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An [REDACTED] in our Shares involves significant risks. You should carefully consider all of the information set out in this document, including the risks and uncertainties described below, before making an [REDACTED] in our Shares. Particularly, we are a Specialist Technology Company seeking to [REDACTED] on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. Our operations and the Specialist Technology Industry in which we operate involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your [REDACTED] in our Shares.

The following is a description of what we consider to be our material risks. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The [REDACTED] of our Shares could decline due to any of these risks, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements.”

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We operate in a fast-changing and competitive market subject to an evolving landscape. Failing to maintain competitiveness could materially harm our business.

We operate in a highly competitive and rapidly evolving intelligent robotics market, and failure to maintain our competitiveness could materially and adversely affect our business. The markets for intelligent mobile robotics and embodied intelligence robotics are rapidly expanding, supported by breakthroughs in artificial intelligence, increasing maturity of hardware and software ecosystems, rising global demand for automation amid labor constraints and cost pressures, and favorable government policies promoting smart manufacturing and robotics adoption. As these drivers accelerate industry development and shape customer expectations, users increasingly require higher levels of autonomy, reliability, environmental adaptability and system-level integration from intelligent robotic solutions, intensifying competition across the market. According to CIC, the top ten players in the global intelligent mobile robotics market accounted for only approximately 12.0% of the total market share by revenue in 2025. By revenue in 2025, we ranked tenth globally with an estimated market share of approximately 1.0%. The number of industry participants may continue to increase in the future, which could intensify competitive pressures, and we cannot assure you that our market position will remain the same. See “Industry Overview – Competitive Landscape” for more details.

Customer expectations in our industry continue to rise, particularly with respect to navigation accuracy, system reliability, environmental adaptability, interoperability with existing digital systems, and the ability to support deployment across complex indoor, outdoor and hybrid scenarios. Competitors may introduce new solutions or upgrade their technologies at a pace faster than we anticipate, and we may be required to devote significant resources to maintaining our technological advantages, product performance, cost efficiency and full-scenario deployment capabilities. In line with industry practice, both our products and those of our peers typically follow a lifecycle of approximately five years. Failure to keep pace with technological advancements could accelerate product obsolescence and expose us to heightened risks in maintaining competitiveness. If our technologies, platforms or solutions fail to meet evolving customer needs, industry standards or regulatory and safety requirements, or if competing products achieve better performance, lower cost or faster deployment, our market position and customer demand may decline.

Intensifying competition may also result in pricing pressure, reduced margins, higher customer acquisition costs and increased investment in research and development, talent recruitment and scenario-specific engineering. If we fail to respond effectively to competitive dynamics or technological shifts, our business, financial condition and results of operations could be materially and adversely affected.

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We cannot ensure that there will be sufficient future market adoption of our industrial intelligent robotic solutions, nor can we ensure that industry developments as well as market acceptance of industrial intelligent robotic solutions will develop in our favor.

The global intelligent robotics market has expanded rapidly in recent years, supported by rising automation demand and ongoing technological advances. According to the same source, in terms of sales revenue, the size of the global intelligent robotics market increased from RMB20.6 billion in 2021 to RMB68.3 billion in 2025, representing a CAGR of 35.0% from 2021 to 2025, and is projected to reach RMB530.4 billion by 2030, representing a CAGR of 51.9% from 2026 to 2030. The global intelligent mobile robotics market expanded from RMB14.8 billion in 2021 to RMB48.6 billion in 2025, representing a CAGR of 34.6% from 2021 to 2025. The global embodied intelligence robotics market expanded from RMB1.3 billion in 2021 to RMB9.9 billion in 2025, and is expected to increase to RMB326.2 billion in 2030, representing a CAGR of 94.5% from 2026 to 2030. As more companies acknowledge the value of intelligent robots in enhancing efficiency, reducing costs, and improving service quality, there is a growing willingness to invest in these technologies. However, there is considerable uncertainty over future market sizes and the rate at which these markets will grow. Our growth is dependent on the trend toward such robots as key component of the warehouse automation industry. Therefore, our growth is highly dependent upon the worldwide adoption by end customers of intelligent robots in warehouse fulfillment and industrial material transport. Businesses and end customers have demonstrated increasing demand to reduce labor costs, minimize errors, and improve overall efficiency, leading to growing interest in intelligent robots. However, this interest in our industry depends largely on general economic development, particularly in advanced industrialized economies.

We have observed growing interest in intelligent mobile robots and embodied intelligence robots across various industries, driven by advancements and the increasing emphasis on automation to enhance operational efficiency. Should there be a deceleration in the market interest in the intelligent robots solutions, or if organizations delay the adoption of solutions, the growth of our business may be constrained, potentially impacting our financial performance. In addition, if regulatory frameworks governing intelligent robots become overly stringent, creating barriers to entry or operational hurdles, adoption of intelligent robots may decline. This could negatively affect demand for our intelligent robots, as customers may be reluctant to invest in robotics technologies under such conditions. Broader economic or industry trends, including shifts in automation adoption or downturns in the global intelligent robots industry, could materially and adversely impact our business, results of operations and financial condition.

If we fail to acquire new customers or retain existing customers, our business, financial conditions and results of operations may be adversely affected.

Our ability to acquire new customers in a cost-effective manner and retain existing customers is critical to the growth of our business and our profitability. There is no guarantee that we will maintain good relationship with customers or new customers will stick with us or that the net profits from new customers will outweigh the expense of acquiring them.

During the Track Record Period, our revenue was primarily generated from our robotic solutions, and to a lesser extent, from the sales of robotic products and other related products. Our results of operations are highly dependent on the development and performance of the underlying industries in which our customers operate. In addition, the scale and stability of our existing customer base may materially decline or fluctuate due to various factors. If we fail to retain existing customers or to acquire new customers in a cost-effective manner, our business, financial condition and results of operations could be materially and adversely affected.

We had 194, 187, 231 and 136 customers in 2023, 2024, 2025, and the six months ended June 30, 2026, respectively. The increase in the number of our customers was primarily due to our active business expansion and increased market penetration. In 2023, 2024, and 2025 and for the six months ended June 30, 2026, revenue generated from our top five largest customers accounted for 21.6%, 44.0%, 55.7% and 55.2% of our total revenues for the same periods, respectively. In the same periods, revenue generated from our largest customer accounted for 4.8%, 16.5%, 26.7% and 16.4% of our total revenues, respectively. We cannot assure that

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customers who have contributed significant revenues in prior periods, whether individually or collectively, will continue to generate comparable revenues in future periods. We may lose one or more of our key customers due to various factors, including, among others, intensified competition, material changes in such customers’ operations, or any deterioration in our relationships with them. Any loss or reduction in revenues from key customers, any reduction, delay or cancellation of orders, or a decision by one or more significant customers to adopt solutions offered by competitors, could materially and adversely affect our business, results of operations, financial condition and prospects. In addition, if our key customers fail to pay their current or future outstanding balances, our operating expenses would increase and our cash flow would be reduced.

We have incurred net loss during the Track Record Period, and may not be able to achieve or subsequently maintain profitability in the future.

In 2023, 2024, and 2025, and the six months ended June 30, 2025 and 2026, our net loss was RMB113.8 million, RMB117.9 million, RMB99.7 million, RMB38.4 million and RMB63.7 million, respectively. We may continue to incur net loss in the future, as we are in the stage of expanding our business and operations in the rapidly growing intelligent mobile robotics market and are continuously investing in research and development. We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective commercialization strategies, compete effectively and successfully develop new products and services. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. We also expect our costs and expenses to increase in future periods as we continue to expand our business and operations and invest in research and development. In addition, we expect to incur substantial costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve or subsequently maintain profitability.

We recorded net operating cash outflows during the Track Record Period, and we can not assure you that we will have net cash inflow from operating activities in the future.

We recorded net cash used in operating activities of RMB77.0 million, RMB94.5 million, RMB65.3 million, RMB46.6 million and RMB32.6 million in 2023, 2024, and 2025 and the six months ended June 30, 2025 and 2026, respectively. See “Financial Information – Liquidity and Capital Resources – Cash Flows” for details. We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing, or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all.

If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. Thus, our business, results of operations and financial condition may be adversely affected.

We incurred net liabilities and net current liabilities in the past.

We recorded net current liabilities of RMB387.4 million, RMB510.2 million, RMB627.7 million, and RMB692.8 million, respectively, as of December 31, 2023, 2024 and 2025 and June 30, 2026, and net liabilities of RMB373.6 million, RMB472.2 million, RMB558.3 million, and RMB620.3 million, respectively, as of the same dates. This was primarily due to an increase in current liabilities, including redemption financial liabilities and interest-bearing borrowings. Our net current liabilities position reflects significant short-term obligations, which may constrain our working capital available for operations. A net liabilities position and net current liabilities position can expose us to liquidity and financial risks. If we incur substantial net liabilities and net current liabilities again in the future, we might need to seek financing from external sources such as debt issuance and bank borrowings, which may not be available on terms favorable or commercially reasonable to us, or at all, and it could materially and negatively impact our business, results of operations and financial condition.

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We currently generate a significant share of our revenue from our key customers.

Revenue generated from our five largest customers for each year/period during the Track Record Period accounted for 21.6%, 44.0%, 55.7%, and 55.2%, respectively, of our total revenue during those respective periods. See “Business – Our Customers” for details. There exists a risk that any loss of sales from our current customers could adversely affect our revenue. In the future, these customers may decide to purchase fewer solutions than they did in the past, not to incorporate our solutions into their business, delay their purchases of our solutions, purchase solutions from our competitors, or to alter their purchasing patterns in some other way, particularly because: (i) our customers may cancel, change or delay solutions purchase with us; (ii) our customers cannot guarantee their volume of purchase; (iii) although the business of our solutions and products bears high barriers to entry, some of our customers may develop their own solutions; (iv) our customers may purchase solutions from our competitors, particularly if there are delays or shortages in our supply chain or of our solutions; and (v) our customers may discontinue sales or lose market share in the markets for which they purchase our solutions.

The occurrence of any of the foregoing factors may adversely affect our business, results of operations, and financial condition. Many of our customers are large, multinational corporations with substantial negotiating power relative to us. These large and multinational corporations also have significant development resources, which may allow them to acquire or develop independently, or in partnership with others, competitive technologies. Meeting the technical requirements of any of these companies and being selected by them for supplying solutions and products will require a substantial investment of our time and resources. We cannot assure you that our solutions and products will be selected by these or other companies or that we will generate meaningful revenue from the sales of our solutions and products to these key potential customers.

If our solutions are not selected by these large corporations or if these corporations develop or acquire competitive technology, our business, financial condition and results of operations could be adversely affected. Our business could also be adversely affected if our customers are not able to settle accounts regularly or make payments on schedule. Any loss or fluctuation in their business may adversely affect our results of operations and financial condition.

We may be exposed to liquidity risk due to a mismatch in our cash flow cycle and a long cash conversion cycle.

During the Track Record Period, we experienced fluctuations in turnover days of inventories, which are 989 days, 964 days, 487 days, and 317 days in 2023, 2024, 2025, and the six months ended June 30, 2026, respectively. In addition, our trade receivables turnover days were 118 days, 108 days, 81 days, and 106 days in 2023, 2024, and 2025, and the six months ended June 30, 2026, respectively. However, our trade payables turnover days were 220 days, 223 days, 166 days, and 170 days in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. The cash conversion cycle, which measures how efficiently we manage our working capital by tracking the number of days it takes to convert our investments in inventory and other resources into cash flows from sales, is calculated based on the sum of average inventory turnover days and average trade receivables turnover days, less average trade payables turnover days. Accordingly, our cash conversion cycle was 887 days, 849 days, 402 days, and 253 days for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively.

The relatively long cash conversion cycle was primarily attributable to the nature of our robotic solution projects, which often involve extended order lead times and project-specific acceptance cycles. According to CIC, a relatively long cash conversion cycle, up to 12 months and even more, is customary and prevalent in the robotic solutions industry due to lengthy deployment, installation, and acceptance processes. As of June 30, 2026, a significant portion of our revenue from robotic solutions was derived from projects with an acceptance cycle exceeding 12 months, leading to a substantial accumulation of contract fulfillment costs in our inventory. Furthermore, our contract value as of the end of the period remained at a high level throughout the Track Record Period, increasing from RMB267.9 million as of December 31, 2023 to RMB493.7 million as of December 31, 2025, and further to RMB504.5 million as of

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June 30, 2026. While the steady growth in our project backlog demonstrates the sustainability of our business and future revenue potential, the conversion of such backlog into revenue and cash flow depends on the successful implementation and final acceptance by customers, which may span across multiple accounting periods.

The mismatch between our cash inflows and outflows could adversely impact on our liquidity and financial stability, resulting in the need to seek additional financing or use of working capital to cover operational expenses, potentially leading to increased financial costs or strain on our resources. Although we have made efforts to improve the collection of trade receivables and the turnover days by collecting and discussing repayment schedules with our customers, these efforts may not be successful. If our inventory turnover days and our trade receivables turnover days continue to increase or remain relatively high, it may lead to a longer cash conversion cycle, which could further add pressure to our cash flow and working capital. Our financial position, business and results of operations might be adversely and materially impacted.

We cannot guarantee that our business development strategies will be successfully managed or achieved as we expected.

We are implementing a range of strategies to drive the expansion of our business, including expanding our product offerings and venturing into new categories. However, we may face risks and challenges in executing these strategies, some of which may prove unsuccessful or take longer than expected to achieve market acceptance. We may not be able to maintain or increase our revenues or recover any associated costs, and our business, results of operations and financial condition may be materially and adversely affected if our efforts fail to enhance our monetization abilities.

Expanding our product offerings may expose us to new operational and market challenges.

We are committed to continuously expand our product range to address changing customer needs and preferences. This includes expanding our existing offerings as well as venturing into new categories to further diversify our product range. However, such efforts may come with substantial risks and challenges. For instance, by expanding our product offerings to include a broader range of robotic solutions and products, we may inadvertently increase the complexity in inventory management and exert additional pressure on our procurement practice, requiring significant resources to predict and meet customer demand. Furthermore, a broader product range could result in higher return rates and increased consumer complaints, particularly if these new products do not meet the standards our customers have come to expect. Such issues, if not managed effectively, could lead to costly product liability claims and cause damage to our reputation and financial performance, undermining the customer-centric approach in our operation and expansion endeavors.

Introducing new product categories brings additional challenges. We may fail to match changing customer preferences or misjudge demand, which could lead to excess inventory and expensive write-downs. To capture market share in these new categories, we might adopt aggressive pricing strategies, which, while effective in attracting customers, could negatively impact profitability. We could also face sourcing and production delays that slow down product launches and deliveries. Moreover, each new product may have its own regulatory requirements in different markets, which can be complex and costly to manage. If we do not effectively address these risks, our business, operating results, and financial condition could be materially and negatively affected.

We may fail to continue to research and develop or effectively respond to the evolving technology and market dynamics of the intelligent robotic solutions industry if we fail to innovate or introduce new products on a timely basis.

Our future growth depends on penetrating new markets, adapting existing solutions to new applications and customer requirements, and introducing new solutions that achieve market acceptance. We have been and intend to continue investing heavily in, and potentially increasing, R&D as part of our efforts to design, develop, manufacture and commercialize intelligent mobile robots and embodied intelligence robotics products and enhance existing robotic solutions. Our

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R&D expenses were RMB36.2 million, RMB44.5 million, RMB50.6 million, RMB22.0 million and RMB29.0 million in 2023, 2024, and 2025, and the six months ended June 30, 2025 and 2026, respectively.

If our R&D efforts fail to keep pace with the latest technological developments, our established position in the global intelligent robotics market could be undermined, which may materially and adversely affect our business, financial condition, results of operations and prospects, and lead to a decline in our competitive position. Delays or setbacks in enhancing our intelligent robotics capabilities could also materially and adversely impact our business, reputation, results of operations and prospects. Furthermore, if we are unable to adapt to technological advancements, or if new technologies render our existing technologies, solutions or services obsolete, customers may lose interest in our offerings, which could materially and adversely affect our business and financial performance.

We have been and intend to continue investing heavily in our R&D and such investments may not successfully translate into profitability and operating cash inflow.

We have been investing substantially in our R&D efforts to drive innovation and sustain our competitive edge in the rapidly-evolving intelligent mobile robotics and embodied intelligence robotics industry. In 2023, 2024, and 2025, and the six months ended June 30, 2025 and 2026, our R&D expenses amounted to RMB36.2 million, RMB44.5 million, RMB50.6 million, RMB22.0 million and RMB29.0 million, respectively.

The intelligent mobile robotics and embodied intelligence robotics industry is experiencing rapid technological changes, and we need to invest significant resources in R&D to advance our technologies such as AI technologies to remain competitive in the market. However, R&D activities are inherently uncertain, and we cannot assure you that we will continue to achieve technological breakthroughs or successfully commercialize such breakthroughs. As a result, our substantial investment in R&D may not yield commensurate benefits.

Given the accelerated pace of technological evolution within the intelligent mobile robotics and embodied intelligence robotics industry, there is no guarantee that we can develop or enhance our core technologies in a timely or cost-efficient manner. Should we fail to anticipate market shifts or if emerging technologies render our current solutions obsolete or less attractive, our competitive position could be significantly compromised. Such developments would not only limit our ability to recover substantial R&D expenditures but also directly impede our revenue growth and margin expansion. Consequently, any failure to align our R&D outcomes with market demands could lead to a sustained decline in our profitability and a shortfall in operating cash inflows, materially affecting our long-term financial sustainability.

If our products contain defects and do not meet our customers’ expectations, our business, results of operations and reputation would be materially and adversely affected.

The development and manufacturing of intelligent mobile robotic and embodied intelligence robotic products, particularly those involving complex control systems, navigation models and embedded software, may present technical challenges. Certain defects or errors may only become apparent after delivery and real-world use. Defects in our products could compromise safety, disrupt critical operations or cause unintended consequences for customers who rely on our products for key automation tasks within their production lines. These issues may require costly recalls, repairs or replacements, delay customer adoption or trigger warranty claims. In more severe cases, we may face product liability lawsuits or contractual claims seeking compensation for operational disruptions or losses suffered by customers.

Product defects, whether actual or perceived, could significantly damage our brand image and erode customer trust, particularly as we scale across diverse markets and industries. Even isolated incidents may attract heightened scrutiny or negative publicity, especially in sectors where safety, reliability and stability are paramount. If we fail to detect and address such issues promptly, or if our remedies do not meet customer expectations, we may suffer reputational harm, reduced customer retention and diminished competitive positioning, which could materially and adversely affect our business, financial condition, results of operations and growth prospects.

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If we fail to effectively maintain and optimize our sales network, our brand, results of operations and financial condition could be adversely affected.

In 2023, 2024, and 2025, and the six months ended June 30, 2025 and 2026, our selling and distribution expenses amounted to RMB46.2 million, RMB49.5 million, RMB59.9 million, RMB25.4 million and RMB25.1 million, accounting for 61.7%, 43.1%, 22.6%, 18.8% and 14.8% of our revenue in 2023, 2024, and 2025, and the six months ended June 30, 2025 and 2026, respectively. Our success depends on our ability to effectively maintain and optimize our sales network to establish and deepen our presence across China and overseas markets, which is subject to a number of factors, certain of which are beyond our control. If we fail to maintain stable relationships with our existing customers, have disputes with them, or fail to establish partnerships with new customers on favorable terms, we may not be able to maintain our market position across a number of regions and sectors. If we fail to successfully implement our development and growth plan and provide adequate resource and operational support to our sales network, our profitability and prospects may be materially and adversely affected.

Any failure to provide high-quality maintenance and support services for our customers may damage our relationships with them and, consequently, our business.

As we expand our operations and customer base, we must continue to deliver efficient support and effective maintenance services that meet customer needs at scale. We may not be able to recruit or retain sufficient qualified support personnel with experience in servicing our intelligent mobile robotic and embodied intelligence robotic products and solutions. As a result, we may be unable to respond promptly to short-term increases in customer demand for technical support or maintenance assistance. We may also fail to adjust the scope or delivery of our maintenance and support services to remain competitive with evolving service offerings from our competitors.

If customer demand for support and maintenance increases, we may incur higher costs that could adversely affect our operating results. In particular, expansion into countries or regions with stricter consumer protection regulations and market practices may significantly increase the cost of providing maintenance and support services. If we are unable to provide efficient customer maintenance and support, our business could be harmed. Our ability to attract new customers depends heavily on our reputation and positive recommendations from existing customers. Any failure to maintain high-quality maintenance and support services could damage our brand, reduce customer demand, and adversely affect our business and financial condition.

Our profitability is subject to pricing pressures which could be negatively affected by changes in the market for our solutions.

As the intelligent mobile robotics and embodied intelligence robotics industry evolves, we face increasing pricing pressures driven by intensified competition, greater product standardization and rising customer expectations. Certain of our customers, including integrators and end users, have substantial bargaining power due to their size, procurement scale and access to alternative suppliers. These customers may demand more favorable commercial terms, such as price concessions, volume discounts, and flexible payment or delivery arrangements.

Our historical pricing models are still evolving and may not remain effective as we expand into new verticals, geographic markets or customer segments. Competitive dynamics, including aggressive pricing strategies by established players or new entrants, may force us to reduce prices and profitability. Our ability to command premium pricing may also be constrained if customers perceive limited differentiation in our offerings or if we fail to demonstrate a clear return on investment. In response to customer demand or market shifts, we may need to adjust pricing strategies, extend credit periods, or provide value-added services at little or no additional cost. While such measures may help maintain customer relationships, they could adversely affect our business, financial condition and results of operations, and compromise our ability to achieve sustainable profitability.

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We may not be able to sustain our historical growth rates, and our historical growth may not be indicative of our future growth or financial results.

Our revenue increased from RMB75.0 million in 2023 to RMB114.8 million in 2024, further to RMB265.5 million in 2025, and from RMB135.0 million in the six months ended June 30, 2025 to RMB169.2 million in the six months ended June 30, 2026. However, historical growth may not be indicative and there is no assurance that we will be able to maintain our growth rates in future periods. Our growth rates depend on, among other things, the overall economic growth in China and globally, technology development of the intelligent mobile robotics industry, awareness of enterprises to deploy intelligent mobile robotics and AI-driven applications, our investment in technology development, our ability to retain and attract new customers and end-users of our products and services, and our ability to manage costs and enhance operational efficiency. There is no assurance that we will be able to effectively implement our business strategies and maintain our business growth. Furthermore, we have not always achieved the growth rate in line with the different sectors of the intelligent mobile robotics industry which we had business operations in during the Track Record Period. If the market does not develop as we expect or if we fail to address the dynamic market needs, our results of operations and financial performance would be materially and adversely impacted.

Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter, and our historical growth may not be indicative of our future performance.

We commenced operations in 2016. Given our limited operating history, our ability to accurately forecast future results of operations is subject to numerous uncertainties, including our capacity to plan for and model future growth. Although our business has expanded substantially in recent years and we anticipate continued growth in our business, revenues and talent pool, our historical results may not provide a meaningful basis for evaluating our business, financial condition, results of operations or prospects. We may also encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors, and may not be able to achieve favorable results in future periods. We cannot assure you that we will be able to replicate past performance or sustain growth at historical rates. In future periods, our revenue growth may slow or even decline due to a variety of factors, including reduced demand for our solutions and technologies, intensified competition, material changes in technology, a declining growth rate of our total addressable market, or our inability to continue capitalizing on growth opportunities. If our assumptions regarding risks and future revenue growth prove incorrect, or if we fail to respond effectively to uncertainties and challenges, our operating and financial results could deviate from our forecasts, and our business, financial condition and results of operations could be materially and adversely affected.

If we are unable to manage our inventory risks efficiently, accurately forecast customer demand or if the proportions and amounts of our provision for inventories further increase, our financial and results of operations may be adversely affected.

We had inventories of RMB179.2 million, RMB256.7 million, RMB209.6 million, and RMB174.6 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. In 2023, 2024, 2025, and the six months ended June 30, 2026, our impairment of inventories amounted to RMB9.4 million, RMB14.7 million, RMB16.9 million, and RMB12.5 million, respectively. In 2023, 2024, 2025, and the six months ended June 30, 2026, our inventory turnover days were 989 days, 964 days, 487 days and 317 days, respectively. See “Financial Information – Discussion of Certain Key Items on Consolidated Statements of Financial Position – Assets – Inventories” for details. Our inventory turnover days decreased from 964 days in 2024 to 487 days in 2025, and further to 317 days in the six months ended June 30, 2026, primarily due to the decrease in our inventories resulting from a number of projects reached acceptance milestones during the period. Our inventory turnover days are relatively long primarily because a significant portion of our inventories consists of contract fulfillment costs, which mainly represent costs incurred for projects with relatively long delivery and acceptance cycles robotic solution projects that are under implementation but have not yet reached customer acceptance. These projects typically have longer implementation and acceptance cycles, and

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inventory can only be recognized as cost of sales upon completion of acceptance in accordance with the relevant contractual arrangements. In addition, several major projects span across multiple accounting periods, resulting in the accumulation of contract fulfillment costs at period end and consequently extending inventory turnover days.

In addition, long inventory turnover days may subject us to potential operational and financial risks. Such extended cycles may increase the possibility of inventory obsolescence, as technologies or specific project requirements in the intelligent mobile robotics and embodied intelligence robotics industry could evolve or change before we reach the final acceptance stage. Furthermore, a relatively long turnover cycle may impact our liquidity position, as a significant portion of our working capital is tied up in inventories during the implementation and delivery process. If we are unable to maintain an adequate level of liquidity or further optimize our project acceptance timeline, our operating cash flow and overall financial flexibility could be affected.

We cannot assure you that our inventories will not be damaged or impaired, as our storage may encounter unforeseeable events. Failure to manage our inventories effectively may adversely affect our financial condition and results of operations. In addition, our inventories are subject to impairment if their net realizable value falls before we sell them. With the development of the intelligent mobile robotics and embodied intelligence robotics industry and according to our business scale expansion, aging of inventory balance, adjustment of subsidy policy and upgrading and iteration of our products, the amount and proportion of our provision of the inventories may further increase, which, combined with the potential liquidity and obsolescence risks associated with our inventory turnover cycles, may have an adverse impact on our financial condition and results of operations.

We are subject to credit risk of our customers which may adversely affect our financial position, profitability, and cash flow.

We are exposed to credit risk from our customers, which may adversely affect our financial position, profitability, and cash flow. Our ability to maintain profitability and healthy cash flow depends on receiving timely payments from customers. Any delay or default in payment could negatively impact our profitability, working capital, and cash flow. There is no assurance that we will be able to collect all or any portion of our trade and notes receivable on time, or at all.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, our trade receivables were RMB19.8 million, RMB31.1 million, RMB64.8 million and RMB105.9 million, respectively. For the years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2026, our average trade receivables turnover days were 118 days, 108 days, 81 days and 106 days, respectively. If any of our customers experiences unexpected circumstances, such as financial difficulties or a deterioration in creditworthiness, we may face challenges in recovering full or partial payments. Enforcing judgment debts against such customers could also be difficult. These unforeseen events may cause our estimates of credit loss allowances to be inaccurate, potentially resulting in losses greater than currently anticipated.

Our business depends on the continuing efforts of our management team and our ability to attract, train, and retain competent talent, especially talent on research and development. Any loss of these personnels could adversely impact our business and financial condition.

Our business relies on the continued efforts of our management team to oversee and execute business plans and identify and pursue new opportunities and product innovations. The expertise, industry experience and relationships of our senior leadership and management team are difficult to replace, and any departure could cause knowledge gaps and disrupt customer or partner relationships. Any loss of service from key management could significantly delay or prevent us from achieving strategic objectives, and adversely affect our business, financial condition and operating results. From time to time, there may be changes in our management team, resulting from the hiring or departure of executives, which could also disrupt our business. We cannot predict whether significant resignations will occur, and the departure of one or more key individuals could materially impact our operations. Recruiting suitable replacements and integrating them into our teams also require a significant amount of time, training and resources, and may impact our corporate culture. Although we typically require our senior management and

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other key personnel to enter into non-compete and confidentiality agreements, they may join competitors or establish competing businesses after the non-compete period lapses, which could further adversely affect our business.

Additionally, our future success also depends on our ability to attract, recruit and train qualified employees and retain key personnel. In particular, we rely on our top in-house R&D team to develop core technologies, solutions, and on experienced sales and marketing personnel to maintain relationships with our customers. In order to compete for talents, we may need to offer higher compensation, enhanced training and more attractive career opportunities, employees share incentive schemes and other benefits to our employees, which may be costly and time-consuming. Share incentive schemes are an important part of our compensation and retention strategy, and if they cease to be competitive, our ability to retain talent may be weakened. We cannot assure you that we will be able to attract or retain a qualified workforce necessary to support our growth.

Furthermore, disputes with employees or labor-related regulatory or legal proceedings could divert management and financial resources, negatively impact staff morale, reduce productivity, or harm our reputation and future recruiting efforts. Changes in the interpretation and application of employment-related laws may also increase our operating costs and reduce our flexibility to meet changing workforce needs. In addition, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. If our workplace culture or employer brand ceases to be viewed as diverse, inclusive and attractive, our ability to attract and retain talent could be materially and adversely affected. Any of the foregoing issues related to our workforce may materially and adversely affect our operations and future growth.

We may be subject to product liability or warranty claims if people or properties are harmed by our products or services, which would have a material adverse effect on our reputation, business prospects and financial condition.

Customers may be subject to claims arising from robotic products accidents and could bring legal actions against us. If lawmakers or regulatory authorities determine that the use of our robotic products increases the risk of injury to all or certain customers, they may enact laws or adopt regulations that restrict the use of our products, increase our liability, or impose requirements that delay the deployment of robotic technologies in manufacturing. Any of these developments could adversely affect our brand, customer relationships, operating results and financial condition.

Our policies generally allow customers to return and exchange defective products, and we typically provide a standard 12 to 36 months warranty period on our robotic products and solutions. We may incur significant costs to correct defects, address warranty claims or resolve other issues, including costs related to product recalls. Negative publicity regarding the perceived quality of our products could harm our brand image, reduce partner and customer demand, and adversely affect our operating results and financial condition. Warranty, recall and product liability claims may also lead to litigation, including class actions, which could be costly, lengthy, distracting and adversely impact our business and results of operations.

We may be required by law to adopt new or amend existing return, exchange and warranty policies from time to time. While these policies enhance customer experience and support customer retention and acquisition, they also increase our costs. If product quality deteriorates, we may incur higher expenses related to returns, exchanges and warranties, which we may not recover. We cannot assure you that customers will not misuse these policies, which could significantly increase our costs and adversely affect our business and results of operations. If we revise these policies to reduce costs, customers may become dissatisfied, resulting in the loss of existing customers or slower acquisition of new customers, which could materially and adversely affect our results of operations.

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We rely on third-party suppliers and service providers and expect to continue to do so for the foreseeable future.

We rely on third-party suppliers and service providers for raw materials, core components of our robots, transportation and other essential services. However, there is no assurance that: (i) they will follow our instructions or maintain consistent service quality; (ii) we can sustain good relationships with them; (iii) they will not raise prices unilaterally; or (iv) their employees or the providers themselves will not engage in misconduct that could materially and adversely affect their services or harm us. As we expand globally, we may not be able to identify reliable service providers that meet our standards at scale. Reduced availability or increased costs of logistics, transportation and supply chain services or equipment provided by third parties could increase our operating costs and adversely affect our profitability. In addition, any natural or man-made disasters or other unanticipated catastrophic events, including adverse weather, fires, technical or mechanical difficulties, storms, explosions, earthquakes, strikes, acts of terrorism, wars and outbreaks of pandemics could disrupt our transportation channels and impair the operations of our suppliers, and impede our ability to manufacture and deliver our products to customers in a timely manner.

The purchases from our top five suppliers in each year/period during the Track Record Period were RMB23.9 million, RMB49.4 million, RMB33.4 million and RMB16.3 million, respectively, accounting for 31.5%, 36.2%, 28.3% and 22.3% of our total procurement amount in the same years/period, respectively. The purchases from our largest supplier in each year/period during the Track Record Period accounted for 8.3%, 10.6%, 8.6% and 6.3% of our total procurement amount in the same years/period, respectively. See "Business – Our Suppliers" for details. The stability of our suppliers' operations and business strategies is beyond our control, and we cannot assure you that we will maintain stable relationships with them. Identifying and qualifying alternative or additional suppliers and vendors is often a lengthy process and may result in production delays, interruptions and additional costs. In some cases, alternatives may not be available on commercially reasonable terms, or at all. If suppliers or vendors fail to deliver necessary production parts, components, equipment or services, our robot production processes could be disrupted, making it more difficult for us to implement our business strategy. Suppliers and vendors may periodically extend lead times, face capacity constraints, limit supplies, increase prices, experience quality issues or encounter other problems that interrupt or increase the cost of our supply and services. Any of these events could materially and adversely affect our financial condition and results of operations.

We may not be able to adequately protect or enforce our intellectual property rights throughout the world, and our efforts to do so may be costly.

We depend on proprietary technology for the development and commercialization of our robotic products and solutions, and our success relies on our ability to protect such technology. We seek to protect our technology through a combination of patent, copyright, trademark and trade secret laws, as well as employee and third-party nondisclosure agreements and similar measures. However, despite these efforts, unauthorized parties may intentionally or inadvertently disclose, obtain or use our technologies or systems. Software piracy has been, and is expected to remain, a persistent problem in the software industry. Unauthorized third parties, including competitors, may copy portions of our software, reverse engineer our solutions, or otherwise obtain and use proprietary information. Competitors may also independently develop similar or superior products or design around our patents without infringing our intellectual property.

Further, we may lack adequate intellectual property protection in certain jurisdictions that are important to our business or may become important in the future, where we do not currently own issued or pending patents. In addition, intellectual property laws in some foreign jurisdictions may provide less protection than those in others, and our ability to enforce our rights varies by jurisdiction. We have not adopted an aggressive global intellectual property enforcement strategy, which may expose us to greater risk of infringement by third parties.

We did not note any litigations or disputes of us, or administrative penalties imposed on us in relation to intellectual property during the Track Record Period. Any litigation we initiate to enforce our intellectual property rights could be costly and time-consuming, and may result in

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adverse consequences, including invalidation or narrowing of our rights. We may also face claims and litigation alleging infringement of third-party intellectual property rights. Such proceedings could divert management attention, incur significant expenses, and result in courts or agencies invalidating or limiting our patents or other rights, which could seriously harm our business. Monitoring unauthorized use or disclosure of our proprietary technology and confidential information is difficult and expensive, and we cannot assure you that our efforts will prevent misappropriation or infringement. If we are unable to adequately protect, establish, maintain or enforce our intellectual property or other proprietary rights, our business, financial condition and results of operations could be materially and adversely affected.

If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and financial penalties and may have to redesign or discontinue selling relevant products or solutions.

Some of our competitors hold extensive patent portfolios and may allege that the commercial use of our products or solutions infringes their patents. Certain patents contain broad claims, and it may be asserted that specific features of our products or solutions fall within the scope of such claims. As a result, competitors may initiate legal proceedings alleging infringement, misappropriation or other violations of their intellectual property rights in connection with the commercialization of our products or solutions. During the Track Record Period and up to the Latest Practicable Date, we did not have any material intellectual property rights disputes. See “Risk Factors – We may not be able to adequately protect or enforce our intellectual property rights throughout the world, and our efforts to do so may be costly.” and “Business – Intellectual Property” for more details.

We cannot assure you that we or our products and solutions will not infringe third-party intellectual property rights in the future. We may face claims of infringement or demands for indemnification arising from our operations or the design, development and sale of our products or solutions. In addition, we may be unaware of existing or pending intellectual property registrations or applications relating to our products, solutions or business operations that could give rise to potential infringement claims. Technologies licensed to and relied upon by us may also become subject to infringement allegations or other claims by third parties.

Companies in the robotics industry often use intellectual property litigation as a competitive strategy. Determining whether a product or solution infringes a patent involves complex legal and factual analysis, and outcomes are inherently uncertain. We may hire employees who previously worked for competitors or other companies in related industries. There can be no assurance that such employees will not use proprietary know-how or trade secrets from their former employers in their work for us, which could result in litigation. Our competitors may also have filed patent applications or claimed trademark rights that are not yet publicly disclosed or revealed through our searches of public records. Despite our efforts to identify and avoid infringement, such efforts may not always be successful. Any claims of patent or other intellectual property infringement, regardless of merit, could: (i) be expensive and time-consuming to defend; (ii) cause us to pay substantial damages to third parties; (iii) forbid us from making or selling products that incorporate the challenged intellectual property; (iv) cause us to enter into royalty or licensing agreements in order to obtain the right to use a third party’s intellectual property, which agreements may not be available on terms acceptable to us or at all; or (v) result in customers terminating, deferring or limiting their purchase of the affected products until resolution of the litigation.

Any of the foregoing results could have a material adverse effect on our business, financial condition and results of operations.

Any misuse or flaws in robotic and AI technologies, whether actual or perceived, intentional or inadvertent, and whether caused by us or third parties, could materially and adversely affect our reputation, business, financial condition, results of operations, and prospects.

Robotic and AI technologies remain at an early stage of development and continue to evolve. Like many emerging innovations, these technologies present inherent risks and challenges, including potential misuse by third parties for inappropriate purposes or biased applications that undermine public trust or violate applicable laws and regulations. Such events

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may negatively influence customer perception, public opinion, and the views of policymakers and regulators, ultimately reducing adoption of robotic and AI technologies. In addition, flaws or deficiencies in robotic and AI technologies could compromise the effectiveness of our products and services. We cannot assure you that we will be able to identify and remedy such flaws or deficiencies in a timely manner, or at all. Any such flaws or deficiencies, whether actual or perceived could materially and adversely impact our business, reputation, results of operations, and prospects.

If we experience unexpected disruption at our production facilities, our business, results of operations and financial condition could be materially and adversely affected.

We conduct in-house production processes for all of our major product lines, mainly including standard AMRs, omni-directional heavy-load AMRs, industry specific AMRs, forklift AMRs, outdoor AMRs, and embodied intelligence robotic products. As of the Latest Practicable Date, we have one production facility in operation located in Quzhou, Zhejiang Province. Our ability to meet customer demand and grow our business depends on the efficient, proper and uninterrupted operation of our production facilities and a stable and sufficient supply of critical utilities. Any event that limits or disrupts our production capabilities could result in substantial losses, including loss of revenue from interrupted operations.

Such events may include natural disasters, political instability, riots or civil unrest, extended outages of essential utilities or transportation systems, terrorist attacks or other unforeseen circumstances beyond our control. In addition, we may incur significant expenses to repair or replace damaged equipment or facilities, which could exceed our insurance coverage.

If our production is disrupted, our ability to manufacture and deliver products on schedule would be significantly impaired, potentially damaging customer relationships and adversely affecting our business, financial condition and results of operations.

Failure to successfully upgrade our equipment or expand our production capacities could adversely affect our results of operations and financial condition.

Our future success will depend, to an extent, on our ability to continuously increase our production output and enhance our production efficiency. If we fail to achieve these objectives, we may not be able to attain the desired level of economies of scale in our operations or reduce our marginal manufacturing costs to the level necessary to maintain our pricing and other competitive advantages and achieve our business expansion plan.

The future equipment upgrade and capacity expansion may require substantial capital investment, significant engineering efforts, timely delivery of manufacturing equipment and dedicated management attention, and are subject to the following risks and uncertainties: (i) reduced availability of working capital; (ii) the need to secure financing through bank loans or other borrowings, which may not be available on reasonable terms or at all; (iii) higher depreciation expenses for new equipment and increased interest costs from borrowings for planned upgrades or expansion; (iv) cost overruns, construction delays, manufacturing equipment issues such as late delivery or failure to meet specifications, and other operational difficulties; (v) failure to upgrade our operational, financial, and risk management systems in line with expansion; (vi) decrease in product prices that do not offset higher production costs; (vii) the failure of our new equipment to perform as expected and lower our manufacturing cost; and (viii) delay in or denial in obtaining government approvals, permits, or similar documents required for expansion.

Our operations rely on complex information technology systems and networks, and our business and reputation may be impacted by information technology system failures, network disruptions or cybersecurity breaches.

We rely on our information technology systems and software architecture to manage critical data, including customer and supplier information, production and operational data, and financial and human resources records. Any significant failure or disruption of these systems could result in transaction errors, processing inefficiencies, loss of sales or customers, or lead to the loss or leakage of confidential information. We collect, store and use certain information of our customers, suppliers and other third parties, such as basic contact details, for business purposes.

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The security and confidentiality of such information are of paramount importance. Any breach of security or privacy involving customer information could damage our customer relationships, harm our reputation and expose us to legal liability. Despite implementing security measures, our information technology systems may still be vulnerable to damage or interruption caused by events beyond our control, including power outages, fires, natural disasters, system failures, security breaches, unauthorized access, hacking attacks intended to cause malfunctions, loss or corruption of data, software or hardware failures, and the inadvertent or intentional transmission of computer viruses. We may also encounter problems during system upgrades, which could disrupt our operations and adversely affect our results of operations.

We may face cybersecurity risks with respect to operational systems, infrastructure, and integrated software in our robotic products and solutions.

We may face various cybersecurity threats, including threats to our technology system and infrastructure, including attempts to compromise proprietary information, and ransomware attacks. While the cyber threat landscape is ever-changing, the current risks may be heightened by ongoing tensions with various nation state threat actors. Threats to our information technology assets, network, and data stored therein, are increasingly diverse and sophisticated. Despite our efforts and processes to prevent breaches, the commercial products we use, our servers, and other assets, along with those of our third-party service providers, are vulnerable to cybersecurity threats, including zero-day attacks, malware, phishing and spoofing exploits, denial-of-service attacks, compromise of physical assets, insider theft or misuse or mistake, and similar disruptions. Despite our efforts to create security barriers to such threats, we may not be able to successfully guard against every threat or mitigate the resulting risks. A successful cyber-attack could lead to interruptions, delays, loss of critical data and require large expenditure to investigate and remediate. This could, in turn, adversely affect our business, our financial condition, and damage our reputation.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. Also, we cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

If we are unable to protect or promote our brand and reputation, our business may be materially adversely affected. Negative publicity or rumors about us, our solutions, our management, directors, employees, shareholders, customers, business partners or their affiliates or our industry in general may adversely affect our reputation and business.

We believe our brand and reputation are an integral part of and critical to our success. Well-recognized brands are important to enhancing our attractiveness to our customers. Since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brand will depend on the effectiveness of our marketing efforts and amount of word-of-mouth referrals we received from satisfied customers. However, we cannot assure you that our marketing efforts, such as industry exhibitions and advertising campaigns, are or will be successful or that we will be able to achieve the promotional effect we expect or at all. In addition, negative publicity about our Company, Directors, employees, branding, or products or systems, whether warranted or not, may adversely affect our brand and reputation. Certain of such negative publicity may come from malicious harassment or unfair competitive acts by third parties, which are beyond our control and could adversely affect our business and growth prospects.

We received government grants and preferential tax treatment during the Track Record Period, and any discontinuation of any government subsidies currently available to us could adversely affect our business, financial condition, results of operations, and prospects.

During the Track Record Period, we benefited from government grants, many of which are non-recurring in nature or are subject to periodic review. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, the government grants we recognized as other income

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amounted to RMB5.5 million, RMB10.6 million, RMB16.9 million, RMB5.0 million and RMB1.5 million, respectively. These government grants primarily represent subsidies received from local governmental authorities to encourage our R&D activities, which are provided at the discretion of the relevant government authorities and may therefore vary from period to period. See “Financial Information – Key Components of our Consolidated Statements of Profit or Loss – Other Income and Gains” for details.

In addition, our Company and certain of our subsidiaries enjoyed certain types of preferential tax treatment according to the prevailing PRC tax laws. See Note 11 set out in Appendix I to this document for details. However, we cannot assure you that such preferential tax treatment will continue to be available to us in the future, or that it will not be subject to unfavorable updates in government policy, administrative decisions or otherwise, in which case our results of operations and financial condition may be adversely affected.

Strategic alliances, investments or acquisitions may have a material and adverse effect on our business, financial condition and results of operations.

We may in the future enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the counterparty, and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have little ability to control or monitor their actions. To the extent strategic third parties suffer negative publicity or harm to their reputation, we may also suffer negative publicity by virtue of our association with such third parties.

In addition, we may acquire additional assets, technologies or businesses that are complementary to our existing businesses. Future acquisitions may involve valuation uncertainties, and the subsequent integration of new assets, technologies, brands and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing businesses. Acquired assets, technologies, brands or businesses may not generate the anticipated benefits, synergies, cost savings, efficiencies, or financial and operating results we expect. In addition, acquisitions could result in the use of substantial amounts of cash, dilutive issuances of equity securities, incurrence of debt, incurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business.

If we fail to obtain or maintain the requisite licenses, permits, certificates, approvals, filings or registrations required for our business in any jurisdiction where we operate, our business, financial condition and results of operations may be materially and adversely affected.

The global intelligent robotics industry and the industry sectors in which we provide our intelligent mobile robotic and embodied intelligence robotic products are subject to the regulatory oversight of a number of governmental authorities, including but not limited to the National Development and Reform Commission of China.

We can not assure you that we can successfully update or renew the licenses, permits, certificates and approvals required for our business in a timely manner or at all, or that these are sufficient to conduct all of our present or future business. There are uncertainties regarding the interpretation and implementation of existing and future laws and regulations governing our business activities. If we fail to complete, obtain or maintain any of the required licenses, permits, certificates and approvals or make the necessary filings, we may be subject to various penalties, such as imposition of fines and the discontinuation or restriction of our operations. Any such penalties may materially and adversely affect our business, financial condition and results of operations.

Unfavorable results of administrative and legal proceedings and commercial dispute could adversely affect our business, results of operations and financial condition.

We may be subject to administrative or legal proceedings or commercial disputes from time to time in the ordinary course of our business, which could have a material adverse effect on our business, results of operations, and financial condition. Claims arising out of actual or alleged

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violations of law could be asserted against us by our customers, our competitors, governmental entities in civil or criminal investigations and proceedings, or other entities asserted under a variety of applicable laws. During the Track Record Period and up to the Latest Practicable Date, we did not have any material commercial disputes. See “Business – Legal Proceedings and Regulatory Compliance” for more details of our compliance statements. There is no guarantee that we will be successful in defending ourselves in legal and administrative actions or in asserting our rights under various laws. Even if we are successful enforcing our rights against the various parties involved may be expensive, time-consuming, and ultimately futile. These actions could expose us to negative publicity and to substantial monetary damages and legal defense costs, injunctive relief, and criminal, civil, and administrative fines and penalties.

If we experience high labor costs, shortage of labor or deterioration in labor relations, our business, results of operations, financial condition and prospects may be adversely affected.

Our labor costs have been fluctuating and may rise in the future. Our manufacturing and deployment costs, which mainly represent labor costs associated with the production and deployment of our robotic products, accounted for 19.3%, 14.3%, 18.4%, 15.5% and 20.3% of our total cost of sales in 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026. Labor costs increases may cause our production costs to increase, and we may not be able to pass on such increase to our customers. We cannot assure you that we will not experience any labor shortage. Any such shortage could hinder our ability to maintain our production schedules and maintain or expand our business operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We seek to maintain favorable labor relations with our employees as we believe that our long-term growth depends on the expertise, experience and development of our employees. See “Business – Employees” for details. However, we cannot assure you that we will not have any labor disputes in the future. Any deterioration of our labor relations could result in disputes, strikes, claims, legal proceedings and reputational damage, labor shortages that disrupt our business operations, as well as loss of experience, know-how and trade secrets.

Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other business partners may materially and adversely affect our business.

We are exposed to fraudulent or illegal activities or other misconducts by our employees, customers, suppliers or other third parties, which could subject us to liabilities, fines and other penalties imposed by government authorities. There can be no assurance that our controls and policies will prevent fraud or illegal activity by such persons or that similar incidents will not occur in the future. Any illegal, fraudulent, corrupt or collusive activity by our employees, customers, suppliers or other third parties, including, but not limited to, violations of anti-corruption or anti-bribery laws, could materially and adversely affect our business, financial condition and results of operations.

We may be exposed to the risks of conducting business globally.

International markets are an important component of our growth strategy. We have explored and plan to continue exploring overseas market opportunities, where we believe there is substantial demand for our products. To maximize the global value of our products and systems, we have identified and collaborated, and intend to continue identifying and collaborating with recognized local partners that have proven track records.

As we continue to grow internationally, we face a range of risks related to operating across multiple jurisdictions, including but not limited to: (i) differing regulatory requirements for approvals and marketing internationally; (ii) potentially longer payment cycles, greater difficulty in accounts receivable collection and potentially adverse tax treatment; (iii) difficulty of effective enforcement of contractual provisions in local jurisdictions; (iv) potentially reduced protection for intellectual property rights; and (v) compliance with tax, employment, immigration and labor laws for employees traveling abroad.

Any of these factors could materially and adversely affect our business, financial condition, results of operations, and our ability to maintain and expand international operations.

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Geopolitical tensions could negatively affect our business operations and results of operations.

In recent years, there has been a deterioration in the relationship between China and the United States which has resulted in intense potential conflicts between the two countries in trade, technology and other areas, and this has led to greater uncertainties in the geopolitical situations in other parts of the world affecting China and Chinese companies. Export controls, economic and trade sanctions have been threatened and/or imposed by the U.S. government on a number of Chinese technology companies, a few number of which are existing or potential customers and/or suppliers to us. The United States has also threatened to impose further export controls, sanctions, trade embargoes, and other heightened regulatory requirements on China and Chinese companies. These have raised concerns that there may be increasing regulatory challenges faced by or enhanced restrictions on China and other Chinese technology companies, including us, in a wide range of areas such as chips, data security, emerging technologies, "dual-use" commercial technologies and applications that could be deployed for surveillance or military purposes, import/export of technology or other business activities.

During the Track Record Period, we had procured electronic components from one entity which is identified on the Specially Designated Nationals and Blocked Persons List or the Sectoral Sanctions Identifications List ("**SDN Lists**") maintained by the Office of Foreign Assets Control ("**OFAC**") of the U.S. and sold our robotic solutions to one customer which is also identified on the SDN Lists and its wholly owned subsidiaries, (in particular, these wholly owned subsidiaries are subject to the same sanctions restrictions as SDNs pursuant to OFAC's 50 Percent Rule due to direct or indirect SDN ownership of 50% or more) (collectively, the "**SDN Entities**"). As advised by our International Sanctions Legal Adviser, the risk that procurement from and sales to the SDN Entities would result in sanctions designation or penalty on us is low, on the basis that (i) all transactions were denominated solely in RMB and did not involve any U.S. nexus; (ii) did not involve transfer of any items that are subject to the EAR; and (iii) did not involve transfer of any items that are listed on the Common High Priority Items List issued by the BIS ("**CHPL**") or The Russia Critical Items Determination issued pursuant to subsection 11(a)(ii) of E.O. 14024 which identifies certain items that support Russia's military-industrial base ("**Russia Critical Items List**"). See "Business – Business Activities in relation to Entities subject to International Sanctions" for details.

Trade tensions between China and the United States may intensify in the future, resulting in the imposition of more tariffs or other trade restrictions. Any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our solutions, impact the competitive position of our solutions or prevent us from marketing our solutions in certain countries. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition and results of operations. In addition, future actions or escalations by either the United States or China that affect trade relations may cause global economic turmoil and potentially have a negative impact on our business.

Furthermore, we may also face export controls-related or sanctions-related or other trade-related restrictions on transactions with certain customers, business partners and other persons. The Entity List maintained by the U.S. Department of Commerce identifies foreign parties that are prohibited from acquiring – whether by export, re-export or in-country transfer – some or all items subject to the U.S. Export Administration Regulations, unless the exporter secures a license. Licenses and exceptions to the license requirement are rarely granted to exporters where export, re-export or in-country transfer to foreign parties on Entity List are involved. Exporting, re-exporting or transferring items subject to these export administration regulations without satisfying the licensing requirements could result in criminal and/or civil penalties. These restrictions and similar or more expansive restrictions or sanctions that may be imposed by the United States or other jurisdictions in the future may adversely affect our ability to work with certain existing and future customers and business partners, which would adversely impact our business. Furthermore, our association with customers or business partners that are or become subject to U.S. regulatory scrutiny or export controls- or sanctions-related restrictions

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could subject us to actual or perceived reputational harm among current or prospective [REDACTED], suppliers or customers, other parties doing business with us, or the general public. Any such reputational harm could result in the loss of [REDACTED], suppliers or customers, which could adversely impact our business, financial condition or prospects.

Any further escalation in trade or other tensions between the United States and China or news and rumors of any escalation, could introduce uncertainties to China's economy and any severe or prolonged slowdown in the global economy may materially and adversely affect our business, results of operations and financial condition.

Changes in international trade policies, geopolitics and trade protection measures, export control, economic or trade sanctions and outbound investment restrictions may affect our business, financial condition and results of operations.

We are susceptible to constantly changing international relations and trade policies. Such trade policies, laws and regulations are likely subject to frequent changes, and their interpretation and enforcement involves substantial uncertainties, which may be heightened by national security concerns or driven by political or other factors that are beyond our control. The overall international relationships between China and other foreign countries and regions, including the United States, may affect our business prospects, business partners, suppliers and customers. Recently, the United States proposed to impose multiple rounds of tariffs on a wide range of goods imported from multiple countries, including China, and China responded with retaliatory tariffs. Since February 2025, both countries raised reciprocal tariffs on each other's imported goods to 125%. However, on May 12, 2025, both the U.S. and China modified these tariff measures: the U.S. removed the 125% tariff and temporarily reduced tariffs on Chinese goods to 10% by suspending a 24% duty for 90 days. The PRC government announced the same tariff adjustments, removing the 125% retaliatory tariff and cutting tariffs on U.S. goods from 34% to 10% for the same period. See "Regulatory Overview – U.S Tariffs" for details. Political tensions as a result of trade policies could reduce trade volume, cross-border investment, technological exchange, and other economic activities between major economies, resulting in a material adverse effect on global economic conditions and the stability of global financial and stock markets. Additionally, if we, our business partners or other parties that have collaborative relationships with us or our affiliates become targeted under sanctions or export control restrictions, we may experience significant business interruptions, regulatory investigations or reputational harms.

In addition, on October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment (the "**Final Rule**"), to implement the executive order of August 9, 2023, which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons (as defined in the Final Rule) for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductor and microelectronics, (ii) quantum information technologies, and (iii) AI systems, which are defined as "covered foreign persons." U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in covered foreign persons, which are defined as "covered transactions," and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. The Final Rule may introduce new hurdles and uncertainties for cross-border collaborations, investments and funding opportunities of China-based issuers, including us. On February 21, 2025, U.S. President Donald Trump issued a memo titled the "America First Investment Policy", indicating that U.S. Executive Order 14105 is under review and the Trump Administration will consider new or expanded restrictions, such as broadening the sectors. On December 18, 2025, President Donald Trump signed into law the National Defense Authorization Act for Fiscal Year 2026 ("**NDAA**") dated which includes the Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**"), thereby expanding the scope of technologies covered under the Final Rule and granting statutory

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authority of the Final Rule regulations, and (vii) the Final Rule regulations are subject to change or repeal at any time and without advance notice, including by the U.S. President, Treasury, or the U.S. Congress, which has previously proposed outbound investment legislation that is, in part, inconsistent with the Final Rule. As advised by our International Sanctions Legal Adviser, given the nature of our business, (i) we do not believe that we are directly or indirectly engaged in any “covered activities” as described in the definition of “prohibited transaction” (each as defined in the Final Rule) as our artificial intelligence system is not designed for any end use, such as military end use, government intelligence or mass surveillance end use, or for the use of cybersecurity applications, digital forensic tools, penetration test tools, nor trained with a restricted quantity of computing power under the Final Rule (i.e., trained using a quantity of computing power greater than 10^{23} computational operations or more); (ii) as we are engaged in development of AI systems used for the control of our robotic systems (e.g. AMR EMMA) that can operate autonomously and collaboratively in complex manufacturing scenarios, such activities may fall within the scope of covered activities described in the definition of “Notifiable Transaction”. As a result, our International Sanctions Legal Adviser is of the view that we may be deemed a covered foreign person. Consequently, acquisition of our equity interests by U.S. persons may constitute a notifiable transaction, which imposes an obligation on U.S. persons to make a notification to the U.S. Treasury pursuant to the Final Rule, unless otherwise exempted under the Final Rule, including the exemption of the Public Traded Securities Exception (“PTSE”) subsequent to [REDACTED]. On December 23, 2025, the Treasury published additional frequently asked questions (“FAQs”) on the Final Rule. One of these FAQs (X. 4) provides that absent additional facts, when a U.S. person acquires an equity interest in a “covered foreign person”, and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a “publicly traded security” in 31 C.F.R. §850.501(a)(1)(i), regardless of when an agreement to make its investments is entered into. As such, the PTSE allows U.S. persons to purchase our publicly [REDACTED] securities issued by us pursuant to the [REDACTED], as long as the [REDACTED] made does not afford a U.S. person rights beyond standard minority shareholder protections.

As of the Latest Practicable Date, the escalating U.S.-China tensions had not had a material adverse effect on our operations. However, as relevant policies are rapidly evolving, the potential impact on our future business development, cross-border collaboration and capital-raising activities cannot be reliably assessed. Broader geopolitical tensions may lead to increased financial market volatility and adversely affect the [REDACTED] and [REDACTED] of our H Shares.

We face exposure to foreign currency risks.

We are exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB which primarily arises from future commercial transactions as well as recognized assets and liabilities, including receivables, payables and cash balances, that are denominated in a currency other than the functional currency of the relevant operations. See Note 42 of the Accountants’ Report set out in Appendix I to this document for details. As the [REDACTED] from the [REDACTED] will be in Hong Kong dollars, fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the [REDACTED] from the [REDACTED]. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar would affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China’s foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against other currencies in the future. We can not predict the potential impact of market forces or government policies on the future exchange rate between the Renminbi and other currencies.

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Our limited insurance coverage may not be sufficient to cover the risks related to our operations or any losses beyond our coverage.

We have purchased a variety of commercial insurance, including accident insurance, product liability insurance, and liability insurance for senior management personnel. See “Business – Insurance” for details. However, our current insurance coverage may not be sufficient to prevent us from any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. It may also be difficult for us to find insurance coverage for some of our business activities such as property insurance. Our business, financial condition and results of operations could be materially and adversely affected if we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations.

We may be subject to fines and penalties as a result of our non-compliance with certain PRC laws and regulations regarding the social insurance and housing provident fund during the Track Record Period.

Companies operating in China are required to participate in various employee benefit plans, including certain social insurance, housing funds, unemployment insurance, health insurance plans and other welfare-related contributions. See “Regulatory Overview – Relevant Laws and Regulations in the PRC – Laws and Regulations Relating to Labor Employment” for details. The requirement of employee benefit plans has been implemented variously by local governments in China given the different levels of economic development in different locations.

During the Track Record Period, our PRC subsidiaries engaged third-party human resources agencies to pay social insurance premiums and housing provident funds for several employees, and we did not make housing provident fund contribution or make full social insurance and housing provident fund contribution for our employees. In 2023, 2024, 2025, and the six months ended June 30, 2026, the contributions made by the third-party agencies amounted to RMB2.7 million, RMB2.5 million, RMB2.6 million and RMB1.4 million, respectively. As advised by our PRC Legal Advisor, an employer that has not made social insurance contributions at such rate and based on such amount as prescribed by the law may be ordered to rectify the non-compliance and pay the required contributions within a stipulated timeframe. Failure to fulfill the outstanding contributions and a late payment fee within the stipulated timeframe may result in fines ranging from one to three times of the amount in arrears. Our PRC Legal Advisor has also advised us that, in the event that we fail to pay the housing provident fund in full amount, the housing provident fund administrative center will order us to pay the amount within a prescribed time limit. If we fail to do so upon the expiration of the above-mentioned time limit, further application will be made to the court for compulsory enforcement.

As of the Latest Practicable Date, we had not received any notice for payment of penalties of social insurance premium or housing provident funds from the competent authorities, nor any administrative penalty or labor arbitration application from employees for the agency arrangement with third-party human resources agencies. In addition, our PRC Legal Advisor is of the view that if there are no complaints from employees, the likelihood of us being fined due to above non-compliance issues is remote. However, there is no assurance that the competent government authorities will not require us to settle the outstanding amount within the specified time limit or impose late payment penalties on us, or any of our employees would not make complaints or demand for payment for any outstanding contribution. As advised by our PRC Legal Advisor, the likelihood of us receiving any notice of penalties from the competent authorities is remote, provided that we pay the outstanding contribution, and late fee (if any), for social insurance and house provident funds in full amount within the prescribed period after receiving notices to rectify such non-compliance from the competent authorities.

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We are subject to anti-corruption, anti-bribery, governmental economic sanctions, and other laws and regulations.

We are subject to anti-corruption, anti-bribery, economic and trade sanctions laws and other relevant laws and regulations in various jurisdictions. For example, U.S. economic sanctions prohibit the provision of products to countries, governments, and persons targeted by U.S. sanctions. Although we perform compliance processes and maintain internal control systems, we may be subject to investigations and proceedings by governmental authorities for alleged infringements of these laws and regulations if our processes or systems are not conducted or are not operating properly. These proceedings may result in fines or other liabilities and could have a material and adverse effect on our reputation, business, financial condition, results of operations and prospects. If any of our subsidiaries, employees or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal controls, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws and regulations, and in turn adversely affect our reputation, business, financial condition, results of operations and prospects.

We are exposed to risks associated with financial assets measured at fair value through profit or loss and other comprehensive income. Fluctuations in changes in fair value of financial assets measured at fair value through profit or loss and other comprehensive income may adversely affect our financial results.

We recorded financial assets at fair value through profit or loss (“FVTPL”) of RMB30.1 million, RMB5.1 million, and RMB110.1 million as of December 31, 2024 and 2025 and June 30, 2026, respectively. Our FVTPL mainly consist of wealth management products issued by commercial banks in the PRC with variable interest rates. See “Financial Information – Discussion of Certain Key Items on Consolidated Statements of Financial Position – Assets – Financial Assets at FVTPL” for details. Our investments in wealth management products are subject to the overall market conditions, including the capital markets, which exposes us to the risk of valuation uncertainty. Any volatility in the market or fluctuations in interest rates may negatively impact the fair value of these wealth management products, which may in turn have a material adverse effect on our results of operations and financial condition. The determination of the fair value of such financial assets requires us to make significant estimates, which may be subject to material changes, and therefore inherently involves a certain degree of uncertainty. Factors beyond our control can significantly influence and cause adverse changes to the estimates we use and thereby affect the fair value of such financial assets. These factors include, but are not limited to, general economic condition, changes in market interest rates and the stability of capital markets. Any of these factors, as well as others, could cause our estimates to vary from actual results, which could materially and adversely affect our results of operations and financial condition.

During the Track Record Period, we also had financial assets measured at fair value through other comprehensive income (“FVOCI”), comprising both debt investments and equity investments. As of 31 December 2023, 2024 and 2025 and June 30, 2026, our FVOCI debt investments amounted to RMB6.7 million, RMB4.4 million, RMB3.5 million, and RMB1.4 million, respectively, while our FVOCI equity investments amounted to nil, RMB39.9 million, RMB38.1 million, and RMB38.5 million, respectively. The fair value changes of our FVOCI equity investments were recognized in other comprehensive income, amounting to nil, RMB19.9 million, RMB36.4 million, and RMB0.4 million for the years ended 31 December 2023, 2024 and 2025, and the six months ended June 30, 2026, respectively. We also recognized expected credit losses (“ECL”) on FVOCI debt investments, amounting to RMB4 thousand, nil, nil, and nil for the same periods. Any adverse changes in market interest rates, capital market conditions or issuer creditworthiness may negatively affect our fair value reserve and shareholders’ equity.

According to applicable accounting policies, financial assets measured at FVTPL or FVOCI are recorded in the consolidated statements of financial position at fair value, with net changes in their fair value recognized in the consolidated statements of profit or loss and other comprehensive income, and therefore directly affect our financial condition and results of operations. Such treatment of gain or loss may cause significant volatility in, or materially and

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adversely affect, our period-to-period earnings, financial condition and results of operations. We cannot assure you that market conditions and regulatory environment will create fair value gains and we will not incur any fair value losses on our financial assets measured at FVTPL or FVOCI in the future.

In addition, estimated changes in fair values involve the exercise of professional judgment and the use of certain basis and assumptions, which, by their nature, are subjective and uncertain. To the extent we use the assumptions that market participants would use to price the asset or liability acting in their economic best interest with respect to the measure of fair value of any financial assets, the financial assets valuation would be subject to uncertainties in accounting estimation, which may not reflect actual fair value of these financial assets and result in significant fluctuations in our profit or loss or other comprehensive income from period to period. To the extent we need to revalue these financial assets, any change in their fair value and related valuation uncertainty could materially affect our financial condition and results of operations.

If we are not able to fully comply with present or future ESG laws and regulations, our business, results of operations and financial condition may be adversely affected.

We may incur additional costs which could adversely impact our financial performance to address ESG-related risks. Given the nature of our business, we do not generate significant emissions, waste or heavy pollution. Nonetheless, we monitor environmental and climate-related risks that may affect our business, strategy and financial performance. See “Business – Environmental, Social and Corporate Governance” for more details. We are also committed to providing adequate support to our employees to nurture a friendly and inspirational corporate culture. This commitment may entail incurring substantial additional costs and would potentially affect our profitability. See “Business – Environmental, Social and Corporate Governance” for details.

In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may result in rising compliance costs and cost of sales. If we fail to adapt to new regulations or meet evolving industry expectations and standards, our consumers may choose products from other companies, which could materially and adversely affect our business, results of operations and financial condition.

We may need to raise additional capital in the future to execute our business plan, which may not be available on acceptable terms, or at all.

We may need additional capital in the future to fund our continued operations, and we may be unable to raise additional funds, whether through equity or debt financing, when needed on favorable terms or at all. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing Shareholders, including [REDACTED] in this [REDACTED], will be [REDACTED], and the terms of these securities may include liquidation that adversely affect our Shareholders’ rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies.

Our business may be impacted by political events, war, terrorism, health epidemics, natural disasters and other outbreaks of contagious diseases.

Our business could be adversely affected by natural disasters or outbreaks of epidemics. Political events, war, terrorism, health epidemics, natural disasters or other events beyond our control may disrupt our operations, supply chain, workforce or information technology systems, which could adversely affect our business, financial condition and results of operations.

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RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

Changes in the economic, political or social conditions or government policies in the countries and regions where we operate could affect our business, financial condition and results of operations.

A vast majority of our revenue is derived from our businesses in the PRC during the Track Record Period. Accordingly, our financial condition, results of operations and prospects are, to a material extent, subject to economic, political, and legal developments in the PRC. Demand for our products and our ability to maintain operations are subject to the influence of macroeconomic conditions in China. If there are adverse changes in the macroeconomic environment, our financial condition, results of operations and future prospects may be materially affected.

In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. The economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country in the future. If the business environment changes, our business may also be materially affected.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for this [REDACTED] or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the [REDACTED] from the [REDACTED] into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

Uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, results of operations and financial condition.

The legal systems of the jurisdictions where we operate vary significantly. Some jurisdictions have a civil law system based on written statutes and others are largely based on common law. Unlike common law systems where the case laws have binding effects, prior court decisions under civil law systems may be cited for reference but have limited precedential value. We are based in China and our business in China is governed by PRC laws and regulations. The PRC legal system is a civil law system based on written statutes. As the legal system in China continues to develop, laws and regulations may continue to evolve and be subject to interpretation, which may affect the legal protections and remedies that are available to us and our [REDACTED].

You may experience difficulty in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and our assets and one of our subsidiaries is located in the PRC. Most of our Directors and senior management reside within the PRC. The assets of these Directors and senior management are also mostly located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon most of our Directors and senior management outside the PRC. In addition, you may also experience difficulties in enforcing judgments due to lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions.

Although we will be subject to the Listing Rules and the Takeovers Code upon the completion of the [REDACTED], the holders of H Shares will not be able to bring actions on

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the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Takeovers Code do not have the force of law in Hong Kong.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

The PRC EIT Law imposes a tax rate of 25% on PRC resident business enterprises. We and some of our subsidiaries are entitled to preferential tax treatment. For example, we were approved as High-tech Enterprises, and were subject to a preferential tax rate of 15% during the Track Record Period. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC authorities may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with Chinese Mainland tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to Chinese Mainland tax laws and regulations and tax penalties or fines could affect our businesses, financial condition and results of operations.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment and legal framework can vary significantly across jurisdictions and that regulations regarding various taxes, including but not limited to corporate income tax and import duties, are highly complex, our overseas operations and expansion may expose us to risks associated with overseas tax laws, regulations and policies. Additionally, as we sell our robot products to various non-domestic markets, the intricacies of import duty regulations can lead to disputes when exporting products, as interpretations and applications of such rules may differ between countries. In such cases, we will be subject to fines or other penalties, which may not always have merit. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

We are a Chinese Mainland enterprise and we are subject to Chinese Mainland tax on our global income and any gains on the sales of H Shares and dividends on the H Shares may be subject to Chinese Mainland income taxes.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the Individual Income Tax Law of the PRC and its implementation regulations, non-PRC resident individual holders of H Shares are subject to individual income tax at a rate of 20% on gains

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realized upon the sale or other disposition of H Shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》)(Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H Shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the PRC EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC EIT at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the applicable PRC tax laws and regulations, as well as the interpretation and application of existing applicable PRC tax laws and regulations may be evolving and subject to change. New taxes may be imposed which may materially and adversely affect the value of your [REDACTED] in our H Shares.

Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In 2012, the SAFE, promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》). Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures, unless certain exceptions are available. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or non-PRC citizens living in China for a continuous period of not less than one year and have been granted options will be subject to these regulations when our Company becomes an overseas-[REDACTED] company upon the completion of the [REDACTED]. Failure to complete SAFE registrations may subject them or us to fines or supervision measures, which could affect our ability to adopt additional incentive plans for our directors, executive officers and employees.

We are subject to governmental regulations on currency exchange.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign

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exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to pay dividend to Shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our results of operations, financial performance and business prospects may be affected.

Dividends payable by us to our foreign [REDACTED] and gains on the [REDACTED] of our H Shares may become subject to withholding taxes under PRC tax law.

Under the EIT Law and EIT Implementation Rules, our foreign corporate Shareholders may be subject to a 10% income tax upon any gains realized from the transfer of their Shares and dividend distributable to such foreign corporate Shareholders, if such income is regarded as income from “sources within the PRC.” According to the EIT Implementation Rules, whether income generated from transferring equity investments is to be regarded as sources within the PRC or from foreign territory shall depend upon the locations in which the enterprises accepting the equity investment are located. However, it is unclear whether income received by our Shareholders will be deemed to be income from sources within the PRC and whether there will be any exemption or reduction in taxation for our foreign corporate Shareholders due to the promulgation of the EIT Law. If our foreign corporate Shareholders are required to pay PRC income tax on the transfers of our Shares that they hold or on the gains on the sale of our Shares by them, the value of our foreign corporate Shareholders’ [REDACTED] in our Shares may be materially and adversely affected.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

Prior to the [REDACTED], there was no [REDACTED] for our H Shares. The [REDACTED] for our H Shares will be the result of negotiations between us and [REDACTED] (for itself and on behalf of the [REDACTED])) and may differ significantly from the [REDACTED] of the H Shares following the [REDACTED]. We have applied to the Stock Exchange for the granting of the [REDACTED] of, and permission to [REDACTED], our H Shares to be [REDACTED] pursuant to the [REDACTED] (including any additional H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED] and the H Shares to be converted from Domestic Shares). However, we cannot assure you that a [REDACTED] for our H Shares with adequate liquidity will develop and be sustained following the completion of [REDACTED], or that the [REDACTED] of our H Shares will not decline following the [REDACTED]. If an active [REDACTED] for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] and liquidity of our H Shares could be materially and adversely affected.

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The [REDACTED], liquidity and [REDACTED] of our H Shares may be volatile subject to various factors beyond our control, including but not limited to political uncertainties in Hong Kong, the general market conditions of the securities in Hong Kong and elsewhere in the world. Business and performance and the [REDACTED] of the shares of other companies engaging in similar business as we do may affect the [REDACTED] and [REDACTED] of our H Shares. There can be no assurance that these developments will not occur in the future. In addition to market and industry factors, the [REDACTED] and [REDACTED] of our H Shares may be

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highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, new investments, expenditures, regulatory developments, relationships with our suppliers and customers, movements or activities of key personnel, or actions taken by our competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in [REDACTED] not directly related to our performance but related to the overall political and economic conditions in Hong Kong, the PRC or elsewhere in the world.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] could have a material adverse effect on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, [REDACTED] of the [REDACTED] in the [REDACTED] will experience an immediate [REDACTED]. There can be no assurance that if we were to immediately liquidate after the [REDACTED], any assets will be distributed to Shareholders after the creditors’ claims. To expand our business, we may consider [REDACTED] and [REDACTED] additional Shares in the future. [REDACTED] of the [REDACTED] may experience [REDACTED] in the net tangible asset value per Share of their Shares if we [REDACTED] additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the supply of our H Shares in the market and negatively impact the [REDACTED] of our H Shares.

Subject to the approval by the CSRC, any of our Unlisted Shares may be converted into H Shares, and such converted Shares may be [REDACTED] or [REDACTED] on an overseas stock exchange. Any [REDACTED] or [REDACTED] of the converted Shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such stock exchange. No class shareholder voting is required for the [REDACTED] and [REDACTED] of the converted Shares on an overseas stock exchange. However, the PRC Company Law provides that in relation to the [REDACTED] of a company, the shares of that company which are issued prior to the [REDACTED] shall not be transferred within one year from the date of the [REDACTED]. Therefore, upon obtaining the requisite approval, shares currently held on our domestic share register may be [REDACTED], after the conversion, in the form of H Shares on the [REDACTED] after one year of the [REDACTED], which could further increase the supply of our H Shares in the market and could negatively impact the [REDACTED] of our H Shares.

The interests of our Single Largest Shareholder may not align with the interests of the Shareholders as a whole.

Prior to and immediately following the completion of the [REDACTED], our Single Largest Shareholder will retain substantial control over our Company. Subject to our Articles of Association, the Single Largest Shareholder will be able to exercise significant control and exert significant influence over our business or otherwise on matters of significance to us and other Shareholders by voting at the general meeting of the Shareholders and at Board meetings. The interests of our Single Largest Shareholder may differ from the interests of other Shareholders and they are free (other than on any matters that they are required to abstain from voting) to exercise their votes according to their interests. To the extent that the interests of the Single Largest Shareholder conflict with the interests of other Shareholders, the interests of other Shareholders may be disadvantaged and harmed.

Our historical dividends may not be indicative of our future dividend payments or our future dividend policy, and we cannot assure you whether and when we will pay dividends in the future.

During the Track Record Period, no dividend was paid or declared by us. There can be no assurance that future dividends will be declared or paid. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account various factors including but not limited to our results of operations, cash flows and financial condition, operating and capital expenditure requirements, market conditions, our strategic plans

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and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Board may deem relevant, and subject to the approval at Shareholders’ meeting. See “Financial Information – Dividends” for details.

We have significant discretion as to how we use the [REDACTED] of the [REDACTED], and we cannot guarantee that our new business initiatives and use of [REDACTED] plan will be successfully implemented or generate revenue and profit as we expected.

Our management may spend the [REDACTED] from the [REDACTED] in ways you may not agree with or that do not yield a favorable return. See “Future Plans and Use of [REDACTED]” for details of our intended use of [REDACTED]. However, our management will have discretion as to the actual application of our [REDACTED]. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific use we will make of the [REDACTED] from this [REDACTED].

We cannot guarantee the quality, accuracy and comparability of the official government information and statistics in this document.

This document includes industry data and forecasts extracted from the report prepared by CIC, which was commissioned by us, and from various official governmental publications. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot assure you of the accuracy or completeness of information obtained from these sources. We have not independently verified any of the data, forecasts and other statistics from such sources, nor have we ascertained that the underlying economic assumptions relied upon in those sources are accurate. The information from official government sources has not been independently verified by us or any other parties involved in the [REDACTED], or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the [REDACTED] and no representation is given as to its accuracy. Moreover, such facts, forecasts and other statistics may not be prepared on the same basis or with the same degree of accuracy (as the case may be) in other publications or jurisdictions. For these reasons, the information from various government publications contained in this document may not be accurate and should not be given undue reliance as a basis for making your [REDACTED] decision in our H Shares. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain [REDACTED] information and other matters.

The words “will,” “would,” “estimate,” “expect,” “anticipate,” “plan,” “aim,” “going forward,” “believe,” “may,” “intend,” “ought to,” “continue,” “project,” “should,” “seek,” “potential” and the negative of these words and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors, Supervisors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors. See “Risk Factors” for details. Accordingly, such statements are not a guarantee of future performance, and you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

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You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H Shares or the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this document, there may have been press and media coverage regarding us and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information. Accordingly, prospective [REDACTED] are cautioned to make their [REDACTED] decisions on the basis of the information contained in this document only.