, primarily because certain employees were unwilling for us to do so, as it would require additional contributions from them. The shortfall amount of social insurance and housing provident fund contributions is estimated to be approximately RMB13.7 million, RMB20.1 million, RMB26.5 million, and RMB14.7 million in 2023, 2024, 2025, and for the six months ended June 30, 2026, respectively.

Our PRC Legal Advisor has advised us that, pursuant to relevant PRC laws and regulations, we may be ordered by the relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. Only if such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of any overdue payment. Our PRC Legal Advisor has further advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of housing provident fund contributions as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. See “Risk Factors — Risks Related to Our Business and Industry — We may face risks relating to workplace safety, production safety, labor disputes, labor shortages and increases in labor costs.”

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During the Track Record Period and up to the Latest Practicable Date, we have not received any notice requiring us to make full payment of all outstanding social insurance and housing provident fund contributions, nor have we been subject to any administrative action or penalty by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions. We commit to promptly fulfilling our obligations as required as soon as practicable in the event that we receive the notification from the relevant government authorities, if any, to require us to rectify, make timely payments, or pay the outstanding amounts due to any deficiencies in our social insurance and housing provident funds in full cooperation with relevant competent government authorities, so that we will not receive administrative penalties due to such deficiencies.

Our Directors, as advised by our PRC Legal Advisor, believe that such non-compliance would not have a material and adverse effect on our business, financial condition and results of operations, considering that: (i) as advised by our PRC Legal Advisor, based on the relevant regulatory policies, the interviews conducted by our PRC Legal Advisor with the competent social insurance authorities and the facts stated above, the likelihood that the relevant authorities would take the initiative to require us to pay the shortfall for social insurance and housing provident fund contributions or that we would be subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions within the stipulated period for our employees is remote; (ii) during the Track Record Period and up to the Latest Practicable Date, we have not received any notice requiring us to make full payment of all outstanding social insurance and housing provident fund contributions; and (iii) we were not aware of any material labor disputes with respect to social insurance and housing provident fund contribution. As a result, we did not make any provisions in connection with such non-compliances during the Track Record Period and up to the Latest Practicable Date.

The relevant provision of the Interpretation of the Supreme People’s Court on the Application of Law in the Trial of Labor Dispute Cases (II) (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which came into effect as of September 1, 2025, emphasizes the agreement to avoid paying social insurance premiums is invalid. We do not have such promise or agreement to or with our employees. As advised by our PRC Legal Advisor, such provision does not increase the likelihood for making additional contributions, overdue payments or being fined regarding the social insurance and housing provident fund contributions.

We have implemented internal control measures including (i) enhancing monitoring and supervision, such as assigning dedicated personnel to regularly supervise the calculation and payment of the social insurance and housing provident fund contributions, (ii) strengthening employee communication, such as actively engaging with employees to ensure that they understand the relevant policies and encourage them to cooperate with us to make full contributions to social insurance and housing provident fund, and (iii) conducting legal and regulatory consultation, such as regularly consulting with our PRC Legal Advisor to obtain guidance on the latest development of the applicable laws and regulations.

INSURANCE

We maintain insurance policies in accordance with relevant laws and regulations and based on our assessment of operational needs and industry practices. We have maintained product liability insurance for products that carry relatively higher safety risks. We also provide social security insurance including pension insurance, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance, supplementary insurance and housing fund plans for our employees. We consider our insurance coverage to be sufficient for our business operations in Chinese mainland. See “Risk Factors — Risks Related to Our Business and Industry — We have limited insurance coverage, which could expose us to significant costs and business disruptions.”

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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.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all the requisite licenses, permits and approvals from relevant authorities that are material to conduct our actual business operations from the relevant government authorities in all jurisdictions where we operate, and such licenses, permits, approvals and certificates remained in full effect. We renew all such material permits and licenses from time to time to comply in all material respects with the relevant laws and regulations. We believe there is no material legal impediment to renewing such permits, licenses or approvals.

The following table sets out our material licenses, approvals and permits during the Track Record Period and up to the Latest Practicable Date:

License/Approval/Permit	Holder	Validity
Registration as Foreign Trade Operator	The Company	N/A ¹
Registration as Foreign Trade Operator	Ugreen Import & Export Co., Ltd	N/A ¹
Registration as Foreign Trade Operator	Shenzhen Ugreen Trading Ltd	N/A ¹
Registration as Foreign Trade Operator	Zhize Technology	N/A ¹
Customs Declaration Entity Registration Certificate for Import and Export Goods	The Company	N/A ¹
Customs Declaration Entity Registration Certificate for Import and Export Goods	Ugreen Import & Export Co., Ltd	N/A ¹
Customs Declaration Entity Registration Certificate for Import and Export Goods	Shenzhen Ugreen Trading Ltd	N/A ¹
Customs Declaration Entity Registration Certificate for Import and Export Goods	Haiying Zhilian	N/A ¹
Customs Declaration Entity Registration Certificate for Import and Export Goods	Zhize Technology	N/A ¹
Economic Operator Registration and Identification (“EORI”)	Ugreen Germany	N/A ¹
EORI	Ugreen HK	N/A ¹
IRS Employer Identification Number (“IRS EIN”).	Ugreen USA	N/A ¹
Corporate Number (法人番号)	Ugreen Japan	N/A ¹

Notes:

1. “N/A” means that the relevant license, approval or permit does not have an expiration date (i.e. valid indefinitely as long as business activities are continued).

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2. Ugreen Germany, Ugreen HK, Ugreen USA and Ugreen Japan hold the EORI numbers, IRS EIN and Corporate Number (法人番号) in Europe, the U.S. and Japan, respectively, for the purposes of conducting import and export activities in the relevant jurisdictions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We deeply understand the symbiotic relationship between environmental responsibility and corporate competitiveness, focusing on technology-driven innovation to continuously advance the intelligent transformation of our products. We are committed to systematically integrating sustainable development principles into our strategic planning and daily operations. By fulfilling our responsibilities to the environment, society, and stakeholders, we strive to achieve long-term mutual success and sustainable development for our Company, the industry, society, and the environment.

ESG Governance Structure

We are committed to integrating ESG principles throughout all aspects of production, operations, and management, establishing a top-down three-tier ESG management framework. The board of Directors serves as our highest ESG governance and decision-making body, overseeing ESG management decisions, reviewing overall and specialized ESG strategic plans, determining ESG risks and opportunities, and approving external ESG disclosures. The Board has established a Strategy and ESG Committee as the management body, responsible for overseeing the overall ESG management work and regularly reporting progress on relevant topics to the Board.

Through this stable ESG governance framework, we ensure the long-term effective implementation of ESG strategies, fully fulfilling our responsibilities to the environment, society, and stakeholders. Moving forward, we will continue to enhance our ESG governance capabilities and drive sustainable development within the industry.

Anti-Corruption

We uphold a high standard of business ethics to ensure compliant operations, strictly adhering to laws, regulations, and norms such as the Anti-Money Laundering Law of the People’s Republic of China and the Interim Provisions on Banning Commercial Bribery. To strengthen internal anti-fraud regulations, we have established relevant systems and guidelines including the Anti-Fraud Management System, Insider Information Knowers Registration Management System, and Management System for Standardizing Fund Transactions with Related Parties. We resolutely prohibit any form of bribery, extortion, fraud, money laundering, insider trading, and other misconduct, preventing any occurrence of commercial bribery incidents. During the reporting period, no serious judicial cases related to corruption occurred.

Internal Control

For our in-house manufacturing activities, we have set clear control goals, including ‘zero noise pollution incidents’ and ‘zero waste gas pollution incidents’. In 2025, we achieved zero incidents of noise pollution and waste gas pollution; the compliance rate for the transfer and disposal of waste liquids and wastewater reached 100%, with no leaks and no instances of illegal dumping; we strictly complied with applicable laws and regulations on hazardous waste management; and our overall waste gas emission intensity continued on a downward trend. To further strengthen our capacity for proactive environmental risk prevention, we organized nine environmental emergency drills in 2025, covering scenarios such as hazardous chemical leaks and fires, effectively testing the feasibility of our emergency response plans and the effectiveness of our response mechanisms.

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For our outsourced manufacturing activities, we have established a closed-loop internal environmental control system spanning supplier onboarding, performance evaluation and offboarding. At the onboarding stage, we require all newly onboarded suppliers to maintain relevant environmental certifications and to sign the Business Cooperation Agreement, under which environmental protection is included as a mandatory cooperation term. In 2025, 100% of our newly onboarded suppliers underwent environmental standards review. On an ongoing basis, we conduct quarterly performance reviews supplemented by annual on-site audits, and a supplier's compliance with environmental requirements is taken into account in the review outcome. Generally, where a supplier receives a Grade D rating for three consecutive quarters, we will initiate offboarding procedures. In addition, through annual on-site audits and targeted seminars, we proactively share our environmental management expertise and compliance requirements with suppliers, assisting them in identifying and addressing environmental risk points in their production processes, thereby ensuring that environmental risks associated with outsourced manufacturing activities remain controllable and traceable.

Environmental Indicators and Management

We place high importance on sustainable development. Through a comprehensive management system and strict implementation standards, we rigorously adhere to national laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Environmental Impact Assessment Law of the People's Republic of China. We have established a robust environmental management framework, integrating green operational principles into our daily business practices. Building upon the ISO 14001 Environmental Management System, we standardize waste disposal processes, enhance emergency management, and establish a comprehensive environmental management system, demonstrating our commitment and responsibility toward green transformation.

Waste Management

We have integrated waste management into the core of our environmental governance framework.

Hazardous Waste. We have established internal management documents such as the Hazardous Waste Management System, which clearly defines management requirements for hazardous waste, including its definition, classification, storage, transfer, recycling, and treatment. This ensures our compliance in hazardous waste management.

General Waste. We have established internal management systems including the Control Procedures for Waste Liquids, Waste Gases, Noise, and Solid Waste, the Scrap Recycling Management System, and the Solid Waste Control Procedures. These clarify management requirements for solid waste, helping us ensure that our general waste management meets environmental protection requirements, maximizes the utilization of recyclable resources, and minimizes negative environmental impacts.

Waste Gas. With the goal of ‘zero waste gas pollution incidents’, we have established the Air Pollution Prevention and Control Procedure. This procedure specifies requirements for identifying, controlling, monitoring, and evaluating air pollution sources, managing and controlling air pollution prevention activities generated during the Company's production processes.

Wastewater. To effectively control liquid waste pollution of aquatic environments, we have established internal management systems including the Wastewater Control Procedure and Waste Liquid Control Procedure. These define liquid waste parameters, clarify disposal responsibilities and authorities, and outline specific procedural requirements covering the entire lifecycle management from generation to treatment.

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In terms of waste management, our long-term goal is to implement source reduction in processes, material recycling, and supplier recovery programs to systematically optimize resource utilization, minimize the scale of waste disposal, and steadily advance transition of our operational model toward a circular economy.

From 2023 to 2025, our waste emissions and recycling details are as follows:

Waste Classification	Units	Year ended December 31,		
		2023 ¹	2024	2025
General Waste	tonnes	599.3	700.6	1,494.8
Hazardous Waste	tonnes	0.3	1.2	0.4
General Waste Recycling Volume	tonnes	260.7	279.4	527.3
Electronic Waste Recycling Volume	tonnes	12.0	10.2	34.2

Note: As we have not yet established a comprehensive waste statistics system for 2023, some data may be lower than the actual figures.

Resource Consumption

We strictly adhere to laws and regulations including the Energy Conservation Law of the People’s Republic of China, the Energy management systems — Requirements with guidance for use, and the Water Law of the People’s Republic of China. We have established the Water and Electricity Conservation Management Regulations, committed to enhancing energy utilization efficiency and reducing energy losses. Using 2025 as the base year, our goal is to reduce electricity and water consumption per million in revenue by 3% by 2030. We actively implement multiple energy-saving initiatives and promote energy management actions to ensure efficient energy utilization and rational management:

Energy Consumption Control. Standardizing monthly statistics of water and electricity consumption and conducting inspections of water supply facilities to eliminate leaks and unauthorized electricity use;

Green Office Implementation. Standardizing air conditioning temperatures and lighting usage, promoting energy-saving habits like turning off water taps; Carrying out meeting briefings and daily on-site audits to clarify departmental responsibilities and enforce power-off and water-off requirements after work hours;

Warehouse Logistics Efficiency & Cost Reduction. Implementing data management systems + supply chain collaboration to boost inventory turnover; procuring energy-efficient equipment like electric forklifts and Tier-1 energy-rated air conditioners;

Clean Energy Adoption. Installing rooftop photovoltaic systems and promoting air-source heat pumps in dormitories to build a low-carbon energy framework, reducing reliance on and costs of traditional energy sources. Regarding clean energy, our future goal is to continuously increase the proportion of installed photovoltaic systems and their utilization, thereby raising the overall share of clean energy usage.

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From 2023 to 2025, our resource consumption details are as follows:

Resource Classification	Units	Year ended December 31,		
		2023	2024	2025
Electricity	MWh	6,686.3	9,466.3	12,223.3
Water resources	tonnes	74,428.0	105,899.0	127,950.2
Clean Energy (Photovoltaic Power Generation)	MWh	Not established	526.0	844.7

In 2024, we achieved dual growth in both business scope and scale, while the operational launch of newly established subsidiaries further expanded our business footprint. Correspondingly, increased staffing levels and rising business volumes directly drove a parallel increase in overall resource consumption.

Carbon Management

We continuously explore opportunities for cleaner production, demonstrating leadership and innovation in green transformation. Specific measures include: (i) Using Product packaging complies with domestic and international recycling standards, prioritizing low-toxicity, non-hazardous, low-density, high-strength eco-friendly materials; (ii) adopting soy-based ink certification to reduce chemical pollution in printing processes; (iii) transitioning to plastic-free packaging for chargers, power banks, headphones, and other product categories; and (iv) recycling and reusing pallets, plastic crates, and other consumables at production sites; adopting recyclable cardboard boxes and reusable plastic containers for transportation, eliminating waste from single-use logistics materials. Using 2025 as the base year, our goal is to reduce carbon emissions (Scope 1 and Scope 2) per million in revenue by 5% by 2030. To achieve this goal, we are further increasing our use of renewable energy and implementing a series of energy-saving and emissions-reduction measures. For details, please see “Resource Consumption.” To reduce Scope 3 greenhouse gas emissions, we aim to continue upgrading water-saving fixtures and optimizing water management, building on our comprehensive implementation of electronic document workflows, double-sided printing, and sorted paper recycling. At the same time, we are actively promoting the reuse of event materials to reduce the procurement of single-use items and, by providing reusable tableware in employee cafeterias, reduce plastic pollution at the source. To address Scope 3 emissions generated by business travel, we aim to continuously optimize green travel policies, advocate for low-carbon commuting options such as walking and cycling, and implement comprehensive emission reduction measures.

From 2023 to 2025, our carbon emissions are as follows:

Classification	Units	Year ended December 31,		
		2023	2024	2025
Scope 1	tCO ₂ e	18.7	51.5	41.4
Scope 2	tCO ₂ e	3,547.8	5,624.9	6,485.7
Scope 3	tCO ₂ e	35.0 ¹	205.2	552.7

Note 1: Our Scope 3 emissions include carbon emissions resulting from water consumption, wastewater treatment, and employee travel. Since the statistical system for 2023 was not yet fully developed at the time, data on employee travel for that year may be incomplete.

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Scope 1 carbon emissions primarily stem from fuel consumption by our owned and operated vehicles. In 2024, as our business scale expanded and newly established subsidiaries commenced operations, the introduction of additional vehicles directly drove a year-over-year increase in fuel consumption, consequently elevating total Scope 1 emissions. Scope 2 emissions, centered on purchased electricity consumption, fluctuate in tandem with the growth rate of our overall electricity resource usage.

Social Metrics and Management

We integrate social responsibility deeply into our corporate strategy and operations, regarding it as a cornerstone of sustainable development. We systematically advance practices in key areas such as employee rights protection, green operations, product responsibility, and community engagement, striving to achieve coordinated development among the Company, society, and the environment while creating long-term shared value.

Employee Welfare

We are committed to building a fair and inclusive work environment, viewing the protection of employee rights and the enhancement of the welfare system as fundamental to sustainable business development. In terms of rights protection, we uphold principles of diversity and equality, ensuring fairness and transparency in recruitment, promotion, and other processes, and prohibiting any form of discrimination or harassment. We enforce compliant employment practices, fully implement labor contracts and social insurance systems, and ensure that employees are able to exercise their legal rights and enjoy all lawful benefits.

Regarding the welfare system, we have established a competitive compensation and incentive structure and provide comprehensive support that includes statutory benefits, commercial insurance, living allowances, children’s education support, and diverse cultural activities. We place special emphasis on the rights of female employees, offering robust leave policies, health protection, and flexible work arrangements.

Occupational Health and Safety

We have implemented an occupational health and safety management system in accordance with ISO 45001:2018 to govern all related processes and controls. This framework defines operational procedures, risk governance, and emergency response requirements, and is overseen by a dedicated department responsible for ensuring effective operation and continuous improvement of the system.

Guided by the principle of prioritizing prevention and combining prevention with control, we regularly conduct hazard identification and risk assessments, and organize planned emergency drills to enhance overall readiness. We advance comprehensive health management by performing periodic hazard monitoring, offering tailored health examinations, providing complete protective equipment, and continuously upgrading workplace and production environments. In 2023 and 2024, we recorded four work-related injury incidents in each respective year, while no work-related fatalities occurred during either year. In 2025, we recorded three work-related injury incidents, and no work-related fatalities occurred. None of these incidents constituted material or serious safety accidents. We have implemented timely medical treatment, work injury reporting and on-site rectification measures, supported by established safety management policies and procedures. To reinforce safety awareness, we foster an organizational safety culture through a range of initiatives, including onboarding and specialized training and psychological health support, engaging all employees in participatory safety practices.

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Employee Development and Training

We have established a comprehensive training system covering the full employee lifecycle, with new hires receiving structured orientation and job training from the outset. Using an internal learning platform, we provide multi-dimensional courses in foundational competencies, professional skills, and leadership to support continuous employee growth.

We implement fair and transparent performance evaluations in accordance with the Performance Management System, and apply results to employee incentives and development. We also maintain diverse and accessible communication and grievance channels, conduct regular organizational climate surveys, and continuously optimize management mechanisms and employee experience.

Sustainable Supply Chain

By systematically integrating ESG standards into the full lifecycle of supplier selection, evaluation, and engagement, we aim to manage supply chain risks, improve overall efficiency, and promote coordinated and robust development across the value chain.

Supplier Management. We have instituted a structured supplier lifecycle management system governed by formal procedures. Throughout the partnership, we perform biannual comprehensive assessments of supplier quality, delivery performance, service, and ESG performance, and apply graded dynamic management. This framework incentivises high performance, supports improvement where needed, and triggers delisting for suppliers with significant compliance or quality issues, thereby driving continuous supply chain optimisation.

Responsible Procurement, Supplier Development and Engagement. To ensure transparency and fairness in procurement, all suppliers must sign an Anti-Commercial Bribery Agreement that clearly forbids any form of bribery. We actively promote local procurement to support community economic development and continuously empower our suppliers through on-site audits, targeted training workshops, and regular communication forums to help them elevate quality management and compliance capabilities.

Product Responsibility

We consistently place product quality and consumer safety at the forefront, and through a robust quality management system and rigorous end-to-end controls, we are committed to delivering safe and reliable products. We have established and maintain a quality management system aligned with ISO 9001:2015, covering product design, supply chain, manufacturing, and after-sales service to enable systematic quality risk control and full-process traceability.

Intellectual Property Protection

We strictly adhere to relevant national laws and regulations and have formulated a series of internal documents, including the Intellectual Property Management System, with an independent intellectual property department responsible for managing IP throughout its lifecycle. We have implemented an embedded risk prevention mechanism within business processes, conducting comprehensive searches and reviews before product initiation and maintaining ongoing monitoring to actively address infringement and protect our legal rights. To foster an innovative environment, we regularly conduct specialised training to enhance overall IP awareness and risk prevention capabilities among all employees.

Community and Public Welfare

We actively empower society by integrating philanthropy and public welfare into our corporate culture. We participate in local safety and social welfare initiatives, conduct outreach

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activities, and foster police-community interaction. Simultaneously, we care for vulnerable groups, collaborating with employees to support impoverished orphans in Fogang, Qingyuan. We engage in multiple charitable endeavors such as the “Delivering New Year Goods to Rural Areas” initiative to aid Daliang Mountains and the “Tmall Charity Baby” program, demonstrating corporate responsibility. Moving forward, we will continue to uphold our corporate social responsibility and remain committed to advancing public welfare initiatives.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, neither the Company nor any of our PRC subsidiaries had been subject to any penalties arising from non-compliance with ESG-related laws and regulations in the PRC, and each of them had been in compliance with the applicable ESG-related laws and regulations in the PRC in all material respects.

OUR PROPERTIES

As of the Latest Practicable Date, one of our recently acquired subsidiary, Zhongzhi, entered into a state-owned construction land use rights grant contract with the Longhua Administration of the Shenzhen Municipal Bureau of Planning and Natural Resources (深圳市規劃和自然資源局龍華管理局). The Land has a total construction land area of 28,529.8 square meters and a planned gross floor area of 146,450.0 square meters, and is expected to be used for the construction of our own office premises and operational facilities. For further details of Zhongzhi and the Land, please see “History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers.” Save from the aforesaid land use rights grant contract, we did not hold any land use rights or own any real properties, and all of our production and business operations were conducted on leased properties.

As of June 30, 2026, we leased a total of 46 properties within the PRC, primarily for office use, warehouses, factories, and staff dormitories, with a combined floor area of approximately 192,015 sq.m.

Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. As of the Latest Practicable Date, 23 lease agreements had not been registered with relevant authorities, with an aggregate gross floor area of approximately 41,735 sq.m., primarily due to practical reasons beyond our control, including the current absence of applicable local filing procedures for certain factory premises and failure of certain lessors to provide valid ownership certificates for the leased properties.

As advised by our PRC Legal Advisor, the non-registration of lease agreements will not affect the validity of the lease agreements, but the relevant local housing administrative authorities can require us to complete registrations within a specified timeframe and we may be subject to a fine of between RMB1,000 and RMB10,000 for any delay in making registration for each of these lease agreements. As of the Latest Practicable Date, the aggregate amount of maximum fine was approximately RMB0.2 million. During the Track Record Period and up to the Latest Practicable Date, in relation to these 23 leased properties, we have not been required by the relevant local housing administrative authorities to complete the registrations, nor been penalized or fined by the relevant authorities. Our Directors, as advised by our PRC Legal Advisor, are of the view that the failure to register the aforementioned lease agreements would not have any material adverse impact on our business, financial condition or results of operations.

To strengthen our internal control in this regard, we have implemented measures including: (i) assigning dedicated staff to supervise the registration of lease agreements; (ii) enhancing communication with lessors to promote cooperation in completing registration procedures, and (iii) maintaining communication with the competent authorities and consulting our PRC Legal Advisor from time to time to confirm the latest implementation status of, and obtain guidance on, the applicable laws, regulations and regulatory policies.

We had no single property with a carrying amount of 15% or more of our total assets as of the Latest Practicable Date and, therefore, we did not need to prepare a valuation report with respect to our property interests in reliance upon the exemption provided by section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

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LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any material legal, arbitral or administrative proceedings, and we were not aware of any material pending or threatened legal, arbitral or administrative proceedings against our Group or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

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

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks in the operations of our business and we believe that risk management is important to our success. We established and maintain a robust risk management and internal control system. We have adopted and been continuously improving our internal control mechanisms to ensure the compliance of our business operations.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial reporting management policies, budget management policies, treasury management policies, financial statements preparation policies and finance department and staff management policies. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Operational Risk Management

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures or external events. We have established a series of internal procedures to manage such risk. Our risk management framework ensures the effective discharge of risk management responsibilities across departments and committees through clear segregation of duties and checks and balances, while safeguarding the independence of risk oversight functions. In particular, as a technology company, we have established strict policies on information security. See “— Data privacy and Cybersecurity.” Our information technology, human resources, finance and operations departments are collectively responsible to ensure the compliance of our operations with internal procedures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

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Compliance Risk Management

Compliance risk refers to the risk of being subject to legal and regulatory sanctions, and the risk of major financial and reputational losses as a result of our failure to comply with relevant laws, regulations, rules and guidelines. Compliance management refers to the dynamic managing processes of our effective identification and management of compliance risks and proactively preventing the occurrence of risk events. Compliance risk management is the core of our risk management activities, the foundation for effective internal controls and an important aspect of our corporate culture. We have established a sound compliance risk management framework as part of our comprehensive risk management system, to achieve effective identification and management of compliance risk and ensure that our operations are in compliance with applicable laws and regulations.

Information Security and Data Privacy Risk Management

See “— Data privacy and Cybersecurity.”

Anti-corruption Risk Management

Anti-corruption risk refers to the risk of use of cheating, bribery or other illegal measures for (i) the pursuit of improper personal benefits at the expense of our economic interests and (ii) the pursuit of improper interests of us. We have established our anti-corruption risk management policies prohibiting any corruption activities by the employees, either for the pursuit of improper personal benefits or improper interests of us. In addition, we have maintained a whistleblower mechanism encouraging the internal report of suspicious activities. We conduct routine internal trainings and require all suppliers to execute anti-corruption commitments before engagement.

Audit Committee

We have established an audit committee to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. We also maintain an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee and senior management on any issues identified. Our internal audit department members hold regular meetings with management to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues. The internal audit department reports to the audit committee to ensure that any major issues identified are channeled to the committee on a timely basis. The audit committee then discusses the issues and reports to the board of Directors, if necessary.

AWARDS AND RECOGNITION

We received a number of awards and recognitions in connection with our business and set forth below are some of the material awards and recognitions we had received as of the Latest Practicable Date:

<u>Award/Recognition</u>	<u>Award Date</u>	<u>Awarding Institution/Authority</u>
Shenzhen Intellectual Property Leading Enterprise (2025)	2026	Shenzhen Administration for Market Regulation
Shenzhen Top Brand	2025	Shenzhen Top Brand Committee
Shenzhen Headquarters Enterprise Title	2025	Development and Reform Commission of Shenzhen Municipality
China Manufacturing Consumer Trusted Brand – 2025	2025	China Industry News

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<u>Award/Recognition</u>	<u>Award Date</u>	<u>Awarding Institution/Authority</u>
German iF Design Award	2026, 2025, 2024	iF Design Foundation
Decade-Long Growth Brand . .	2025	Amazon
Red Dot Design Award	2025, 2024, 2023	Red Dot Award, Design Zentrum Nordrhein Westfalen
Annual Industry Innovation Leadership Award	2024	SYCJ (數央網), SYGONGYI (數央公益)
Best of IFA 2024 Awards	2024	IFA
Top 20 Emerging Chinese Global Brands	2024	People’s Daily Overseas Edition
Guangdong Key Trademark Protection List	2026, 2023	Guangdong Trademark Association