Application Proof of

Orbbec Inc.
奧比中光科技集團股份有限公司

(the "**Company**")

(A joint stock company controlled through weighted voting rights and incorporated in the People's Republic of China with limited liability)

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Orbbec Inc.
奧比中光科技集團股份有限公司

(A joint stock company controlled through weighted voting rights and incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] in the [REDACTED]	:	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
[REDACTED]	:	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	:	**RMB1.00 per H Share**
[REDACTED]	:	**[REDACTED]**

Joint Sponsors, **[REDACTED]**

Goldman Sachs 高盛　　國泰海通 GUOTAI HAITONG | 海通國際 HAITONG

(in alphabetical order)

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The Company is controlled through weighted voting rights. Prospective [REDACTED] should be aware of the potential risks of [REDACTED] in a company with a WVR structure, in particular that the WVR Beneficiary, whose interests may not necessarily be aligned with those of our Shareholders as a whole, will be in a position to exert significant influence over the outcome of our Shareholders' resolutions, irrespective of how other Shareholders vote. For further information about the risks associated with the WVR structure, see "Risk Factors — Risks Relating to Our Business and Industry." Prospective [REDACTED] should make the decision to [REDACTED] in the Company only after due and careful consideration.

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE(1)

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

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This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the [**REDACTED**]. *There are risks associated with any investment. Some of the particular risks in investing in the* [**REDACTED**] *are set out in "Risk Factors." You should read that section carefully before you decide to invest in the* [**REDACTED**].

OVERVIEW

Our Mission and Vision

We aspire to become the world's leading foundational infrastructure platform for Physical AI, connecting artificial intelligence with the physical world ("我們致力於成為全球領先的物理AI基礎設施平台，連接AI與物理世界").

Global leader pioneering in 3D visual perception solutions

We are the global leader pioneering 3D visual perception solutions. Through years of accumulating proprietary technology and deep domain expertise, we are building the foundational perception gateway, data infrastructure, and commercialization platform to empower the upcoming era of Physical AI and robotic intelligence. We design, develop, and manufacture a comprehensive suite of 3D vision sensors and a diverse range of consumer-grade and industrial-grade application devices, serving customers across robotics, and other artificial intelligence of things ("**AIoT**")(1). In 2025, we ranked the first in the global robot 3D visual perception market in terms of revenue, with a market share of 29.0%.

The global robotics and artificial intelligence industries are extending from the digital world into the physical world. As artificial intelligence accelerates its monumental transition from the virtual realm into the physical world, the industry faces a new paradigm of challenges. The key hurdles of Physical AI are not limited merely to sheer computing power, algorithmic models, or simulated environments, but increasingly lie in accurately acquiring multi-modal real-world data, spanning vision, touch and other sensing modalities — particularly capturing data on dynamic interactions between humans and the physical world, understanding the dynamics of physical interactions in complex 3D environments, and seamlessly deploying AI capabilities across embodied-intelligence and other real-world applications.

We focus on the critical infrastructure capabilities required for Physical AI to enter the real world, bridging spatial intelligence, embodied intelligence, and physical intelligence to build a core capability system connecting the real world, virtual training environments, and intelligent terminal devices:

- **Physical Perception: The Spatial Intelligence Perception Gateway.** Utilizing our full range of self-developed visual sensors and multi-modal perception solutions for real-time 3D perception for robots, we lay the spatial intelligence foundation for Physical AI to perceive the real world. Our visual sensors serve as the primary interface through which robots and intelligent devices acquire 3D awareness, enabling them to understand the 3D geometry of their surroundings, detect obstacles, recognize objects, and navigate complex environments.

- **Data and World Model: The Real World Data Foundation.** Leveraging our 3D scanning, 3D reconstruction, and multi-modal data collection hardware platform, we address the critical challenge of having high-quality multi-modal 3D and tactile data required for Physical AI model training. Our data collection hardware platform consists of standardized robot-free data collection kit made up of newly released modules including egocentric vision data collection module

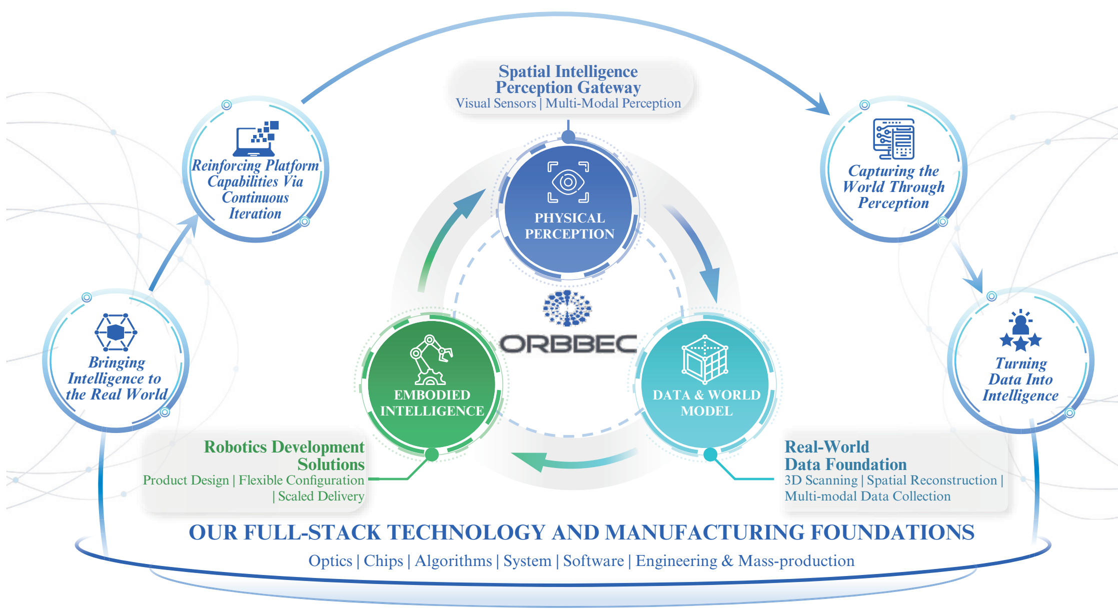
Note:

(1) AIoT is the integration of artificial intelligence with the Internet of Things infrastructure to create networks of interconnected devices that can collect, analyze data, and make autonomous decisions without human intervention. AIoT encompasses a vast range of devices across both consumer and industrial sectors.

("**EGO**"), handheld manipulation data collection module ("**UMI**") and wrist-level near-field interaction capture module ("**WristCam**"), and supports access to third-party sensors. In addition, we provide a full-stack toolset supporting 3D modeling, cross-modal data integration, calibration and alignment, and hardware-level synchronization.

- **Embodied Intelligence: Engineering Delivery Capabilities.** Leveraging our integrated product design, engineering, and mass-production capabilities, we help customers bridge the gap from algorithms to hardware, driving embodied intelligence from digital models to real world scenarios. This capability enables us to deliver not only standardized perception modules but also integrated system-level solutions for robotics and other AIoTs, which are designed to facilitate customers' integration processes and shorten the time to market of their products.

We aim to provide not only the "eyes" that enable Physical AI to perceive the real world, but also build a standardized multi-modal, real world data collection infrastructure that captures complete dynamic physical interactions, creating an end-to-end closed loop system spanning perception, data collection, and embodied interaction. This infrastructure allows us to rapidly deploy and scale our technologies across diverse verticals.



Our Technology

The development of Physical AI does not rely on a breakthrough in any single piece of hardware or algorithm, but on the coordinated advancement of multiple underlying and cross-disciplinary technologies. Through sustained investment in visual perception and related intelligent-hardware technologies, we have established a full-stack technology platform covering optical design, chip design, algorithm development, system design, software development, and engineering and mass-production technologies. These capabilities can be flexibly combined for different products and application scenarios, providing a common foundation for our continued technology development, product innovation and scaled delivery.

Leveraging our long-standing R&D capabilities, we have independently developed depth-engine chips, specialized photosensitive chips, depth calculation algorithms and application algorithms, and accumulated technological capabilities across major visual perception pathways. Through the coordinated design of optics, chips, algorithms, systems and software, we are able to optimize perception accuracy, measurement range, power consumption, cost, product form factor and environmental adaptability based on different application requirements, providing tailored perception products and solutions for robotics, 3D digitalization, industrial measurement, and other intelligent terminals.

Building upon our 3D visual perception capabilities, we have developed related technologies in point-cloud processing, 3D reconstruction, 3D mapping, high-precision measurement and multi-modal data collection. We continue to advance R&D in monocular and multi-view vision, multi-sensor fusion, cross-modal calibration and hardware-level time synchronization, optical-deformation sensing, real-world data collection and 3D printing. These capabilities can be utilized to enhance 3D perception in complex environments, and support the continuous rollout of our 3D scanning, digital manufacturing, 3D digitalization, and standardized Physical AI data collection platforms.

In support of robotics and Physical AI applications, we are developing proprietary perception models while optimizing open-source vision-language, vision-language-action, as well as robotic motion-control models to enable broader robotic intelligence capabilities. Leveraging our established strengths in 3D and multi-modal perception, real-world data collection and intelligent-hardware engineering, we are focusing on improving the optimization, generalization, deployment and application of these models for specific robotic embodiments, tasks and real-world scenarios.

Beyond technology research and development, we have established a comprehensive engineering system covering prototype development, engineering validation, new product introduction, process development, automated calibration and testing, flexible manufacturing, quality management, supply-chain management and global delivery. This system successfully commercializes our optical, chip, algorithms and software innovations into reliable, manufacturable and scalable products. It enables the concurrent development and commercialization of our standardized perception products, 3D-digitalization devices, data collection hardware, and robotics and intelligent-device solutions.

Our Product Offerings

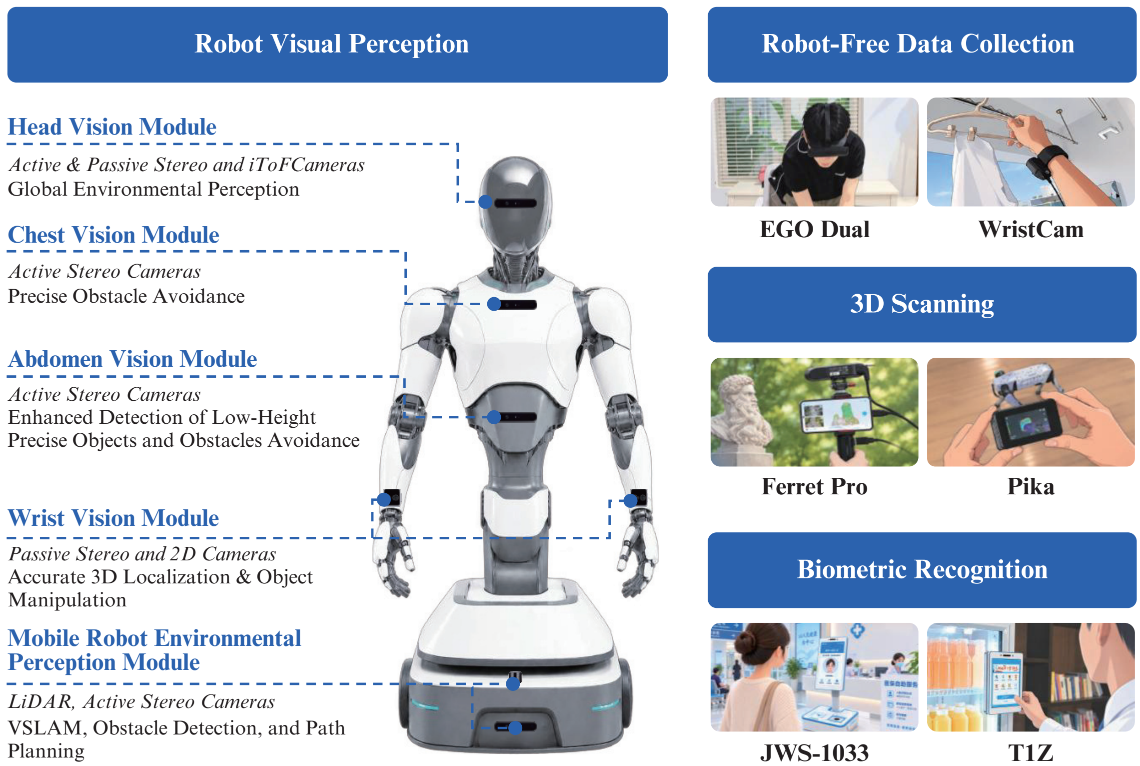
Leveraging our full-stack technology platform, we offer a comprehensive portfolio of 3D visual perception solutions spanning hardware, software, and integrated systems. We have mastered all the major 3D sensing technology pathways, positioning us as a "one-stop-shop" for robot manufacturers who require multi-sensor fusion, enabling us to deliver system-level optimization that achieves superior performance across diverse downstream applications. As of June 30, 2026, we have served over 7,000 customers globally, including over 1,000 robotic companies, and collaborated with world-leading AI computing infrastructure providers to participate in their AI ecosystems. According to Frost & Sullivan, we established clear industry leadership across multiple advanced technology sectors in China and globally in terms of revenue, as follows:

- The largest sensor provider globally in the robot 3D visual perception market in 2025;
- The largest solution manufacturer globally of dedicated consumer-grade 3D scanners in 2025;
- The largest sensor provider globally of biometrics recognition payment terminals in 2025.

Our solutions portfolio can be primarily divided into two segments.

- **Sensor Products.** Our sensor products represent the core of our hardware portfolio, comprising a comprehensive range of visual sensors designed to serve as the foundational "eyes" for Physical AI applications. Our flagship product lines include the Gemini, Astra, Femto and Physis series. These products leverage our proprietary depth-engine chips and full-stack optical technologies to deliver high-precision visual perception across diverse operating environments.
- **System-Level Devices and Solutions.** Our system-level devices and solutions comprise complete, ready-to-deploy products that integrate our visual sensors with hardware, software algorithms and application-specific functionality. These solutions primarily include robot-free data collection kits, consumer-grade and industrial-grade 3D scanners for application in 3D printing, and biometrics recognition payment terminals.

Advanced Vision Technologies Empowering Multiple Applications



COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (i) unrivaled global market leadership in full-domain 3D visual perception platform; (ii) full-stack, proprietary technology system spanning from silicon to algorithm capabilities; (iii) a self-reinforcing flywheel powered by real-world feedback; (iv) integrated industrialization and flexible production capabilities; and (v) visionary founder supported by elite global R&D team. For details, see "Business – Competitive Strengths."

BUSINESS STRATEGIES

We intend to pursue the following strategies: (i) strengthen our full-stack R&D platform to drive continuous innovation; (ii) expand multi-tier product matrix covering key physical AI stages; (iii) deepen global commercial presence and industry influence; (iv) upgrade flexible manufacturing and global supply chain; and (v) pursue strategic investments and industry partnerships. For details, see "Business — Business Strategies."

OUR PRODUCTS

Leveraging our full-stack technology platform, we offer a comprehensive portfolio of visual perception products that serve customers across embodied robotics and other AIoTs. We generate revenue primarily through the sale of our products, which include sensors and system-level devices and solutions. Our product offerings comprise both standardized and customized products. We regularly introduce standardized products, primarily sensors, designed to address common applications across our customer base. These products are developed based on our assessment of broad market demand and are made available to customers on a ready-to-deploy basis. For customers with specialized requirements, we offer customized products. Where a customer requires sensor specifications that differ from our standardized offerings, we work closely with that customer to develop a customized sensor product that meets their specific needs. For customers that require system-level devices and solutions beyond standalone sensors, we develop integrated products that combine our sensors with additional hardware and software components to deliver a complete, application-ready system tailored to the customer's use case.

Sensors

Sensors are our core product category, representing sophisticated measurement devices capable of capturing 3D information, depth data, and environmental geometry. The following image illustrates the major categories of our visual sensor products.

System-Level Devices and Solutions

System-level products and solutions comprise complete, ready-to-deploy devices that integrate 3D visual sensors with hardware, software algorithms, and application-specific functionality. These products transform our core 3D visual perception capabilities into turnkey solutions optimized for specific market verticals. Our system-level offerings span three primary categories: (i) consumer- and industrial-3D scanners serving the 3D printing, reverse engineering and digital content creation markets; (ii) payment terminals integrating structured light sensors with biometrics recognition algorithms or NFC module for payment or verification purposes; and (iii) robot-free data collection hardware platform, including standardized data collection kits for modules. These system-level products enable us to capture greater value across the 3D vision supply chain while addressing downstream customer applications that require integrated hardware-software solutions. The following image illustrates the major categories of our system-level products.

Our System-Level Product Portfolio

RESEARCH AND DEVELOPMENT

Research and development is fundamental to our business and a key contributor to our anticipated future growth and enterprise value. As a technology-driven enterprise operating at the forefront of Physical AI infrastructure, our competitive position, product development pipeline and long-term growth prospects are critically dependent on sustained and substantial investment in research and development. We have established a comprehensive research and development infrastructure spanning multiple locations, supported by a sizable and highly qualified research and development team. We have consistently devoted significant financial resources to our research and development activities. Our R&D expenses amounted to RMB300.8 million, RMB204.3 million, RMB202.5 million, RMB91.2 million, and RMB111.4 million in 2023, 2024, 2025, and the six months ended June 30, 2025, and 2026, respectively, representing 59.6%, 52.9%, 54.5%, 53.1%, and 54.3% of our total operating expenses for the corresponding periods. Our R&D team comprises dedicated professionals with extensive industry expertise, focusing on the development of our products that help sustain our technological capabilities and market position. As of the Latest Practicable Date, we had 509 R&D personnel, representing approximately 46.4% of our total employees. For details, see "Business — Research and Development."

PRODUCTION

We have established our own manufacturing capabilities as an integral part of our full-stack technology strategy, enabling us to control the core processes that determine the performance and reliability of our products and to translate our proprietary optical, algorithm and chip technologies into consistent high-volume output. We commenced manufacturing at our Dongguan production base in August 2020. In October 2024, we relocated our production operations to our new Shunde production base and subsequently ceased production at our Dongguan base. We have developed a substantial body of proprietary process know-how and do not rely on third parties for the core process equipment used across the module-to-finished-sensor production chain.

SALES AND MARKETING

We have established an efficient sales network focused primarily on direct sales. As of the Latest Practicable Date, we had a sales and marketing team of 98 personnel. Our sales and marketing team has profound industry knowledge and expertise and works closely with our customers as well as our internal operations teams to promote our products. Our sales team is organized regionally with further segmentation by vertical industry, such as robotics and scanning, in our major markets, and is supported by tiered technical and field-application-engineering support teams that work closely with our sales organization.

Direct Sales

During the Track Record Period, we mainly conducted our sales through direct sales and generated most of our revenue domestically. We sell directly to enterprise customers, who typically integrate our products into their own end products across various industry sectors. We believe our direct sales model allows us to engage closely with customers throughout the product lifecycle, from initial technical evaluation and design-in support through to volume production, and to respond quickly to customer feedback and evolving technical requirements. This close engagement has also allowed us to build long-term relationships with our customers, and substantially all of our key accounts are supported under framework agreements or long-term cooperation arrangements with terms of one to three years.

Distributorship

We sell our products primarily through direct sales, with only a minor portion distributed via regional distributors. We believe this distribution model helps enhance our market penetration and improve our operational efficiency, particularly in overseas markets with diverse customer demands. Distributors provide local market knowledge, sales networks, and customer access, allowing us to accelerate market entry while reducing costs. Our distributors serve both our online and offline channels. During the Track Record Period, we had 11, 20, 25 and 25 distributors as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively. We generated revenue from distributors of RMB4.8 million, RMB16.4 million, RMB37.9 million and RMB34.3 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing approximately 1.3%, 2.9%, 4.0% and 7.8% of our total revenue in the corresponding periods.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our major customers primarily included enterprise customers across robotics, 3D scanning and biometric payment sectors, including certain of the largest and most established brands in their respective fields. Revenue generated from our five largest customers in each period of the Track Record Period was RMB135.7 million, RMB290.8 million, RMB601.3 million and RMB204.0 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing 37.6%, 51.5%, 63.9% and 46.6% of our total revenue in the corresponding periods. For the same periods, revenue generated from our largest customer in each period of the Track Record Period was RMB62.4 million, RMB159.7 million, RMB282.0 million and RMB119.6 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 17.3%, 28.3%, 30.0% and 27.3% of our total revenue in the corresponding periods. For more details, see "Business — Our Customers."

During the Track Record Period, our suppliers primarily consisted of providers of optical components, electronic components, structural components and other raw materials and services used in our products. Purchases from our five largest suppliers in each period of the Track Record Period were RMB43.2 million, RMB74.7 million, RMB99.8 million and RMB65.6 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 24.4%, 18.9%, 19.9% and 22.4% of our total purchases in the corresponding periods. For more details, see "Business — Our Suppliers."

COMPETITION

The markets in which we operate, including robotics 3D visual perception, embodied intelligence data collection devices and dedicated 3D application devices, are highly competitive and are evolving rapidly. We compete with global and domestic providers of 3D visual perception products and solutions, comprising both comprehensive providers with capabilities across multiple technology pathways and scaled mass production, and specialized providers focusing on specific technologies or application scenarios. As applications such as embodied intelligence robots, commercial service robots and industrial robots continue to expand, competition has extended beyond individual sensor performance to comprehensive capabilities in technology, product portfolio, customer coverage, scaled delivery and ecosystem compatibility. Leading players typically offer diversified technologies including binocular vision, structured light and ToF, supported by accumulated experience in product development, mass production and scenario adaptation, while specialized players differentiate through specific technologies, product forms or application scenarios. As robot applications become more complex and scaled deployment increases, companies with full-stack capabilities, broader product portfolios and large-scale delivery experience are expected to gain stronger competitive advantages. For details of the competitive landscape in our industry, please refer to "Industry Overview."

The global robot 3D visual perception market is relatively concentrated, with leading players accounting for a significant share of the market. Unlike ordinary cameras that primarily perform image capture and data transmission, robot 3D vision typically incorporates capabilities such as depth perception and data processing, enabling the real-time processing and analysis of captured visual data and converting such data into information that can support robots in environmental understanding, 3D assessment and task decision-making, thereby enabling the execution of more complex robotic tasks. Leading players have secured significant market shares through their long-term accumulation of capabilities in 3D visual perception technologies, product performance, scaled delivery and customer resources. For further details of the risks associated with competition in our industry, see "Risk Factors — Risks Relating to Our Business and Industry — The industries in which we operate are highly competitive and may become more competitive. If we fail to compete effectively, our business, financial condition and results of operations may be materially and adversely affected."

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks. Some of the major risks we face include: (i) our historical results and growth may not be indicative of future performance, and we may encounter difficulties in managing growth and expanding our operations; (ii) our markets and the technologies on which our products rely are rapidly evolving. Failure to keep pace with technological changes, industry standards and customer preferences, or a misjudgment of these developments, may materially and adversely affect our business and prospects; (iii) the industries in which we operate are competitive and may become more competitive. If we fail to compete effectively, our business, financial condition and results of operations may be materially and adversely affected; (iv) our significant R&D investments may adversely affect our profitability and operating cash flow and may not generate the expected benefits; (v) if we fail to develop and launch new products and solutions that meet customer requirements and achieve market acceptance in a timely and cost-effective manner, our business, financial condition and results of operations could be materially and adversely affected; (vi) we only recently achieved net profitability after a history of net losses; (vii) we have recorded net operating cash outflows in the past, and our liquidity, financial condition and prospects may be adversely affected if we continue to record net operating cash outflows in the future; and (viii) changes in global or regional economic, political and social conditions, government policies, laws, regulations and industry practices could adversely affect our business and operations.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Revenue	**360,006**	**100.0**	**564,459**	**100.0**	**940,744**	**100.0**	**435,469**	**100.0**	**437,606**	**100.0**
Cost of sales	(214,132)	(59.5)	(344,751)	(61.1)	(547,537)	(58.2)	(260,079)	(59.7)	(234,844)	(53.7)
Gross profit	**145,874**	**40.5**	**219,708**	**38.9**	**393,207**	**41.8**	**175,390**	**40.3**	**202,762**	**46.3**
Other income and gains	99,131	27.5	115,630	20.5	105,126	11.2	49,124	11.3	45,885	10.5
Selling and marketing expenses	(68,803)	(19.1)	(73,440)	(13.0)	(69,112)	(7.3)	(32,935)	(7.6)	(37,099)	(8.5)
Administrative expenses	(134,833)	(37.5)	(108,854)	(19.3)	(100,247)	(10.7)	(47,619)	(10.9)	(56,785)	(13.0)
Research and development expenses	(300,810)	(83.6)	(204,335)	(36.2)	(202,534)	(21.5)	(91,181)	(20.9)	(111,393)	(25.5)
Reversal of impairment loss/(impairment loss) on financial assets, net	2,231	0.6	(1,265)	(0.2)	(1,276)	(0.1)	618	0.1	(470)	(0.1)
Other expenses	(7,527)	(2.1)	(10,128)	(1.8)	(4,629)	(0.5)	(603)	(0.1)	(2,921)	(0.7)
Finance costs	(4,391)	(1.2)	(3,707)	(0.7)	(2,551)	(0.3)	(1,578)	(0.4)	(708)	(0.2)
Share of profits and losses of associates	261	0.1	971	0.2	843	0.1	641	0.1	28	0.0
Profits/(loss) before tax	**(268,867)**	**(74.7)**	**(65,420)**	**(11.6)**	**118,827**	**12.6**	**51,857**	**11.9**	**39,299**	**9.0**
Income tax (expense) /credit	(6,677)	(1.9)	2,521	0.4	8,794	0.9	7,816	1.8	1,487	0.3
Profit/(loss) for the year/ period	**(275,544)**	**(76.5)**	**(62,899)**	**(11.1)**	**127,621**	**13.6**	**59,673**	**13.7**	**40,786**	**9.3**

Revenue

During the Track Record Period, we primarily generated revenue from (i) sensors, which are primarily sophisticated hardware devices capable of capturing 3D information, depth data, and environmental geometry, and are installed into customers' devices, (ii) system-level devices and solutions, which are complete, ready-to-deploy products primarily including payment terminals, consumer and industrial-grade 3D scanners, and other integrated devices, and (iii) services and others, which primarily consists of our robotics OEM services and R&D services in relation to 3D visual perception technology. We recognize revenue when control of goods or services transfers to our customers, at the amount we expect to receive in exchange. The following table sets forth the breakdown of our revenue by business segment, in absolute amounts and as percentages of total revenue, for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Sensors	229,867	63.9	215,170	38.1	303,889	32.3	138,004	31.7	206,946	47.3
System-level devices and solutions	118,513	32.9	339,037	60.1	616,897	65.6	289,664	66.5	202,547	46.3
Services and others	11,626	3.2	10,252	1.8	19,958	2.1	7,801	1.8	28,113	6.4
Total	**360,006**	**100.0**	**564,459**	**100.0**	**940,744**	**100.0**	**435,469**	**100.0**	**437,606**	**100.0**

Our revenue increased slightly from RMB435.5 million for the six months ended June 30, 2025 to RMB437.6 million for the six months ended June 30, 2026, primarily because the increase in revenue from sensors and services and others more than offset the decrease in revenue from system-level devices and solutions. Our revenue increased by 66.7% from RMB564.5 million for the year ended December 31, 2024 to RMB940.7 million for the year ended December 31, 2025, primarily deriving from the increase in system-level devices and solutions. Our revenue increased by 56.8% from RMB360.0 million for the year ended December 31, 2023 to RMB564.5 million for the year ended December 31, 2024, primarily reflecting the increase in system-level devices and solutions. For detail, see "Financial Information — Period-to-Period Comparison of Results of Operations."

The following table sets forth sales volume and average selling prices of our major categories of products during the Track Record Period.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	Sales volume (in thousands)	*Average selling price (RMB per unit)*	*Sales volume (in thousands)*	*Average selling price (RMB per unit)*	*Sales volume (in thousands)*	*Average selling price (RMB per unit)*	*Sales volume (in thousands)*	*Average selling price (RMB per unit)*	*Sales volume (in thousands)*	*Average selling price (RMB per unit)*
Sensors	846	272	838	257	945	322	348	397	545	380
System-level devices and solutions	70	1,702	303	1,120	1,290	478	540	537	213	950

Gross Profit and Gross Profit Margin

Our gross profit margin represents our gross profit as a percentage of our revenue. The following table sets forth our gross profit and gross profit margin by business segment, for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**
	(RMB in thousands, except for percentages)									
							(unaudited)			
Sensors	89,030	38.7	89,146	41.4	157,559	51.8	72,700	52.7	114,887	55.5
System-level devices and solutions	55,443	46.8	125,771	37.1	224,680	36.4	98,959	34.2	83,572	41.3
Services and others	1,401	12.1	4,791	46.7	10,968	55.0	3,731	47.8	4,303	15.3
Total	**145,874**	**40.5**	**219,708**	**38.9**	**393,207**	**41.8**	**175,390**	**40.3**	**202,762**	**46.3**

Our gross profit maintained growth during the Track Record Period, primarily in line with our revenue growth and business expansion. Our gross profit margin fluctuated slightly, from 40.5% in 2023 to 38.9% in 2024, primarily due to increased sales of lower-margin payment terminals, and then increased to 41.8% in 2025, primarily due to increased sales of higher-margin sensors, including newly launched high-end sensor products. Our gross profit margin further increased to 46.3% for the six months ended June 30, 2026, mainly due to a shift in our sales mix, as revenue contribution from higher-margin sensors increased. For detail, see "Financial Information — Period-to-Period Comparison of Results of Operations."

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth a breakdown of our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
		(RMB in thousands)		
				(unaudited)
Total non-current assets	1,462,017	1,899,531	1,953,637	1,803,023
Total current assets	1,922,201	1,429,460	1,459,185	2,628,058
Total current liabilities	339,452	403,233	376,890	379,588
Net current assets	1,582,749	1,026,227	1,082,295	2,248,470
Total assets less current liabilities	3,044,766	2,925,758	3,035,932	4,051,493
Total non-current liabilities	34,240	51,478	41,764	41,309
Net assets	3,010,526	2,874,280	2,994,168	4,010,184

Our net current assets decreased from RMB1,582.7 million as of December 31, 2023 to RMB1,026.2 million as of December 31, 2024, primarily due to a decrease of RMB640.3 million in cash and cash equivalents, which was partially offset by (i) an increase of RMB60.9 million in inventories and (ii) an increase of RMB71.1 million in trade and bills receivables.

Our net current assets increased from RMB1,026.2 million as of December 31, 2024 to RMB1,082.3 million as of December 31, 2025, primarily due to (i) an increase in debt investments at fair value through other comprehensive income of RMB84.1 million and (ii) a decrease in interest-bearing bank borrowings of RMB40.7 million.

Our net current assets increased from RMB1,082.3 million as of December 31, 2025 to RMB2,248.5 million as of June 30, 2026, primarily due to (i) an increase in cash and cash equivalents of RMB953.8 million and (ii) an increase in prepayments, other receivables and other assets of RMB394.6 million.

For details, see "Financial Information — Liquidity and Capital Resources — Net Current Assets."

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table sets forth a summary of our consolidated cash flow statements for the years/periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2023	2024	2025	2025	2026
			(RMB in thousands)		
				(unaudited)	
Net cash flows (used in) /from operating activities	(159,761)	(86,341)	82,725	84,362	13,912
Net cash flows (used in)/ from investing activities	(94,597)	(593,620)	14,905	(29,366)	2,905
Net cash flows from/(used in) financing activities	137,292	39,456	(78,096)	(44,913)	939,815
Net (decrease)/increase in cash and cash equivalents	**(117,066)**	**(640,505)**	**19,534**	**10,083**	**956,632**
Cash and cash equivalents at the beginning of the year/period	1,005,862	889,809	249,525	249,525	267,171
Cash and cash equivalents at the end of the year/period	**889,809**	**249,525**	**267,171**	**259,412**	**1,220,986**

Our net cash flows used in operating activities were RMB159.8 million in 2023 and RMB86.3 million in 2024, primarily attributable to our loss before tax, adjusted by interest income, equity-settled share-based payment expenses, the increase in trade and bills receivables and the increase in inventories. Our net cash flows from operating activities were RMB82.7 million, RMB84.4 million and RMB13.9 million in 2025 and the six months ended June 30, 2025 and 2026, primarily attributable to our profit before tax, adjusted by depreciation of property, plant and equipment, investment income from certificates of deposits, the increase in trade and bills receivables and the increase in inventories. For details, see "Financial Information — Liquidity and Capital Resources — Consolidated Statements of Cash Flows — Net Cash Generated from/(Used in) Operating Activities."

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the years/periods indicated.

	As of/For the year ended December 31,			As of/For the six months ended June 30,
	2023	2024	2025	2026
Gross profit margin[(1)] *(%)*	40.5	38.9	41.8	46.3
Current ratio[(2)]	5.66	3.54	3.87	6.92
Adjusted net profit/(loss) margin (non-IFRS measure)[(3)] *(%)*	(57.8)	(5.1)	15.2	11.2

Notes:

(1) Gross profit margin equals gross profit divided by revenue for the year/period.

(2) Current ratio equals current assets divided by current liabilities as of the end of the year/period.

(3) Adjusted net profit/(loss) margin (non-IFRS measure) represents adjusted net profit/(loss) for the year/period (non-IFRS measure) divided by revenue for the same year/period and multiplied by 100%.

DIVIDENDS

During the Track Record Period, we did not declare or pay any dividends. The declaration and payment of any dividends in the future will be determined by our Board of Directors and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. Currently, we do not have a dividend policy or predetermined dividend payout ratio in place. As confirmed by our PRC Legal Advisors, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. In addition, our shareholders may, by resolution, elect to allocate a portion of our after-tax profit to a discretionary common reserve fund. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, (ii) we have allocated sufficient profit to our statutory common reserve fund as described above, and (iii) any discretionary allocation has been made as resolved by our shareholders.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and estimated expenses in connection with the [**REDACTED**] payable by us, and assuming that the [**REDACTED**] is not exercised and based on an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document.

We plan to use the [**REDACTED**] from the [**REDACTED**] as follows: (i) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to enhancing our research and development and product innovation capabilities, to continuously strengthen our full-stack R&D platform and core technology systems for Physical AI and to advance the ongoing research and development, iteration, engineering and commercialization of our products and solutions; (ii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to the construction, upgrade and expansion of our existing production facilities, to continuously enhance our production efficiency, capacity, flexible manufacturing capabilities, product quality and scaled delivery capabilities; (iii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to expanding our global market coverage, enhancing customer service capabilities and deepening Physical AI industry ecosystem collaboration; (iv) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to strategic investments and/or acquisitions across the Physical AI value chain centered on our core technologies; and (v) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for working capital and other general corporate purposes.

A-SHARE WEIGHTED VOTING RIGHTS STRUCTURE

Our Company has an A-Share WVR structure. Under the WVR structure, the share capital of our Company comprises Class A Ordinary Shares and Class B Ordinary Shares. Each Class A Ordinary Share shall entitle the holder to exercise five votes and each Class B Ordinary Share shall entitle the holder to exercise one vote, respectively, on any matter subject to vote at the Shareholders' meeting, other than the matters to be voted on a one vote per Share basis.

As of the Latest Practicable Date, Dr. Huang, our WVR Beneficiary, was entitled to exercise or control the exercise of (i) 55.68% of the voting rights through A Shares (Class A Ordinary Shares) directly held by him and (ii) 7.47% of the voting rights through A Shares (Class B Ordinary Shares) directly held by him or controlled by him as general partner of the relevant Shareholding Platforms, on any matter subject to vote at the Shareholders' meeting other than the Special Matters, which are to be voted on a one vote per Share basis. Upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]), Dr. Huang will be entitled to exercise or control the exercise of (i) [**REDACTED**]% of the voting rights through A Shares (Class A Ordinary Shares) and (ii) [**REDACTED**]% of the voting rights through A Shares (Class B Ordinary Shares), on any matter subject to vote at the Shareholders' meeting other than the Special Matters and Reserved Matters, which are to be voted on a one vote per Share basis. For details of our WVR structure, see "Share Capital — A-Share Weighted Voting Rights Structure."

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, Dr. Huang, directly and indirectly through Orbbec Zhongxin I, Orbbec Zhongrui, Orbbec Zhongxin II, Orbbec Zhongxin III, Orbbec Zhongcheng and Orbbec Zhongtai, was able to exercise or control the exercise of 63.14% of the voting rights at the Shareholders' meeting in respect of resolutions other than those with respect to Special Matters. Orbbec Xuguang, Orbbec Xiguang, Orbbec Zhuiguang, Orbbec Zhuguang and Orbbec Xiguang II, each a limited partner of Orbbec Zhongxin I, and Orbbec Heguang, Orbbec Chenguang, Orbbec Yaoguang and Orbbec Xingguang, each a limited partner of Orbbec Xiguang II (a limited partner of Orbbec Zhongxin I), are indirect Shareholding Platforms controlled by Dr. Huang as their respective general partner. Consequently, Dr. Huang and the aforesaid direct and indirect Shareholding Platforms are considered our Controlling Shareholder Group. Upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), our Controlling Shareholder Group will be entitled to exercise or control the exercise of [**REDACTED**]% of the voting rights at the Shareholders' meeting (except for resolutions with respect to the Reserved Matters and Special Matters), and will therefore remain as our Controlling Shareholders Group after the [**REDACTED**]. For details, see "Relationship with Our Controlling Shareholders."

LISTING ON THE SHANGHAI STOCK EXCHANGE

On July 7, 2022, our Company completed the A-Share Listing and our A Shares commenced trading on the Shanghai Stock Exchange (stock code: 688322). Our Directors confirm that, since our listing on the Shanghai Stock Exchange and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the [**REDACTED**] attention in relation to our compliance record on the Shanghai Stock Exchange. For details, see "History and Corporate Structure — Listing on the Shanghai Stock Exchange and Reasons for the [**REDACTED**] of the Stock Exchange."

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have [**REDACTED**] to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares to be issued pursuant to the [**REDACTED**] (including any H Shares which may be [**REDACTED**] pursuant to the exercise of [**REDACTED**]). We satisfy the requirements under Rules 8.05(3) and 8A.06(1) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2025, being approximately RMB940.7 million, which exceeds HK$500 million as required by Rule 8.05(3) of the Listing Rules and (ii) our expected [**REDACTED**] at the time of [**REDACTED**] (i) HK$4 billion as required by Rule 8.05(3) of the Listing Rules and (ii) HK$20 billion as required by Rule 8A.06 of the Listing Rules, assuming the [**REDACTED**] will be fixed at the low end of the indicative [**REDACTED**] range.

[REDACTED] EXPENSES

[**REDACTED**] expenses to be borne by us are estimated to be approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), representing approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] assuming no Shares are issued pursuant to the [**REDACTED**]. The [**REDACTED**] expenses consist of (i) [**REDACTED**] expenses, including [**REDACTED**], of approximately HK$[**REDACTED**], and (ii) [**REDACTED**] expenses of approximately HK$[**REDACTED**], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK$[**REDACTED**], and (b) other fees and expenses of approximately HK$[**REDACTED**]. During the Track Record Period, the [**REDACTED**] expenses charged to our consolidated statements of profit or loss were [**REDACTED**]. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED]

[REDACTED]

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Since June 30, 2026, we have continued to expand our product pipeline and accelerate commercialization. We officially launched and delivered our in-house developed data collection kits in August 2026, and received orders from over 100 customers in less than two months since launch. In August 2026, we launched the Physis series robotic vision products, marking the formal extension of our perception coverage into the pure-vision route.

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our business, financial condition and results of operations since June 30, 2026, which is the end date of the periods reported on in the Accountants' Report in Appendix I to this document, and there is no event since June 30, 2026 which would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this document.

"A Share(s)"	ordinary shares issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi, comprising Class A Ordinary Shares and Class B Ordinary Shares
"A-Share Listing"	public offering and listing of A Shares of our Company on the Shanghai Stock Exchange under the stock code 688322 on July 7, 2022
"Accountants' Report"	the accountants' report of our Company for the Track Record Period, as set out in Appendix I to this document
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Aocheng Shanghai"	Aocheng Information Technology (Shanghai) Co., Ltd. (奧誠信息科技(上海)有限公司), a limited company established in the PRC on June 27, 2014 and a wholly-owned subsidiary of our Company
"Articles of Association" or "Articles"	the articles of association of our Company adopted on September 14, 2026 which will become effective upon the [**REDACTED**] and as amended from time to time, a summary of which is set out in Appendix III to this document
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of our Company
"Business Day" or "business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business

[**REDACTED**]

"China," "Chinese Mainland," or "the PRC"	the People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires otherwise, references in this document to "China," "Chinese Mainland" and "the PRC" do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan of the PRC

"Class A Ordinary Shares"	class A ordinary shares in the share capital of the Company with a par value of RMB1.00 each, conferring weighted voting rights in the Company such that a holder of a class A ordinary share is entitled to five votes per Share upon [**REDACTED**] on all matters subject to the vote at the Shareholders' meeting, subject to the requirements under Rule 8A.24 of the Hong Kong Listing Rules, the PRC Company Law and Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange and the Articles of Association that the matters shall be voted on a one vote per Share basis
"Class B Ordinary Shares"	class B ordinary shares in the share capital of the Company with a par value of RMB1.00 each, conferring a holder of a Class B ordinary share one vote per Share on all matters subject to the vote at the Shareholders' meeting
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Orbbec Inc. (奧比中光科技集團股份有限公司), a joint stock company established under the laws of the PRC with limited liability on January 18, 2013, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 688322), and if the context requires, includes its predecessors
"Company Law" or "PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"Compliance Advisor"	Maxa Capital Limited
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Dr. Huang, (i) Orbbec Zhongxin I, Orbbec Zhongrui, Orbbec Zhongxin II, Orbbec Zhongxin III, Orbbec Zhongcheng and Orbbec Zhongtai, (ii) Orbbec Xuguang, Orbbec Xiguang, Orbbec Zhuiguang, Orbbec Zhuguang and Orbbec Xiguang II, being the limited partners of Orbbec Zhongxin I, and (iii) Orbbec Heguang, Orbbec Chenguang, Orbbec Yaoguang and Orbbec Xingguang, being the limited partners of Orbbec Xiguang II, which is itself a limited partner of Orbbec Zhongxin I, as further described in the section headed "Relationship with Our Controlling Shareholders" in this document
"Corporate Governance Committee"	the corporate governance committee of the Board

"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
"Director(s)"	the director(s) of our Company
"Dr. Huang"	Dr. HUANG Yuanhao (黃源浩), our founder, chairperson of the Board, executive Director, general manager, WVR Beneficiary and one of our Controlling Shareholders
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
"EU"	European Union
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[**REDACTED**]

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, and an Independent Third Party

[**REDACTED**]

"Group," "our Group," "we," "us" or "our"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"H Share(s)"	overseas [**REDACTED**] foreign share(s) in the share capital of our Company with a par value of RMB1.00 each, which are all Class B Ordinary Shares and to be [**REDACTED**] for and [**REDACTED**] in HK dollars, and for which an application has been made for [**REDACTED**] and permission to [**REDACTED**] on the Stock Exchange

[**REDACTED**]

DEFINITIONS

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars," "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

[**REDACTED**]

"IFRS"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
"Independent Third Party(ies)"	person(s) or company(ies) who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, are not our connected persons

[**REDACTED**]

"Joint Sponsors"	the joint sponsors as named in the section headed "Directors and Parties Involved in the [**REDACTED**]" in this document
"Latest Practicable Date"	September 20, 2026, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication

[REDACTED]

"Listing Guide" or "Guide for New Listing Applicants"	the Guide for New Listing Applicants as published by the Stock Exchange in July 2026 and amended from time to time
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF" or "Ministry of Finance"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
"NDRC"	the National Development and Reform Commission (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board
"Northbound Trading Link"	the trading arrangement under Shanghai-Hong Kong Stock Connect that allows investors in Hong Kong and overseas to trade eligible shares listed on the Shanghai Stock Exchange, subject to rules and regulations of the relevant regulatory authorities and the stock exchanges
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

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"Orbbec Chenguang"	Zhuhai Orbbec Chenguang Enterprise Management Partnership Enterprise (Limited Partnership) (珠海奧比辰光企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 14, 2020, is a limited partner of Orbbec Xiguang II, one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Heguang"	Zhuhai Orbbec Heguang Enterprise Management Partnership Enterprise (Limited Partnership) (珠海奧比禾光企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 14, 2020, is a limited partner of Orbbec Xiguang II (which is itself a limited partner of Orbbec Zhongxin I), one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Shunde"	Orbbec (Guangdong Shunde) Technology Co., Ltd. (奧比中光(廣東順德)科技有限公司), a limited company established in the PRC on September 12, 2023 and a wholly-owned subsidiary of our Company
"Orbbec US"	Orbbec 3D Technology International, Inc., a limited company established in the United States on October 1, 2014 and a wholly-owned subsidiary of our Company
"Orbbec Xiguang"	Zhuhai Orbbec Xiguang Investment Partnership Enterprise (Limited Partnership) (珠海奧比熙光投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 4, 2019, is a limited partner of Orbbec Zhongxin I, one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Xiguang II"	Zhuhai Orbbec Xiguang Enterprise Management Partnership Enterprise (Limited Partnership) (珠海奧比曦光企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 4, 2019, is a limited partner of Orbbec Zhongxin I, one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Xingguang"	Zhuhai Orbbec Xingguang Enterprise Management Partnership Enterprise (Limited Partnership) (珠海奧比星光企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 15, 2020, is a limited partner of Orbbec Xiguang II (which is itself a limited partner of Orbbec Zhongxin I), one of our Controlling Shareholders and a Shareholding Platform

"Orbbec Xuguang"	Zhuhai Orbbec Xuguang Investment Partnership Enterprise (Limited Partnership) (珠海奧比旭光投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 24, 2019, is a limited partner of Orbbec Zhongxin I, one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Yaoguang"	Zhuhai Orbbec Yaoguang Enterprise Management Partnership Enterprise (Limited Partnership) (珠海奧比耀光企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 15, 2020, is a limited partner of Orbbec Xiguang II (which is itself a limited partner of Orbbec Zhongxin I), one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Zhongcheng"	Zhuhai Orbbec Zhongcheng Investment Partnership Enterprise (Limited Partnership) (珠海奧比中誠投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 6, 2016, is one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Zhongrui"	Zhuhai Orbbec Zhongrui Investment Partnership Enterprise (Limited Partnership) (珠海奧比中瑞投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 6, 2016, is one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Zhongtai"	Zhuhai Orbbec Zhongtai Investment Partnership Enterprise (Limited Partnership) (珠海奧比中泰投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 6, 2016, is one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Zhongxin I"	Zhuhai Orbbec Zhongxin Investment Partnership Enterprise (Limited Partnership) (珠海奧比中芯投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 19, 2019, is one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Zhongxin II"	Zhuhai Orbbec Zhongxin Investment Partnership Enterprise (Limited Partnership) (珠海奧比中鑫投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 13, 2016, is one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Zhongxin III"	Zhuhai Orbbec Zhongxin Investment Partnership Enterprise (Limited Partnership) (珠海奧比中欣投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 13, 2016, is one of our Controlling Shareholders and a Shareholding Platform

"Orbbec Zhuguang"	Zhuhai Orbbec Zhuguang Investment Partnership Enterprise (Limited Partnership) (珠海奧比逐光投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 21, 2019, is a limited partner of Orbbec Zhongxin I, one of our Controlling Shareholders and a Shareholding Platform
"Orbbec Zhuiguang"	Zhuhai Orbbec Zhuiguang Investment Partnership Enterprise (Limited Partnership) (珠海奧比追光投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 24, 2019, is a limited partner of Orbbec Zhongxin I, one of our Controlling Shareholders and a Shareholding Platform

[REDACTED]

"Overseas Listing Trial Measures"	Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) released by the CSRC on February 17, 2023 and took effect on March 31, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Legal Advisors"	King & Wood, the legal advisors to our Company as to the laws of the PRC
"PRC Securities Law"	the Securities Law of the People's Republic of China (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time

[REDACTED]

[**REDACTED**]

"QIB(s)"	a qualified institutional buyer within the meaning of Rule 144A
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reserved Matters"	those matters with respect to which each Share is entitled to one vote at the Shareholders' meeting pursuant to Rule 8A.24 of the Hong Kong Listing Rules, further details of which are set out in "Share Capital — A-Share Weighted Voting Rights Structure" in this document
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Shanghai-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, [**REDACTED**] and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shanghai
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	ordinary share(s) in the capital of our Company with a par value of RMB1.00 each, comprising A Shares and upon [**REDACTED**], H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Share Incentive(s)"	restricted stock(s) and/or stock option(s) granted under the Share Incentive Plans (as the case may be)

"Share Incentive Plans"	the 2022 Share Incentive Plan, the 2024 Share Incentive Plan and the 2026 Share Incentive Plan
"Shareholding Platform(s)"	the platforms holding our Shares, including Orbbec Zhongrui, Orbbec Zhongxin II, Orbbec Zhongxin III, Orbbec Zhongxin I, Orbbec Zhongcheng, Orbbec Zhongtai, Orbbec Xuguang, Orbbec Zhuiguang, Orbbec Xiguang II, Orbbec Zhuguang, Orbbec Xiguang, Orbbec Heguang, Orbbec Chenguang, Orbbec Yaoguang and Orbbec Xingguang, each of which is controlled by Dr. Huang as its general partner
"Shenzhen Malio"	Shenzhen Malio Technology Co., Ltd. (深圳螞里奧技術有限公司), a limited company established in the PRC on April 13, 2018 and a wholly-owned subsidiary of our Company
"Southbound Trading Link"	the trading arrangement under Shanghai-Hong Kong Stock Connect that allows eligible Chinese mainland investors to trade eligible shares listed on Hong Kong Stock Exchange, subject to rules and regulations of the relevant regulatory authorities and the stock exchanges
"Special Matters"	those matters with respect to which each Share is entitled to one vote at the Shareholders' meeting pursuant to the PRC Company Law and the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange, further details of which are set out in "Share Capital — A-Share Weighted Voting Rights Structure" in this document

[REDACTED]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the financial years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026

[REDACTED]

[REDACTED]

"United States," "USA" or "U.S."	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"U.S. dollars," "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"VAT"	value added tax
"WVR Beneficiary"	has the meaning ascribed to it under the Hong Kong Listing Rules and unless the context otherwise requires, refers to Dr. Huang, being the holder of the Class A Ordinary Shares
"WVR structure" or "weighted voting rights structure"	has the meaning ascribed to it under the Hong Kong Listing Rules
"2022 Share Incentive Plan"	the restricted share plan of our Company adopted on January 5, 2023, pursuant to which our Company may grant type II restricted shares to eligible participants, the principal terms of which are set out in "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document
"2024 Share Incentive Plan"	the restricted share plan of our Company approved and adopted on November 11, 2024, pursuant to which our Company may grant type II restricted shares to eligible participants, the principal terms of which are set out in "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document
"2026 Share Incentive Plan"	the restricted share and stock option incentive plan of our Company approved and adopted on September 14, 2026, pursuant to which our Company may grant type II restricted shares and/or stock options to eligible participants, the principal terms of which are set out in "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document
"%"	per cent

For the purpose of this document, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

In this document the terms "associate(s)," "close associate(s)," "connected person(s)," "core connected person(s)," "connected transaction(s)," "substantial shareholder(s)" and "treasury share(s)" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions and may not be comparable to similar terms adopted by other companies.

"3D"	three-dimensional, three spatial dimensions of width, height and depth
"active stereo vision"	a 3D sensing technique that adds an active light source, such as infrared speckle patterns, to binocular imaging to enhance feature matching and depth calculation in complex environments such as low-texture and low-light conditions
"AGV"	automated guided vehicle, a mobile robot that follows predefined paths or markers to transport materials within a facility
"AI"	artificial intelligence
"AIoT"	artificial intelligence of things. AIoT encompasses a vast range of devices across both consumer and industrial sectors
"AMR"	autonomous mobile robot, a mobile robot that uses sensors and algorithms to navigate autonomously in dynamic environments without predefined paths
"API"	application programming interface, a set of protocols that allows unconnected applications to communicate with each other
"ASIC"	application-specific integrated circuit, a custom-designed semiconductor chip optimized for a specific application or task
"CAGR"	compound annual growth rate
"CMOS"	complementary metal-oxide-semiconductor, a technology used in image sensors that converts light into electronic signals
"COB"	chip-on-board, a semiconductor packaging method in which a bare chip is directly mounted onto and electrically connected to a printed circuit board
"depth-engine"	a specialized processing unit, typically an application-specific integrated circuit, designed to perform real-time depth calculation from raw sensor data in a 3D visual perception system
"DOE"	diffractive optical element, an optical component that uses microstructures on its surface to shape, split or redirect light beams for 3D sensing applications
"dToF"	direct time-of-flight, a distance measurement technique that calculates the distance between a sensor and a target by directly measuring the time it takes for a light pulse to travel to the target and reflect back to the sensor

"DVT"	design verification test, a product development stage in which the design is validated against functional and performance specifications prior to production
"EGO"	egocentric vision data collection module, a data collection module designed to capture first-person visual data from the user's perspective
"embodied intelligence"	the integration of cognitive processes with physical form, allowing systems to learn, adapt and interact with their environment through sensory and motor functions
"ERP"	enterprise resource planning, an integrated software system used to manage and coordinate an organization's core business processes and resources, such as procurement, inventory, finance and human resources
"ESG"	environmental, social and governance
"EVT"	engineering verification test, a product development stage in which an initial prototype is tested to validate core engineering concepts and identify design issues
"firmware"	software embedded in hardware devices that provides low-level control and enables the hardware to perform its intended functions
"FOV"	field of view, the angular size of the scene captured by a sensor, as measured in vertical and horizontal angular extent
"frame rate"	the frequency at which consecutive images are captured or displayed
"IPD"	integrated product development, a structured product development framework that coordinates cross-functional teams and processes from concept through mass production
"IQC"	incoming quality control, the inspection and testing of raw materials and components upon arrival to ensure they meet required quality standards before being used in the production process
"iToF"	indirect time-of-flight, a depth sensing technique that measures the phase shift between emitted and reflected modulated light signals to calculate the distance to an object
"JDM"	joint development manufacturing, a collaboration model in which a supplier and a customer jointly design, develop and manufacture a product

"LiDAR"	light detection and ranging, a remote sensing method that uses light to measure the distance or range of objects
"mass production"	a large-scale production phase that adopts automated intelligent manufacturing and engineering facilities to ensure product consistency, reduce labor costs, enhance utilization and achieve cost-efficiency
"MEMS"	micro-electro-mechanical systems, a miniaturized device that integrates mechanical and electronic components at the microscale, enabling a wide range of applications in sensors, actuators and systems
"NFC"	near-field communication, a short-range wireless communication technology that enables data exchange between devices within close proximity
"NPI"	new product introduction, a process that transitions a product from design and engineering into volume manufacturing
"NPU"	neural processing unit, a specialized processor designed to accelerate machine-learning inference tasks
"ODM"	original design manufacturer, a company that designs and manufactures a product to be rebranded and sold by another company
"OEM"	original equipment manufacturer, a company that assembles and installs parts during the construction of a new product
"passive stereo vision"	a 3D sensing technique that relies on two cameras to capture images from different viewpoints under ambient lighting conditions and derives depth information through stereo matching and disparity computation
"PCB"	printed circuit board, a board used to mechanically support and electrically connect electronic components using conductive pathways
"PCBA"	printed circuit board assembly, a printed circuit board onto which electronic components have been soldered or otherwise mounted
"PCT"	the Patent Cooperation Treaty, an international treaty that simplifies the patent application process for inventors seeking protection in multiple countries
"Physical AI"	the application of artificial intelligence to real-world physical environments, encompassing the perception of, decision-making in and interaction with 3D spaces through intelligent terminal devices such as robots
"point cloud"	the output of a scanning process, which contains a large number of points that together represent the site scanned

"PoE"	Power over Ethernet, a technology that delivers electrical power along with data over standard Ethernet cabling
"PVT"	production verification test, a product development stage in which the manufacturing process is validated under production conditions prior to full mass production
"R&D"	research and development
"resolution"	a measure of the smallest detail a sensing system can distinguish: for an image sensor or an RGB or depth image, the number of pixels expressed as horizontal by vertical dimensions; for a LiDAR system, the minimum angular interval between adjacent scanning beams (angular resolution)
"RGB"	red, green and blue, the three primary color channels used in digital imaging
"RGB-D"	a type of imaging data that combines a standard RGB color image with a per-pixel depth map, providing both visual appearance and 3D spatial information
"RTK"	real-time kinematic, a high-precision satellite navigation positioning technique that utilizes carrier-phase measurements from global navigation satellite systems to achieve centimeter-level accuracy in real time
"SDK"	Software Development Kit, a collection of tools, libraries and documentation that enables developers to create applications for specific platforms or frameworks
"SLAM"	simultaneous localization and mapping, a technology that enables a system to create a map of its environment while simultaneously determining its own location within that map
"SMT"	surface mount technology, a method for producing electronic circuits in which components are mounted directly onto the surface of printed circuit boards
"SoC"	system on a chip, an integrated circuit that consolidates a processor, memory and peripheral functions onto a single chip
"SPAD"	single-photon avalanche diode, a highly sensitive semiconductor device that can detect individual photons, enabling applications in advanced imaging systems and distance measurement
"SPC"	statistical process control, a quality management method that uses statistical techniques to monitor and control a manufacturing process
"structured light"	a 3D sensing technique that projects a known pattern of light, such as stripes or speckles, onto a scene and analyzes the deformation of the pattern to calculate depth and surface geometry

"TAM"	total addressable market, an estimate of the total revenue opportunity available for a product or service if it were to achieve 100% market share in a specific market
"teleoperation"	the remote control of a robot or machine by a human operator, typically used to collect data on control commands, robot status and interaction processes for model training
"ToF"	time of flight, a measurement technique that determines the distance between a sensor and an object by calculating the time taken for a light signal to travel to the object and be reflected back to the sensor
"UMI"	handheld manipulation data collection module, a handheld data collection module designed to capture visual and manipulation and interaction tasks
"VCSEL"	vertical-cavity surface-emitting laser, a type of semiconductor laser that emits light vertically from its surface, utilized for its high efficiency, compact size and precise light emission in optical sensing applications
"VLA"	vision-language-action model, an artificial intelligence model that integrates visual perception, natural language understanding and robotic action generation to enable intelligent task execution
"VLM"	vision-language model, an artificial intelligence model that jointly processes visual and linguistic information to perform tasks such as image understanding, visual question answering and object recognition
"WristCam"	wrist-level near-field interaction capture module, a wrist-mounted data collection module designed to capture near-field visual and interaction data during hand-object interactions

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "believe," "could," "estimate," "expect," "going forward," "intend," "may," "might," "ought to," "plan," "potential," "predict," "project," "seek," "should," "will," "would" and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change.

These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our mission, goals and strategies;
- our future business development, financial conditions and results of operations;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our expectations regarding demand for and market acceptance of our products;
- our expectations regarding our relationships with customers, suppliers and other business partners;
- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to adequately protect our reputation and brand image, as well as our intellectual property rights;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- our ability to attract and retain qualified personnel;
- competition in the industries and markets in which we operate or into which we intend to expand;
- our proposed use of [**REDACTED**];
- rapid developments in technology and our ability to successfully keep up with technological advancement;
- changes in currency exchange rates;
- relevant government policies and regulations relating to industries which we operate in;
- certain statements in this document with respect to trends in prices, operations, margins, overall market trends, and risk management;
- change of volatility in interest rates, equity prices, volumes, operations, margins, risk management and overall market trends; and

- other statements in this document that are not historical facts.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, the forward-looking statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realized. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

In this document, statements of or references to our intentions or those of the Directors are made as of the date of this document. Any such information may change in light of future developments.

You should carefully consider all of the information in this document, including the following risk factors before making any [**REDACTED**] *decision in relation to the H Shares. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The* [**REDACTED**] *of the H Shares could fall significantly due to any of these risks, and you may lose all or part of your* [**REDACTED**]. *The information given is subject to the cautionary statements in the section headed "Forward-Looking Statements."*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our historical results and growth may not be indicative of future performance, and we may encounter difficulties in managing growth and expanding our operations.

During the Track Record Period, we expanded our business and achieved significant revenue growth by developing and launching new products and 3D visual perception solutions and broadening our customer base. In 2023, 2024 and 2025, and for the six months ended June 30, 2025 and 2026, we generated revenue of RMB360.0 million, RMB564.5 million, RMB940.7 million, RMB435.5 million and RMB437.6 million, respectively. We recorded net losses of RMB275.5 million in 2023 and RMB62.9 million in 2024, and shifted to net profits of RMB127.6 million in 2025, RMB59.7 million for the six months ended June 30, 2025 and RMB40.8 million for the six months ended June 30, 2026. However, there can be no assurance that we will sustain such historical growth rates in future periods. Our revenue growth may slow, or our revenue may decline, due to various factors, including weakening demand for our products, intensified competition, technological changes, slower growth in our addressable markets or our inability to identify or capitalize on new growth opportunities.

Even if our business continues to grow, managing that growth will require us to enhance our operational, financial and management controls, reporting systems and internal procedures, recruit and retain qualified personnel and allocate resources effectively. We may encounter difficulties in upgrading our internal systems, coordinating an increasingly complex business and improving operational efficiency at a pace consistent with our expansion. Our existing and planned personnel, systems, policies, procedures and controls may be inadequate to support future operations, and our management team may be unable to manage our expanded business effectively. If we fail to sustain our growth, manage our expansion effectively or implement appropriate systems and controls in a timely manner, we may experience increased costs, operational inefficiencies or delays in responding to business and market developments. Any of these circumstances could materially and adversely affect our business, financial condition, results of operations and prospects.

Our markets and the technologies on which our products rely are rapidly evolving. Failure to keep pace with technological changes, industry standards and customer preferences, or a misjudgment of these developments, may materially and adversely affect our business and prospects.

The industries in which we operate, including the robotic 3D visual perception market, the embodied intelligence data collection devices market, and the dedicated 3D application devices market, are each characterized by rapid technological development, evolving industry standards, changing downstream applications and shifting customer preferences. Competitors may achieve technological iterations or breakthroughs earlier than we do, or alternative technologies may become more attractive, rendering our existing products less competitive or obsolete. If we fail to enhance our six core R&D platforms—optics, chips, algorithms, software, systems and engineering—and products in line with customer requirements and applicable standards, our market position and customer relationships may deteriorate.

We may also misjudge the direction or pace of technological change, market trends or customer demand. In particular, we may misjudge which technology routes will prevail in specific application scenarios, the pace at which the market shifts towards multi-modal perception, the rate at which real-world data collection moves from experimental use to volume deployment, or the extent to which customers require perception suppliers to evolve from component offerings into a Physical AI infrastructure platform combining a spatial-intelligence perception gateway, standardized multi-modal real-world data collection and system-level engineering delivery. We may fail to access important technologies or allocate R&D resources effectively, and any new or enhanced technologies may not achieve market acceptance on the anticipated timetable or at all. If our technology roadmap or product technology does not align with market requirements, we may be unable to maintain or expand our market share, retain existing customers or attract new customers, which could materially and adversely affect our business, results of operations and prospects.

The industries in which we operate are competitive and may become more competitive. If we fail to compete effectively, our business, financial condition and results of operations may be materially and adversely affected.

The industries in which we operate, including the robotic 3D visual perception market, the embodied intelligence data collection devices market, and the dedicated 3D application devices market, are competitive and are evolving. We compete with global and domestic providers of visual perception products and solutions, comprising both comprehensive vendors that cover multiple technology routes and possess large-scale manufacturing capabilities and specialized players that focus on a particular technology route, product form or downstream application. Compared with us, some competitors may have greater resources and advantages, including longer operating histories, stronger financing capabilities, more mature technologies, broader intellectual property portfolios, more extensive sales and marketing networks and stronger customer relationships. Competition in our industry is no longer based primarily on the performance of individual sensors, but increasingly on comprehensive capabilities spanning full-stack technology, breadth of product matrix, customer coverage, large-scale delivery and ecosystem adaptation. This competition may result in competitive pricing, lower profitability, higher customer qualification thresholds and shorter product life cycles, which could lead to loss of customers and market share, including the leading market positions we currently hold.

There can be no assurance that our technological capabilities, intellectual property portfolio, product offerings, manufacturing capabilities, customer relationships, or industry experience will enable us to compete successfully or to maintain the entry barriers on which our market position depends. If we fail to respond effectively to competitive pressures or evolving customer requirements, or if we incur substantial costs to do so without achieving the expected commercial results, demand for our products and solutions may decline and our revenue, margins and market share may decrease. Any of these developments could materially and adversely affect our business, financial condition, results of operations and prospects.

Our significant R&D investments may adversely affect our profitability and operating cash flow and may not generate the expected benefits.

We believe continued investment in R&D is important to developing and maintaining our technology capabilities and supporting growth. We have therefore committed, and expect to continue committing, substantial financial and other resources to R&D activities. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, we incurred R&D expenses of RMB300.8 million, RMB204.3 million, RMB202.5 million, RMB91.2 million and RMB111.4 million, respectively.

However, our R&D activities generally require capital investment, involve lengthy development cycles and are subject to uncertainties. As a result, they may continue to consume working capital and adversely affect our profitability, operating cash flows and financial condition. There can be no assurance that our R&D efforts will achieve the intended results within the anticipated timeframe, or at all, or that the technologies or products developed through such efforts will be successfully commercialized. Even if commercialized, their market acceptance, sales volumes, pricing or timing of revenue generation may fall short of expectations, and revenue may be insufficient to cover associated costs or recover our investments. If we cannot conduct R&D activities in a timely and cost-effective manner or generate sufficient returns from them, our business, financial condition, results of operations and prospects may be materially and adversely affected.

If we fail to develop and launch new products and solutions that meet customer requirements and achieve market acceptance in a timely and cost-effective manner, our business, financial condition and results of operations could be materially and adversely affected.

We must continuously develop and launch new products and solutions and enhance existing offerings to address evolving customer needs. However, new products may fail to meet customer requirements or achieve commercial success. Their development involves uncertainties, including whether we can deliver targeted functionality, performance, quality, reliability and cost-effectiveness; complete customer testing and validation; and achieve market acceptance within the expected timeframe. New products may also require compatibility with customer platforms and applicable industry standards.

If we fail to develop and launch products that meet customer requirements and gain market acceptance in a timely manner, we may suffer product obsolescence, loss of sales and market share, reduced revenue and lower profitability. If initial sales volumes of new or enhanced products fall short of expectations, development and commercialization costs may exceed expectations and we may incur additional marketing costs or inventory write-downs. Any such failure could materially and adversely affect our business, financial condition and results of operations.

Our future growth depends on the development and commercialization of end markets and application scenarios, which may not occur as rapidly or extensively as anticipated.

Our sales depend on the development and commercialization of both downstream end markets and application scenarios for our products. These markets and scenarios are at development stages and may not mature as rapidly or extensively as anticipated. Factors that could impede growth include evolving customer preferences, macroeconomic conditions, regulatory changes, trade policies, industry cyclicality, emerging alternative technologies, changing technology paths and the timing of new product launches.

Our revenue also depends on our customers' ability to develop, commercialize and achieve market acceptance for their own products. If end-market demand weakens, if new application scenarios develop later or on a smaller scale than anticipated, or if the relevant technology paths and commercialization timetables change significantly, our business, financial condition and results of operations could be materially and adversely affected.

We depend on a limited number of large customers who have significant bargaining power, and our failure to maintain these relationships or attract new customers cost-effectively could materially and adversely affect our business.

We primarily conduct sales through a direct-sales model to enterprise customers, and a substantial portion of our revenue is attributable to a limited number of major customers. During the Track Record Period, revenue derived from our five largest customers represented 37.6%, 51.5%, 63.9% and 46.6% of our total revenue in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. Revenue from our single largest customer represented 17.3%, 28.3%, 30.0% and 27.3% of our total revenue for the same periods.

We may need to devote significant time and resources to meeting stringent customer specifications and negotiating terms without assurance of securing orders. Any material reduction or cessation of purchases by major customers, failure to retain existing customers or attract new customers cost-effectively, or inability to compete effectively against alternative suppliers or customers' in-house solutions, could reduce order volumes, compress our margins and materially and adversely affect our business, financial condition and results of operations.

Product development involves significant upfront investment and may not be successful.

The development of our products involves significant upfront investment in R&D, engineering, testing, validation and capacity preparation, often before any binding customer commitment is made. The success of these efforts depends on factors largely beyond our control, including technical feasibility, alignment with evolving customer requirements, changes in customer specifications or platform designs, and the availability of competitive alternatives.

If we fail to meet specifications, applicable industry standards or reliability requirements in a timely manner, we may be unable to complete qualification processes, secure orders or maintain our position on qualified-vendor lists. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Our products and solutions may contain defects or fail to perform as expected, which could reduce market adoption, damage our reputation, expose us to product liability or warranty claims and adversely affect our results of operations.

Our products and solutions integrate complex optical systems, 3D visual sensors, depth-engine chips, firmware, algorithms, software and third-party components, and may contain latent defects, errors or reliability issues. Such issues may arise from design, manufacturing, supplier-provided materials or customer integration into end products or systems, and may emerge only after volume production, extended use or deployment in new environments. Testing cannot identify all issues before commercial release. When issues occur, they may cause malfunctions and require returns, repairs, replacements, recalls, patches, product redesign or suspension of production or sales. Such remediation could delay customer programs, reduce market adoption, damage our reputation and expose us to product liability, contractual or indemnity claims. We may incur remediation, warranty, litigation and operating costs. These events could materially and adversely affect our sales and results of operations.

Our failure to provide high-quality customer service, technical support and maintenance could harm our customer relationships, reputation and business.

Our products typically require integration into customers' existing systems and may require calibration, troubleshooting and ongoing technical support and maintenance. As our customer base expands and application scenarios diversify, the volume, variety and complexity of service requests are likely to increase. We rely on qualified technical personnel with expertise in our products and their practical applications. We may face challenges in recruiting or retaining sufficient personnel, responding promptly to demand surges or individual issues, or adapting our services to meet evolving customer needs. Inadequate or untimely support may result in prolonged downtime, customer dissatisfaction and attrition, weakened referrals, increased support costs and reputational harm, any of which could materially and adversely affect our business, financial condition and results of operations.

We rely on distributors for a small portion of our sales, and have limited control over their sales, marketing, inventory and compliance practices, which could adversely affect our brand, revenue and results of operations.

We sell a small portion of our products through distributors. In 2023, 2024 and 2025, and for the six months ended June 30, 2026, 1.3%, 2.9%, 4.0% and 7.8% of our revenue was generated through distributors, respectively. We have limited control over our distributors' operations. There is no assurance that our distributors will comply with applicable laws and regulations, effectively market and support our products or maintain their relationships with us. Any failure by our distributors to do so, or any unauthorized use of our brands or intellectual property, could harm our reputation, reduce customer demand and adversely affect our business, financial condition and results of operations.

Shortages, long lead times, quality issues or cost increases for raw materials and key components may disrupt our supply chain, delay deliveries and affect market prices.

Our major raw materials and key components include general-purpose photosensitive chips, laser emitters, optical lenses, diffractive optical elements, filters, self-developed depth-engine chips fabricated on a fabless basis, structural components, electronic components and PCBs. Production capacity for key components, particularly photosensitive chips and laser emitters, is concentrated among a limited number of suppliers. Rapid changes in downstream demand from biometric payment devices and robotics can cause periodic shortages or oversupply, leading to price volatility. Significant raw material price fluctuations may affect our product prices and profit margins. Price expectations may also prompt downstream customers to stockpile or defer procurement, exacerbating supply-demand imbalances and intensifying price volatility. We procure certain key components, such as laser emitters and diffractive optical elements, on a customized basis through limited sources; supply instability could hinder short-term supplier switching and affect production reliability and product quality. We cannot assure you that we will secure sufficient key components on favorable terms during supply shortages. Any failure to procure adequate raw materials or manage our key-component supply effectively may prevent timely product delivery and adversely affect our business, financial condition and results of operations.

We rely primarily on our own manufacturing capabilities but selectively engage third-party contract manufacturers and other service providers, whose failure to meet our quality, capacity, delivery or compliance requirements could adversely affect our business and results of operations.

Our chip design activities are conducted on a fabless basis, and we selectively engage third-party contract manufacturers for certain manufacturing processes and product categories, including surface mount technology processing for selected printed circuit board assembly boards and complete unit assembly for selected consumer-facing products such as biometrics recognition payment terminals, tablet devices and identity verification devices. We station our own quality and engineering personnel on-site at contract-manufacturer facilities to oversee incoming materials, in-process production, finished-product testing and after-sales handling throughout the product lifecycle. Nevertheless, we have limited control over these third parties' operations. They may fail to follow our production schedules, deviate from our quality standards, experience capacity constraints or labor shortages, or lose qualifications required by our customers. They may also gain access to our know-how, and any leakage could harm our competitive position. Replacing a qualified contract manufacturer requires re-validation and may take time, and seeking indemnity may be costly and may not fully cover our losses. Any of the foregoing could disrupt deliveries, expose us to customer claims and adversely affect our business, financial condition and results of operations.

Our reliance on complex production and testing equipment exposes us to operational and cost risks.

Because our products require precision manufacturing, we and our suppliers rely on production and testing equipment with high specifications and stringent performance requirements. Such machinery involves numerous moving parts and precision components and may suffer unexpected malfunctions, requiring repairs, spare parts or replacement that may not be available promptly. Operational performance and costs can be difficult to predict, and we may incur unplanned capital expenditures, higher maintenance costs or extended downtime. Equipment failures or calibration drift could also reduce production yields. Our contract manufacturers face similar risks in respect of equipment we supply to them. Any of the foregoing could disrupt production, delay deliveries and result in failure to meet contractual obligations, which could in turn harm our reputation, damage customer relationships, reduce market share and adversely affect our results of operations.

Our production and procurement plans may not match customer demand, which could adversely affect our operating results.

We operate under a make-to-stock model and plan procurement and production ahead of demand, with reference to customer orders, demand forecasts and raw material lead times. Our forecasts may be inaccurate because certain application scenarios remain at an early stage of market penetration with volatile demand patterns, customers may revise volume estimates or product launch schedules, and end-market conditions may shift unexpectedly. If demand is overestimated, we may procure too many materials or commit too much capacity, resulting in excess inventory or idle capacity. If demand is underestimated, we may be unable to secure sufficient components or scale production in time, leading to lost sales, contractual liability and damage to customer relationships. Our inability to align procurement, production and customer demand could adversely affect our operating results and prospects.

Our ability to manufacture and deliver products of consistent quality, on schedule and at scale is still evolving, and our capacity expansion and production ramp-up may not proceed as planned.

Our system-level devices and solutions integrate optics, chips, algorithms and precision assembly, and mass production is technically demanding. In October 2024, we relocated our production operations from Dongguan to Shunde and subsequently ceased production at our Dongguan facility. We currently operate our manufacturing facility in Shunde. We are also developing our Bac Ninh production base in Vietnam. Our experience in balancing volume with quality remains limited relative to the scale we are targeting, and each new technology route and product series may require new processes, equipment and testing standards. We cannot assure you that we will achieve our targeted production volumes on a timely basis, or at all, due to yield fluctuations, quality-control deficiencies, equipment and process ramp-up difficulties, shortages of skilled production personnel and cost overruns. Products affected by design or manufacturing defects may require rework, returns or recalls, expose us to warranty or product liability claims and damage our reputation with customers.

The construction and ramp-up of our Bac Ninh production base in Vietnam require capital expenditures and management attention and may be delayed or cost more than budgeted because of permitting, land, construction, equipment delivery or local labor factors. We have limited operating experience in overseas manufacturing, which exposes us to additional legal, tax, customs, labor and foreign exchange risks in the relevant jurisdictions. Overseas production capacity may fail to achieve expected yields or unit costs within the anticipated timeframe. If our overseas capacity expansion fails to proceed or scale as planned, we may be unable to meet customer demand or realize expected cost savings and supply-chain resilience while still bearing the associated depreciation and operating expenses. Any of the foregoing could adversely affect our business, financial condition and results of operations.

We primarily rely on reputable third-party logistics service providers to transport our products and raw materials, and disruptions to their services may adversely affect our business operations.

We primarily engage reputable third-party logistics service providers to handle delivery of our products to customer-designated locations and transportation of raw materials procured by us from suppliers to our production facilities. These providers are responsible for customs clearance, where applicable, and the entire transportation process, and the relevant provider bears liability for damage occurring in transit. Nevertheless, we have limited control over these providers, and their services may be disrupted by capacity constraints, freight-rate volatility, port congestion, customs clearance and export-control procedures, adverse weather, natural disasters, epidemics, labor disputes or geopolitical events. Components and raw materials may also be lost, mishandled or damaged in transit, and recovery from a provider may be delayed or insufficient. Any such disruption could delay production or deliveries, cause expedited-freight or replacement costs, expose us to customer claims for late delivery and damage customer relationships, any of which could adversely affect our business operations, financial condition and results of operations.

We may not successfully complete or realize the expected benefits of our acquisitions and investments, which could increase our capital requirements and expose us to integration and financial risks.

We have made and may continue to make acquisitions and investments to complement our technology portfolio and application coverage. Such transactions involve risks including inaccurate valuation or inadequate due diligence, failure to obtain required approvals or complete a transaction as planned, and difficulty integrating personnel, technology, systems and internal controls. We may be unable to exercise control over or realize expected strategic synergies from investments and may be required to provide additional funding or support. Acquisitions and investments may consume capital and management attention and result in goodwill or investment impairment if the target or invested business underperforms. Any of the foregoing could adversely affect our financial condition and results of operations.

Evolving laws, regulations and industry standards for intelligent robots, biometric authentication and spatial sensing technologies may increase our compliance costs or restrict our business.

Our customers use our products to capture and process 3D information relating to individuals and physical environments in biometric authentication, robotic AI perception and other regulated scenarios. Laws, regulations, AI safety frameworks and industry standards applicable to intelligent robots, embodied intelligence and spatial sensing technologies may impose more stringent technical, operational, product-safety, certification, export control or compliance requirements on us and our customers. These requirements may slow adoption in certain application scenarios, require product redesign or additional certifications and increase compliance costs. Failure by us, our employees, customers or partners to comply with applicable requirements could result in penalties, litigation, disputes or reputational harm, and adversely affect our R&D, commercialization and sales activities.

Our success depends on our ability to attract and retain key personnel, and any failure to do so could impair our ability to grow our business and execute our business strategies.

Our business depends on the continued service and performance of our management team and other key personnel, who are responsible for formulating and executing our business strategies, managing operations, identifying and pursuing new business opportunities and driving product innovation. The loss of any member of our management team or other key personnel, or any change in the composition of our management team, could disrupt our operations and delay or prevent implementation of our business plans. We may be unable to identify, recruit or retain suitable replacements in a timely manner or at all, and integrating new personnel may require time, training and resources. Any such loss or transition could adversely affect our operational efficiency, management continuity and corporate culture.

Our future success depends on our ability to attract and retain qualified personnel with expertise in 3D visual perception, Physical AI, and related intelligent hardware applications.

We rely on R&D personnel to develop and enhance our core technologies, products and solutions, and on sales and marketing personnel to maintain customer relationships. Competition for such talent may require us to offer competitive remuneration, training, incentives and other benefits, increasing our expenses and management burden. Any failure to attract or retain qualified personnel, particularly key technical personnel, could disrupt product development, innovation capabilities, customer relationships and operations, and materially and adversely affect our business, financial condition and results of operations.

Failure to obtain, maintain, protect or enforce our intellectual property and proprietary technology, or to safeguard our trade secrets, know-how and other proprietary information, could materially and adversely affect our business and prospects.

Our technology-intensive business relies on patents, software copyrights, trade secrets and proprietary know-how across our 3D visual perception technology stack. Pending patent applications may not be granted, and issued patents may be narrow in scope, subject to invalidation or otherwise insufficient to prevent competitors from replicating our technologies or developing alternatives. Confidentiality, invention-assignment and non-compete agreements may be breached or fail to provide adequate protection, while employees, collaborators, suppliers or contract manufacturers may intentionally or inadvertently disclose or misappropriate our trade secrets and proprietary information. Policing unauthorized use and enforcing our intellectual property rights may require us to initiate legal proceedings and may also be costly, time-consuming and uncertain, diverting management attention and R&D resources.

Patent laws, examination standards and judicial or administrative interpretations in the Chinese mainland and other jurisdictions continue to evolve. Changes may narrow the scope of patentable subject matter or patent claims, raise thresholds for patent validity or enforcement, restrict available remedies or lead to reinterpretation of issued patent claims. Our existing patents may also be challenged, narrowed, invalidated, held unenforceable or otherwise diminished in value, and competitors may be able to circumvent or design around them. Any such development could impair our ability to protect our products and technologies and materially and adversely affect our competitive position, business and prospects.

We may be subject to intellectual property infringement, misappropriation or other claims that may be costly, restrict our ability to use important technologies and materially and adversely affect our business and results of operations.

We operate in a highly competitive technology field and develop complex products incorporating numerous technologies. We may unknowingly infringe third-party patents, unpublished patent applications or trademarks not identified through prior searches. Our employees may also inadvertently use proprietary know-how or trade secrets from former employers. Any intellectual property claim against us, regardless of merit, may be costly, time-consuming and distracting to management. An adverse outcome could require us to pay substantial damages, cease using certain technologies or suspend product sales, redesign or rebrand products, or obtain royalty-bearing licenses that may not be available on commercially acceptable terms. Such disputes could also cause customers to terminate, defer or reduce their orders, materially and adversely affecting our business and results of operations.

Open-source software and third-party technologies used in our products and solutions may expose us to additional risks and liabilities.

Our products and solutions may incorporate open-source software and technologies licensed from third parties. These licenses may impose obligations relating to attribution, disclosure, source-code release, redistribution or patent rights. Failure to identify or comply with these obligations could expose us to claims, injunctions, damages, additional license fees, compulsory release of proprietary source code, or require us to redesign, replace or suspend affected products or solutions. Third-party licenses or support may also be terminated or modified, and their terms or costs may change adversely. Any of these circumstances could adversely affect our operations and financial condition.

Failure to comply with patent procedural requirements may reduce or eliminate our patent protection.

Obtaining and maintaining patent protection requires compliance with procedural, documentary and fee-payment requirements imposed by governmental patent agencies, including the CNIPA. These requirements include timely responses to official actions, submission of properly executed and legalized documents and payment of periodic maintenance fees. Inadvertent errors or missed deadlines may result in abandonment or lapse of a patent or patent application, or partial or complete loss of priority or patent rights. Restoration may be unavailable or require substantial time and expense. Competitors could then use the affected technology or enter the relevant market without restriction, which could materially and adversely affect our business, financial condition and results of operations.

Cyberattacks, security breaches, system failures or unauthorized access to data could materially and adversely affect our operations and compromise confidential information.

We rely on information technology systems to support our operations, including R&D, production, procurement, finance, supply chain management and customer service. We collect and store primarily commercial and transactional information relating to customers, suppliers and other counterparties, as well as personal information of employees, job applicants and designated contacts at partner organizations, primarily names and contact information, through our enterprise email and ERP systems. We have implemented policies and procedures governing data storage, transfer, copying, backup and destruction, and restrict and log access to relevant databases and backup files. Nevertheless, our systems and those of third-party vendors may be vulnerable to cyberattacks, malware, actions by unauthorized or negligent insiders, power outages, hardware or software failures and telecommunications disruptions. Despite our security controls, evolving cyber threats may evade detection, and we cannot assure you that our measures will prevent or mitigate all security incidents. Any security incident could interrupt operations, compromise our intellectual property, trade secrets or stakeholder data, impair product performance, delay financial reporting or cause internal-control deficiencies, and result in substantial remediation, litigation and regulatory costs, contractual liabilities and reputational harm. Any of these events could materially and adversely affect our business, financial condition and results of operations.

We may incur additional costs or fail to obtain, maintain or renew the approvals, permits, licenses, certificates and other regulatory filings necessary for our operations and production.

Our business operations require various regulatory approvals, permits, licenses and certifications. Changes in applicable laws, regulations or their interpretation, as well as expansion of our business activities, may require us to obtain new or updated authorizations, the approval of which is not assured and may involve significant costs and time. If any required authorization expires, is revoked or cannot be obtained, maintained or renewed in a timely manner, or if we fail to comply with applicable requirements, we may be subject to fines, mandatory rectification, suspension or restriction of operations, confiscation of unlawful gains or delays in business expansion plans, any of which could materially and adversely affect our business, financial condition and results of operations.

Our international expansion exposes us to regulatory, economic, political, operational and cultural risks.

While our products have historically been sold primarily to customers in the Chinese mainland, expanding our global footprint and overseas sales is an important part of our future growth. However, our efforts to increase overseas sales may not be successful. Overseas operations expose us to risks including (i) the costs and difficulties of establishing a local presence, staffing and managing operations and providing after-sales support; (ii) compliance with differing legal and commercial requirements, including antitrust, data-protection and intellectual-property laws; (iii) local business customs and cultural differences; and (iv) legal procedures for overseas investments and operations, including obtaining necessary licenses, approvals, filings and registrations. If we are unable to avoid or mitigate these risks effectively, our international expansion may be impaired or our international business may fail to achieve or sustain profitability, materially and adversely affecting our business, financial condition, results of operations and prospects.

We or our customers may become subject to sanctions, export controls or other restrictions imposed by the U.S. or other governments, which could adversely affect our reputation, business operations, customer relationships and ability to access capital markets.

Our business operations involve transactions with customers, suppliers and other counterparties across multiple jurisdictions. The U.S., United Nations, European Union and other governments and organizations maintain various restricted-party lists, including the U.S. Entity List, Specially Designated Nationals and Blocked Persons List, Military End-User List, and similar lists in other jurisdictions. These lists are updated frequently and unpredictably, often driven by geopolitical factors beyond our control.

If we, any of our affiliates, or any of our directors, officers or key personnel were to be designated on a restricted-party list, we could be prohibited or restricted from engaging in certain transactions, accessing U.S.-origin or controlled technologies, components and software, or conducting business with counterparties subject to those jurisdictions. Such designation could also impair our ability to maintain banking relationships, raise capital from international investors, and attract or retain customers and business partners. Even absent formal designation, heightened scrutiny of companies operating in our industry may cause counterparties or investors to adopt a more cautious approach, reducing our access to capital and commercial opportunities.

In addition, if any of our customers or suppliers is designated on a restricted-party list, we may be required to discontinue business with them to avoid potential sanctions or export-control violations, which could disrupt our supply chain or reduce our revenue. We conduct ongoing screening of counterparties, but the sudden and unpredictable nature of list designations means we cannot guarantee that our counterparties will remain unrestricted. Any of the foregoing could materially and adversely affect our reputation, business operations, customer relationships, ability to access international capital markets and results of operations.

We are subject to the risks associated with international trade and investment policies, tariffs, and other restrictive measures, which could materially and adversely affect our business, financial condition and results of operations.

We are subject to the impact of evolving international trade policies, export control regimes and economic sanctions that apply to China-based entities and to the broader semiconductor industries. Governments and supranational organizations, including the United States and other countries, have in recent years imposed, and may further impose or expand, laws, regulations and policies relating to export controls, investment restrictions, tariffs, import and export licensing, supply chain security, data and cybersecurity, foreign ownership or participation in strategic sectors, and sanctions on certain countries, regions, entities and individuals. Many of these measures specifically target or affect semiconductor and related technologies, and may directly or indirectly affect our access to overseas markets, customers, suppliers, technologies, equipment and capital.

Our products, technologies and certain of our raw materials and equipment may be, now or in the future, subject to export controls or licensing requirements under the laws and regulations of jurisdictions such as the United States, the EU or other countries. Changes in export control classifications, the addition of new items, technologies, software or entities to control lists, the imposition of new end-use or end-customer restrictions, or the adoption or expansion of sanctions programs could restrict or delay our ability or the ability of our business partners to, among other things, (i) obtain, import or use certain advanced production equipment, software, materials or components necessary for our R&D and manufacturing; (ii) export or re-export our products or technologies to certain customers, regions or applications; or (iii) provide services, technology transfer or technical assistance to certain counterparties. If we or any of our subsidiaries, customers, suppliers or other business partners become subject to sanctions, export restrictions, import bans, additional licensing requirements or other restrictive measures, our operations, supply chain, sales and business development activities could be disrupted.

In addition, changes in international policies or geopolitical tensions, including those involving China and other countries, may result in retaliatory measures, such as reciprocal sanctions, "unreliable entity" designations, enhanced national security reviews, restrictions on cross-border investment or technology cooperation, or heightened scrutiny on products and services with potential dual-use or strategic applications. These developments may (i) limit or delay our ability to expand into or maintain our presence in certain overseas markets; (ii) cause certain foreign customers or suppliers to reduce, suspend or terminate their cooperation with us due to compliance concerns or perceived political or regulatory risks; (iii) require us to adjust our product specifications, technology roadmap, supply chain structure or customer mix in ways that are suboptimal or more costly; and (iv) increase our compliance and operational costs, including for legal, consulting and internal control resources.

We may be required to modify our business practices, product offerings or contractual arrangements, change our sourcing strategies, localize certain parts of our supply chain or manufacturing processes, or seek alternative suppliers, technologies or markets in response to changes in international policies, export controls and sanctions. There can be no assurance that we will be able to implement such adjustments in a timely, cost-effective or commercially feasible manner, or at all. Any inability to secure alternative supply arrangements or to maintain access to key markets and technologies on acceptable terms could result in supply disruptions, delays in product development or delivery, reduced product performance or competitiveness, or loss of existing and potential customers.

Moreover, the interpretation and enforcement of export control laws and sanctions are complex, constantly evolving and may involve uncertainties. Even unintentional or perceived non-compliance, or association with entities or individuals that are or become sanctioned or subject to export controls, may expose us to investigations, fines, penalties, debarment, restrictions on our ability to engage in certain transactions, reputational damage and other adverse consequences. Any of the foregoing events, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations, as well as our prospects and our ability to execute our growth strategy.

On October 28, 2024, the U.S. Department of the Treasury (the "**Treasury**") issued a final rule titled Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "**Outbound Investment Rules**") to implement Presidential Executive Order 14105, issued on August 9, 2023. The Outbound Investment Rules took effect on January 2, 2025. It imposed certain investment prohibition and notification requirements, additional diligence responsibilities, and record-keeping requirements on U.S. persons and their controlled foreign entities involving new investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities involving certain sectors ("**Covered Foreign Persons**"). U.S. persons subject to the Outbound Investment Rules are prohibited from making or are required to report certain investments in Covered Foreign Persons, which are defined as "covered transactions." Covered transactions may include, among other things, acquisitions of equity interests, certain debt financing transactions, the formation of certain joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund.

Sheppard, Mullin, Richter & Hampton LLP, our Legal Advisors in relation to the Outbound Investment Rules, has advised us that our AI activities described below do not constitute covered AI system development under the Outbound Investment Rules. We acquire and use existing AI systems, test them and then integrate them with our hardware using software, but we do not do or plan to do integration design in the AI systems or models themselves, or modify, customize, configure or fine-tune them, or repurpose their performance, function or capability, nor do we do or plan to do any other activities that constitute AI system development under the U.S. Treasury Department's outbound investment regulatory guidance. Our Legal Advisors in relation to the Outbound Investment Rules has also advised us that our activities do not fall within the prohibited categories under the Outbound Investment Rules. Because one of our business activities is the design of integrated circuits, we engage in one of the covered activities that can require notification under the Outbound Investment Rules. However, our Legal Advisors in relation to the Outbound Investment Rules has advised us that a [**REDACTED**] to the H Shares in the [**REDACTED**] or [**REDACTED**] of [**REDACTED**] H Shares after the [**REDACTED**] by a U.S. person that does not grant the U.S. person rights beyond standard minority shareholder protections would, provided the H Shares are publicly traded when acquired, be an excepted transaction pursuant to 31 C.F.R. §850.501 and therefore would not constitute a "covered transaction" under the Outbound Investment Rules and would not require notification to the Treasury. Investors should seek their own legal advice on the application of the Outbound Investment Rules, including the availability of this exception, to their investments. However, we cannot predict how the Outbound Investment Rules will be enforced, and neither can we guarantee that there will not be an expansion to the scope of the Outbound Investment Rules, a change in interpretation to broaden its application, or an enactment of similar laws or regulations that impinge upon our business activities in the future.

We may be subject to anti-corruption, anti-bribery, anti-money laundering and similar laws, and any non-compliance could expose us to significant penalties and reputational damage.

Our operations span multiple jurisdictions, requiring us to engage with customers, suppliers, agents, consultants and other business partners, including government agencies and state-owned entities. As a result, we are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws that prohibit improper payments, excessive gifts and other benefits and require accurate record-keeping and robust internal controls. Despite our policies and training programs, we cannot guarantee full compliance by our Directors, employees or third-party representatives, and we may be held liable for their misconduct. Any actual or alleged violation could lead to whistleblower complaints, adverse media coverage, regulatory investigations, fines, disgorgement, remediation costs, civil or criminal liability, operating restrictions and reputational harm, each of which could materially and adversely affect our business, financial condition and results of operations.

Our employees or other third parties may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We rely on our employees, manufacturers, suppliers, distributors and other partners to conduct business on our behalf. These individuals or entities may act beyond their authority, violate applicable laws, regulatory standards or requirements, internal policies or contractual obligations, misuse our assets, data, chops, seals or confidential information, falsify records, commit operational fraud, conceal errors or conflicts of interest, or cause product, data-security or other compliance breaches. Such misconduct may be difficult to detect or prevent despite our codes of conduct, training programs and whistleblower channels. We may be held liable for their actions and may be unable to recover resulting losses or obtain adequate indemnification from responsible parties. Any actual or alleged misconduct could result in regulatory investigations, civil or criminal penalties, litigation, remediation costs, loss of customers and material harm to our reputation, business, financial condition and results of operations.

We are subject to risks relating to lawsuits, claims, disputes, regulatory investigations or other legal proceedings, which could adversely affect our business, results of operations and reputation.

We may from time to time become a party to litigation, legal disputes, claims, administrative proceedings or other administrative measures arising from contractual disputes, labor or employment matters, intellectual property infringement or misappropriation, product quality or safety issues, data protection and privacy, anti-corruption or compliance matters, or alleged misconduct or negligence of our employees, agents or other representatives. We may also become subject to investigations, inquiries or enforcement actions by regulatory or governmental authorities, which could result in fines, penalties, sanctions or other restrictions and give rise to follow-on civil claims. Our Directors, officers, employees and their affiliates may also be subject to litigation or regulatory proceedings, and we may be obligated to indemnify them in relation to such matters. These disputes and claims may evolve into lengthy and costly proceedings and damage our reputation, thereby adversely affecting our customers and relationships with business partners and other stakeholders. We cannot guarantee that we will not be subject to legal proceedings in the ordinary course of business or that we will always be able to resolve them on commercially acceptable terms. Any adverse judgment, settlement or even the announcement of proceedings could require payments, damage our reputation, reduce customer and investor confidence and materially and adversely affect our business, financial condition, results of operations and prospects.

Our insurance coverage may not be sufficient to cover all losses, liabilities or risks incurred in the course of our operations.

We have obtained insurance to cover certain potential risks and liabilities. Our employee-related insurance consists of statutory social insurance and employer liability insurance. We have also purchased export credit insurance, property insurance covering our headquarters building and our Shunde production base, and certain product liability insurance. For further details, please see "Business — Insurance." However, insurers in the Chinese mainland and other jurisdictions in which we operate may offer a limited range of commercial insurance products. As a result, we may be unable to obtain insurance against all types of risks we face in our operations in the Chinese mainland and overseas, and our coverage may not be adequate to compensate for all losses that may occur, particularly loss of business or operations. This potentially insufficient coverage could expose us to claims and losses. Any business disruption, litigation, regulatory action, epidemic disease, adverse weather or natural disaster could also expose us to costs and divert resources. There is no assurance that our insurance coverage will be sufficient to cover any loss or that we will be able to claim successfully under our current policies in a timely manner, or at all. If we incur a loss that is not covered by our insurance policies, or the compensation is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Evolving ESG expectations and related reporting obligations may expose us to potential liabilities, increased costs, reputational harm and other adverse effects on our business.

To identify, manage and mitigate ESG and climate-related risks, we may incur additional costs and expenses that could affect our financial performance. We monitor metrics including energy and power consumption, greenhouse-gas emissions and waste generation in connection with risks arising from our operations and supply chain. Our ESG initiatives and employee-related policies may require additional capital and operating expenditures, which could compress our profit margins.

In addition, ESG-related regulatory and disclosure requirements, including ESG disclosure mandates in the jurisdictions where we operate, may increase compliance and selling-related costs. Any failure to adapt to new regulations, achieve ESG targets or meet evolving expectations of customers, investors and other stakeholders could materially and adversely affect our results of operations and financial condition.

Unfair competition, harassment or other harmful conduct by third parties may harm our reputation and disrupt our operations.

We may from time to time be subject to unfair competition, harassment, malicious interference or unsubstantiated complaints lodged with regulatory authorities by third parties. Such conduct may give rise to inquiries, inspections or formal investigations by government and regulatory authorities, which could disrupt our operations or harm our reputation. Responding to and addressing such allegations may divert significant management time and corporate resources, and there is no assurance that we will be able to resolve all such claims promptly, satisfactorily or comprehensively.

Negative publicity or rumors concerning us, our products, our management, Directors, employees, Shareholders, customers, business partners or their affiliates, or our industry generally, may materially and adversely affect our reputation and business.

Negative publicity, rumors, defamatory statements or allegations concerning our Company, our products, our management, Directors, employees, authorised representatives, business partners or product offerings may be disseminated and amplified through the internet and social media without independent verification or a reasonable opportunity for us to respond. Actual or perceived issues concerning our products, services, management, employees, business partners or compliance could also trigger such publicity. We may be unable to refute or clarify such content promptly or effectively. Negative publicity, whether true or unfounded, may erode customer and investor confidence, strain relationships with business partners, impair our ability to attract and retain management and technical personnel and hinder business expansion. Any of these circumstances could materially and adversely affect our business, financial condition, results of operations and future prospects.

Our business and supply chain may be materially and adversely affected by force majeure events, war, natural disasters, outbreaks of contagious diseases or other business disruptions.

Our business could be materially and adversely affected by natural disasters, widespread health epidemics or pandemics, wars, acts of terrorism, environmental accidents, power outages or communication interruptions. Such events may affect our industry and cause temporary closure of facilities used by us or our business partners, severely disrupting operations. Our operations could also be disrupted if employees of ours or our business partners were suspected of having an epidemic or pandemic illness, requiring quarantine or facility disinfection. In addition, our revenue and profitability could be materially reduced to the extent that such events harm the global or Chinese economy in general.

Our WVR structure may limit the influence of holders of our H Shares and other Shareholders.

We have adopted a weighted voting rights structure. The WVR Beneficiary is Dr. Huang, who is the founder, chairperson of the Board, executive Director and general manager of our Company. For details, please see "Share Capital — A-Share Weighted Voting Rights

Structure." This concentrated voting power may limit or restrict the ability of holders of our H Shares and other Shareholders to influence corporate matters, and we may take actions that they do not view as beneficial. The [**REDACTED**] of our H Shares could be adversely affected.

RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL

We only recently achieved net profitability after a history of net losses.

We recorded net losses of RMB275.5 million and RMB62.9 million in 2023 and 2024, respectively, before shifting to profitability with net profits of RMB127.6 million in 2025 and RMB59.7 million and RMB40.8 million for the six months ended June 30, 2025 and 2026, respectively. There can be no assurance that we will sustain profitability in future periods. Our revenue growth and operating performance depend on various factors, including our ability to develop and commercialize new products and solutions, enhance customer services and compete effectively in our markets.

We expect costs and expenses to increase as we expand our operations and continue to invest in R&D. If we are unable to generate sufficient revenue to offset these costs or manage expenses effectively, we may incur further losses and may be unable to achieve or maintain profitability.

We have recorded net operating cash outflows in the past, and our liquidity, financial condition and prospects may be adversely affected if we continue to record net operating cash outflows in the future.

We recorded net cash flows used in operating activities of RMB159.8 million in 2023 and RMB86.3 million in 2024. Our operating cash flow improved substantially thereafter, with net cash flows from operating activities of RMB82.7 million in 2025, RMB84.4 million for the six months ended June 30, 2025 and RMB13.9 million for the six months ended June 30, 2026, respectively. For details, see "Financial Information — Liquidity and Capital Resources". There is no assurance that we will not experience net cash outflows from operating activities in the future. If we are unable to generate sufficient cash flow for our operations or otherwise obtain sufficient funds to finance our business, our liquidity, financial condition and prospects may be adversely affected. We cannot assure you that we will have sufficient cash from other sources to fund our operations. If we resort to other financing activities to obtain additional cash, we will incur additional financing costs, and we cannot assure you that we will obtain financing on terms acceptable to us, or at all.

Sustained high operating costs or unanticipated cost overruns could adversely affect our profit margins, profitability, cash flows, liquidity and financial condition.

Our operating expenses consist of selling and marketing expenses, administrative expenses and R&D expenses. During the Track Record Period, we recorded operating expenses of RMB504.4 million, RMB386.6 million, RMB371.9 million, RMB171.7 million and RMB205.3 million in 2023, 2024 and 2025, and for the six months ended June 30, 2025 and 2026, respectively, representing 140.1%, 68.5%, 39.5%, 39.4% and 46.9% of our total revenue for the same periods. We expect to continue incurring operating expenses as we advance our R&D activities, support our operations and prepare for or pursue commercialization, while the timing and amount of revenue generation remain uncertain. Because many operating expenses are fixed or incurred upfront, increases or cost overruns may occur before we generate sufficient revenue, may result in significant cash outflows and may not be recoverable or fully passed on to customers. If we cannot control or manage operating expenses effectively, our profit margins may decline, profitability may be delayed or reduced, operating cash flows and liquidity may be strained and our financial condition could be materially and adversely affected.

If we fail to obtain or generate sufficient capital when needed, or if financing is available only on unfavorable or commercially unacceptable terms, our liquidity, financial condition, operations and growth prospects could be materially and adversely affected.

We may require additional capital in the future to fund ongoing operations, capital expenditures and business expansion. There can be no assurance that we will generate sufficient cash from operations or obtain external financing on favorable or commercially acceptable terms. If operating cash flows are insufficient and we cannot obtain additional financing when required, or can do so only on unfavorable terms, we may have to reduce or defer capital expenditures, delay or scale back expansion plans or other business initiatives, and our operations and growth prospects may be adversely affected. Financing may also impose restrictions, preferences or covenants that limit our flexibility or adversely affect the rights of existing Shareholders. Any failure to obtain or generate sufficient capital when needed, or to do so on favorable or commercially acceptable terms, could materially and adversely affect our liquidity, financial condition and ability to pursue our business plans and strategies.

Our exposure to credit risk on trade and bills receivables may adversely affect our liquidity, cash flows, results of operations and financial condition.

As of December 31, 2023, 2024 and 2025, and June 30, 2026, our trade and bills receivables amounted to RMB83.2 million, RMB154.3 million, RMB137.1 million and RMB129.5 million, respectively. The corresponding loss allowance for impairment of trade and bills receivables, representing expected credit losses, was RMB7.1 million, RMB10.6 million, RMB9.5 million and RMB8.9 million, respectively. Our ability to collect these receivables in full and on time depends on, among other things, the financial condition of our customers, conditions in their end markets, their ability to obtain payment from end-users and the effectiveness of our credit-control and collection measures. If any major customer experiences financial distress, delays payment, defaults or becomes insolvent, we may be exposed to concentrated credit losses. An increase in aged receivables may slow turnover, constrain working capital and require additional loss allowances for impairment of trade and bills receivables, impairment charges or write-offs. Our estimates of expected credit losses (ECLs) depend on historical loss experience, ageing, customer-specific circumstances and forward-looking information and may prove inadequate if actual collection outcomes are worse than expected. Collection disputes or litigation may also be costly, time-consuming and unsuccessful. Any failure to collect trade and bills receivables in full or on time could materially and adversely affect our liquidity, cash flows, profitability and financial condition.

If we fail to manage our inventory effectively, we could lose sales or incur high inventory-related expenses, which could adversely affect our operating results and financial performance.

Our inventories primarily consist of raw materials, finished goods, goods in transit, work in process and contract performance cost. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our inventories amounted to RMB159.0 million, RMB219.9 million, RMB185.6 million and RMB256.2 million, respectively. During 2023, 2024 and 2025, and for the six months ended June 30, 2025 and 2026, we recognized write-down of inventories to net realisable value of RMB7.7 million, RMB16.1 million, RMB18.4 million, RMB4.3 million and RMB9.7 million, respectively. We make procurement and production plans based on customer orders, sales forecasts and expected demand, and these forecasts may not accurately reflect actual market conditions. If we maintain insufficient inventory, we may experience raw-material or component shortages, production interruptions, delayed deliveries and lost sales. If we maintain excess inventory, or if customer orders change or are cancelled, product cycles shorten, technology changes or market demand declines, we may incur higher storage and financing costs, offer discounts or recognize additional provisions against inventories, write-downs of inventories to net realisable value or write-offs due to slow-moving, obsolete or unsaleable inventory. Excess inventory may also tie up cash that could otherwise be used for operations or expansion. Any failure to manage inventory levels, turnover and provisioning effectively could materially and adversely affect our business, results of operations, financial condition and liquidity.

Changes in the fair value of our financial assets and uncertainties inherent in their valuation may adversely affect our results of operations and financial condition.

During the Track Record Period, we held financial assets at fair value through profit or loss ("**FVTPL**"), including structured deposits and wealth management products. As of December 31, 2023, 2024 and 2025 and June 30, 2026, such financial assets amounted to RMB388.4 million, RMB345.0 million, RMB310.1 million and RMB164.0 million, respectively. The fair value of these financial assets may fluctuate with market interest rates, issuer creditworthiness, liquidity conditions and the performance of issuers or underlying assets. Where observable market inputs are unavailable or limited, valuations may depend on models, assumptions and management estimates, which may differ materially from actual realizable values. Fair-value changes are recognized in profit or loss, and we recorded net fair value loss on financial assets at FVTPL of RMB6.5 million in 2023 and net fair value gains on financial assets at FVTPL of RMB0.1 million, RMB2.5 million, RMB0.5 million and RMB1.0 million, respectively, 2024 and 2025, and for the six months ended June 30, 2025 and 2026. Redemption delays, defaults, adverse market movements or limited liquidity may prevent us from realizing these assets in a timely manner or at their carrying value. Any significant adverse valuation changes could cause earnings volatility, require impairment or write-downs, reduce liquidity and materially and adversely affect our results of operations and financial condition.

We may not continue to receive government grants, subsidies, preferential tax treatment or other industry-specific supportive policies, and any reduction, cancellation or repayment of such benefits could adversely affect our results of operations.

In 2023, 2024 and 2025, and for the six months ended June 30, 2025 and 2026, we recognized government grants of RMB42.1 million, RMB37.2 million, RMB55.7 million, RMB25.5 million and RMB14.8 million as other income, representing 11.7%, 6.6%, 5.9%, 5.9% and 3.4% of revenue, respectively. Government grants, subsidies, preferential tax treatment and other industry-support policies are subject to applicable policies, government discretion and our continued qualification and compliance. We cannot assure you that we will continue to qualify for or receive these benefits or that comparable benefits will remain available. If relevant authorities reduce, cancel, deny renewal of or require repayment of these benefits, or change applicable eligibility criteria or policy scope, our other income may decrease, taxes, costs or cash outflows may increase, and our profitability, cash flows and financial condition could be adversely affected.

Share-based payments may increase our expenses and adversely affect our financial condition.

We operate share incentive schemes to provide incentives and rewards to eligible participants who contribute to the success of our operations. Our employees, including Directors, receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments. To further incentivize our employees, we may grant additional share-based compensation in the future, which may increase our operating expenses and adversely affect our financial condition. In addition, the issuance of additional Shares for share-based awards could dilute the ownership percentage of our existing Shareholders.

Fluctuations in foreign exchange rates may adversely affect our results of operations and financial condition.

Because we operate in markets outside the Chinese mainland, we are exposed to fluctuations in foreign currency exchange rates, which may adversely affect our financial condition. Certain portions of our revenue are primarily denominated in USD. If our overseas purchases or sales increase, overseas financing activities are carried out, cross-border fund flows increase or other foreign-currency-denominated transactions occur, we may be exposed to greater foreign-exchange risk. There can be no assurance that we will have sufficient foreign currency to satisfy our foreign-currency-related requirements at any given exchange rate. It is difficult to predict how market forces or government policies may affect the exchange rate between the Renminbi and the Hong Kong dollar, U.S. dollar or other currencies in the future.

Furthermore, [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. Any appreciation of the Renminbi against the U.S. dollar, Hong Kong dollar or another foreign currency may decrease the value of those [**REDACTED**]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and dividends payable on, our Shares in foreign currency. There are limited instruments available to us to reduce our foreign-currency exposure at reasonable cost. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects and could reduce the value of, and dividends payable on, our Shares in foreign-currency terms.

Our capital expenditures on property, plant and equipment may increase depreciation expenses and affect our profitability.

We built our proprietary manufacturing base for our products in Shunde. To expand production capacity, we are constructing our Bac Ninh production base in Vietnam and expanding our production base in Shunde. We intend to procure dedicated production equipment and build high-specification clean-room facilities. These undertakings will require upfront capital expenditures. Once property, plant and equipment are commissioned and put into commercial operation, they will result in an increase in annual depreciation expenses. Until production lines operate at full capacity and achieve expected economies of scale, higher depreciation will weigh on gross-profit margins. In addition, disappointing market demand, supply-chain interruptions or delays in production ramp-up may cause low utilization rates for our manufacturing facilities. Substantial fixed-cost outlays without corresponding revenue growth could materially and adversely affect our business, financial condition and results of operations.

Our investments in associates and equity investments designated at FVOCI may not generate expected returns and may expose us to financial and operational risks.

We have made equity investments in associates and equity investments designated at fair value through other comprehensive income ("**FVOCI**") as part of our strategy to access complementary technologies, expand application scenarios and support ecosystem development. As of June 30, 2026, we held investments in associates of RMB18.5 million, which are accounted for using the equity method with carrying values subject to our share of investees' profits or losses and potential impairment. In addition, we held equity investments designated at FVOCI of RMB101.1 million as of June 30, 2026, representing our non-current investments in unlisted companies. We generally do not control these investees' operations, strategies or governance, and their performance depends on factors beyond our control, including management capability, market conditions, competitive dynamics and technological development. There can be no assurance that investees will achieve their business objectives, generate anticipated returns or distribute dividends. The fair value of our FVOCI investments is subject to significant volatility based on investees' operating performance, financing activities and market conditions, and we have in the past recorded full write-downs of certain investments as a result of operational abnormalities at investees. If investees experience operational difficulties, losses, disputes among shareholders or changes in strategic direction, we may be required to recognize impairment losses or fair value declines, provide additional funding or write off our investments. Any impairment, loss or failure to realize expected synergies from our investments could adversely affect our financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Changes in global or regional economic, political and social conditions, government policies, laws, regulations and industry practices could adversely affect our business and operations.

We conduct our business in China and overseas markets. Our sales and profitability depend on global economic conditions and the demand for the end products in the markets in which our customers operate. Economic uncertainty affects businesses such as ours in a number of ways, making it difficult to accurately forecast and plan our future business activities. Geopolitical, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodity prices, inflation and the availability and cost of capital and credit have been, and will continue to affect the markets where we and our customers operate.

In some of these markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Additionally, the ongoing trade tensions between the United States and the PRC may have a material adverse impact on the economies of not merely the two countries concerned, but the global economy as a whole. The uncertainty surrounding the U.S. government's tariff policy has sustained volatility across global markets, as the potential for disrupted trade flows could have far-reaching economic consequences. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

Furthermore, we may not accurately assess the impact of changing market and economic conditions on our business and operations. Any financial difficulties experienced by our suppliers could result in product delays, increased accounts receivable defaults and inventory challenges. All these factors related to global economic conditions, which are beyond our control, could adversely impact our business, financial condition, results of operations and liquidity.

Certain of our foreign exchange transactions are subject to regulatory requirements over foreign currency conversion.

Conversion and remittance of foreign currencies are subject to certain foreign exchange regulations. There can be no assurance that we would have sufficient foreign exchange to meet our foreign exchange needs under any exchange rate environment. For example, under the PRC current foreign exchange regulation system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the State Administration of Foreign Exchange (the "**SAFE**"); however, we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or their local branch unless otherwise permitted by law. Any shortage of foreign currency reserves may restrict our capacity to source sufficient foreign currency for dividend payments to our Shareholders or settle other cross-border payment liabilities. If we fail to obtain the requisite SAFE approvals to convert RMB into foreign currencies for the aforesaid purposes, our core business operations may be materially disrupted.

Payment of dividends or gains from the sale or other disposition of our H Shares is subject to taxation under PRC law.

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules and Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (《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) (國稅函[2008]897號), a 10% withholding tax is normally applicable to dividends paid to non-PRC resident enterprise holders of H Shares, and any gains from the transfer of H Shares by such holders may also be subject to 10% PRC income tax.

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 rules, and Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號), dividends paid to non-PRC resident individual holders are generally subject to a 10% withholding tax, or 20% for holders in jurisdictions without a tax treaty with the PRC. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from 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 [1998] No.61) (財稅[1998]61號),gains of individuals from the transfer of listed shares may be exempt from individual income tax, and as of the Latest Practicable Date, no provision had expressly required the collection of individual income tax from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

If any PRC income tax is collected from the transfer of our H Shares or on dividends paid to our non-PRC resident [**REDACTED**], the value of your [**REDACTED**] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Failure to comply with rapidly evolving laws, rules, policies and other obligations regarding cybersecurity, privacy and data protection may materially and adversely affect our business.

We do not have access to or control over the data stored in our products once they are sold to customers. In the course of conducting our business, we collect and process commercial and transactional information relating to customers, suppliers and other counterparties, as well as personal information of employees, job applicants and designated contacts at partner organizations, primarily names and contact information. We collect such business, contact and transaction-related information mainly through our enterprise email and ERP systems and seek to collect only information necessary for our business purposes. We have implemented data-management protocols governing the storage, transfer, copying, backup and destruction of data, and limit access to relevant personal-information databases and backup files to authorized personnel with access logged. See "Business — Data Privacy and Security." We are subject to local and overseas laws relating to cybersecurity and data privacy, including the PRC Data Security Law (《中華人民共和國數據安全法》), the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) and Regulations on Network Data Security Management (《網絡數據安全管理條例》). Should our data processing activities be subject to these laws and regulations, we are required to ensure that our data processing activities are carried out in a lawful, legitimate, specific and clear manner. Failure to comply with these regulations could expose us to severe penalties, legal liabilities, and reputational damage. Any failure by us to comply with local or overseas cybersecurity or data protection laws and regulations could result in proceedings against us by governmental entities or others.

As of the Latest Practicable Date, we had not been notified of being classified as a critical information infrastructure operator (CIIO); we had not received any inquiry, notice or warning from any PRC government authorities, and had not been subject to any investigation, sanctions or penalties made by any PRC government authorities regarding national security risks caused by our business operations or the [**REDACTED**]. Our PRC Legal Advisors are of the view that we are not required to apply for cybersecurity review for the purpose of the [**REDACTED**]. As the definitions for terms such as "affect or may affect national security" are broad, and there remains uncertainty as to how these rules will be enacted and interpreted, we cannot guarantee that the Cybersecurity Review Measures and Regulations on Network Data Security Management (《網絡數據安全管理條例》) will not be interpreted in a way that will adversely affect us.

In addition, regulatory requirements on cybersecurity and data privacy are constantly evolving and can be subject to varying interpretations or significant changes, resulting in uncertainties about the scope of our responsibilities in that regard. We may also be subject to additional or new laws and regulations regarding the protection of personal information and important data or privacy related matters in connection with our methods for data collection, analysis, storage and use. If we are unable to comply with the applicable laws and regulations or effectively address data privacy and protection concerns, such actual or alleged failure could damage our reputation, discourage customers from purchasing our products and subject us to significant legal liabilities.

Our offshore subsidiaries may be treated as a resident enterprise for tax purposes in Chinese Mainland.

Under the EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of Chinese mainland with "de facto management bodies" located in Chinese mainland may be considered PRC resident enterprises for tax purposes and may be subject to the PRC EIT at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (Guo Shui Fa [2009] No. 82) (the "**Circular 82**"), specifies that certain Chinese-controlled offshore incorporated enterprises will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within Chinese mainland; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in Chinese mainland; (iii) primary properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings are located or kept within Chinese mainland; and (iv) at least half of the directors with voting rights or senior management reside within Chinese mainland.

If our offshore subsidiaries are deemed PRC resident enterprises, the competent regulatory authorities may request EIT at 25% on such our offshore subsidiaries' global income, except that the dividends they receive from our Chinese mainland subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes "dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise." The EIT on our subsidiaries' global income could increase our tax burden and affect our cash flows and profitability.

Our operations are subject to, and may be affected by, changes in tax laws and regulations in the countries and regions where we operate, and our related-party transactions and cross-border intra-group arrangements may be subject to regulatory scrutiny and transfer-pricing adjustments.

Some of our subsidiaries are entitled to preferential tax treatment under PRC law, and any changes to such treatment or increases in our effective tax rate could increase our tax liability. The PRC government may also amend regulations on income, withholding, value-added and other taxes, and non-compliance could result in penalties or fines. In addition, our overseas operations expose us to complex and varying tax regimes across jurisdictions, and changes in overseas tax policies may require us to divert additional managerial and financial resources.

We also engage in transactions with related parties and conduct cross-border intra-group transactions in the ordinary course of business. These transactions are subject to scrutiny by PRC tax authorities and transfer pricing regulations. The tax authorities may challenge the pricing of our intra-group transactions, resulting in transfer-pricing adjustments, additional tax liabilities, interest and penalties. Evolving regulations on related-party transactions, transfer pricing documentation requirements and cross-border payments may increase our compliance costs and expose us to audit risk. Any of the foregoing could adversely affect our business, financial condition and results of operations.

We may be exposed to regulatory penalties and additional costs if we fail to make full social insurance and housing provident fund contributions or comply with labor dispatch requirements, and any labor shortages, increased labor costs or other factors affecting our labor force may adversely affect our business, profitability and reputation.

PRC law requires execution of written labor contracts, wages to be no lower than local minimum wage standards and full payment of social insurance and housing provident fund contributions. During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees based on their actual salaries. Shortfalls may trigger orders to make up arrears, and with respect to social insurance, late payment fees of 0.05% per day, fines of one to three times the amount of the arrears may also be incurred. If we are ordered to make up any shortfalls, we may be required to pay arrears, late fees and fines. If we do not pay the full amount of housing provident fund for certain employees as required, we may be ordered to pay the shortfall within a prescribed period and, if we fail to do so, be subject to court enforcement.

Furthermore, our manufacturing operations are labor-intensive, relying heavily on skilled workers for manufacturing and equipment maintenance. We compete for labor with other companies, and there is a limited supply of experienced skilled workers. We may also face labor shortages due to seasonal factors such as Chinese New Year, regional wage disparities that draw workers to other regions, or labor disputes and work stoppages that may lead to manufacturing disruptions. Wages and contribution bases continue to rise, and competition for experienced labor is intense. If labor costs rise faster than expected and such cost increases cannot be passed on to customers, our profitability may suffer. Work-related injuries may result in claims, investigations, fines or suspension of operations.

Any arrears, late fees, fines, additional contributions, increased labor costs or other costs arising from our social insurance, housing provident fund or labor dispatch arrangements, as well as any labor shortages, disputes or work-related injuries, could materially and adversely affect our business, financial condition and results of operations.

It may be difficult for [REDACTED] to affect service of process, enforce foreign judgments or bring actions against us or our management in certain jurisdictions.

We are a company incorporated under the laws of the PRC and a majority of our assets and subsidiaries are located in the PRC. The majority of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. As a result, it may not be possible to affect service of process upon most of our Directors and senior management outside the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom, Japan or most other western countries. However, judgments rendered by Hong Kong courts may be recognized and enforced in the PRC if the requirements set forth by the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) are met. Therefore, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions other than Hong Kong in relation to any matter not subject to binding arbitration provisions may be difficult or impossible.

Although we will be subject to the Listing Rules and the Hong Kong Takeovers Code upon the [**REDACTED**] of our H Shares on the Stock Exchange, the [**REDACTED**] of H

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

RISKS RELATING TO THE [REDACTED] AND OUR H SHARES

We will be concurrently subject to [REDACTED] and regulatory requirements of Chinese Mainland and Hong Kong SAR.

As we are listed on the STAR Market of the Shanghai Stock Exchange and will be [**REDACTED**] on the Main Board of the Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless otherwise agreed by the relevant regulators. Accordingly, we may incur additional costs and resources in complying with the requirements of both jurisdictions.

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

Prior to the [**REDACTED**], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of [**REDACTED**]. The initial [**REDACTED**] for our H Shares to the [**REDACTED**] will be the result of negotiations, and the [**REDACTED**] may differ from the [**REDACTED**] of the H Shares following the [**REDACTED**].

We have applied to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares (including any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]). However, the [**REDACTED**] on the Stock Exchange does not guarantee that an active and liquid [**REDACTED**] for the H Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**], or that the [**REDACTED**] of the 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 [**REDACTED**] of our H Shares could be materially and adversely affected.

Our A Shares are listed on the STAR Market of the Shanghai Stock Exchange, and the characteristics of the A share and H share markets may differ.

Our A Shares are listed on the STAR Market of the Shanghai Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the STAR Market, and our H Shares will be [**REDACTED**] on the Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible. With different trading characteristics, the H Share and A Share market have divergent [**REDACTED**] volumes, [**REDACTED**] and [**REDACTED**] bases, as well as different levels of retail and [**REDACTED**] participation. As a result, the [**REDACTED**] of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [**REDACTED**] of our H Shares, and vice versa. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the [**REDACTED**] of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares, as well as any information released by us in connection with the listing of our A Shares on the STAR Market of the Shanghai Stock Exchange, when evaluating the [**REDACTED**] in our H Shares.

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could result in substantial losses for [REDACTED].

The [**REDACTED**] and [**REDACTED**] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese Mainland that have listed their securities in Hong Kong may affect the volatility in the [**REDACTED**] of and [**REDACTED**] for our H Shares. A number of PRC-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced volatility, including price declines after their [**REDACTED**]. The trading performances of the securities of these companies at the time of or after their [**REDACTED**] may affect the overall investor sentiment towards PRC-based companies [**REDACTED**] in Hong Kong and consequently may impact the [**REDACTED**] of our H Shares. These factors may affect the [**REDACTED**] and [**REDACTED**] of our H Shares, regardless of our actual operating performance.

Future [REDACTED] or perceived [REDACTED] of significant amounts of our H Shares in the public market following the [REDACTED] could materially and adversely affect the [REDACTED] of our H Shares.

The [**REDACTED**] of our H Shares could decline as a result of future [**REDACTED**] of a substantial number of our H Shares or other securities relating to our H Shares in the [**REDACTED**] market, or the [**REDACTED**] of new shares or other securities, or the perception that such [**REDACTED**] or [**REDACTED**] may occur. Future [**REDACTED**], or anticipated [**REDACTED**], of substantial amounts of our securities, including any future [**REDACTED**], could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we [**REDACTED**] more securities in the future. New shares or shares-linked securities [**REDACTED**] by us may also confer rights and privileges that take priority over those conferred by the H Shares.

You will incur immediate and significant dilution and may experience further dilution if we [REDACTED] additional H Shares in the future.

If the [**REDACTED**] of our H Shares is higher than the net tangible book value per H Share of our H Shares immediately prior to the [**REDACTED**] of our H Shares in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] net tangible book value. If we [**REDACTED**] additional H Shares in the future, [**REDACTED**] of our H Shares in the [**REDACTED**] may experience further dilution in their shareholding percentage.

There can be no assurance whether and when we will pay dividends in the future, and payment of dividends is subject to applicable PRC laws.

We did not declare dividends during the Track Record Period and there is no assurance that dividends of any amount will be declared or distributed by us in the future. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations, and the calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations, and would require approval at our shareholders' meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. The declaration, payment and amount of our future dividends will depend upon our earnings and financial condition, operating requirements, capital requirements, applicable laws and regulations and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders.

Certain facts, forecasts, statistics, estimates, market data and statistics contained in this document may not be accurate, complete or reliable.

Certain facts, forecasts and statistics contained in this document are derived from publicly available sources. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in the reproduction or extraction of such information for the purpose of disclosure in this document. 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, the information from official government sources has not been independently verified by us, the Joint Sponsors, [**REDACTED**] or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts, forecasts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this document may be inaccurate or may not be comparable to statistics produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, [**REDACTED**] should give consideration as to how much weight or importance they should attach to or place on such facts, forecasts and statistics.

In preparation for the [**REDACTED**], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Rules	Subject matter
Rules 8.12 and 19A.15 of the Listing Rules	Management presence in Hong Kong
Rules 3.28 and 8.17 of the Listing Rules	Appointment of joint company secretaries

[**REDACTED**]

Rule 17.02(1)(b) of, and Paragraph 27 of Appendix D1A to the Listing Rules, and Paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance	Disclosure requirements in respect of outstanding Share Incentives

[**REDACTED**]

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong, which normally means that at least two executive Directors must be ordinarily resident in Hong Kong. Pursuant to Rule 19A.15 of the Listing Rules, the requirement under Rule 8.12 may be waived at the discretion of the Stock Exchange having regard to, among other considerations, the arrangements for maintaining regular communication with the Stock Exchange. Our Company does not have two executive Directors who are ordinarily resident in Hong Kong for the purposes of Rule 8.12 of the Listing Rules. Since most of the business operations of our Group are conducted outside of Hong Kong, our Company considers that it would be difficult and unnecessary to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors, which is not in the best interest of our Company and our Shareholders as a whole. Therefore, our Company does not, and does not contemplate in the foreseeable future that we will, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted us] a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules, on the basis that our Company implements the following arrangements to ensure there is an effective channel of communication between our Company and the Stock Exchange:

(a) **Authorized representatives**: both of our Company's authorized representatives, Dr. Huang, the founder, chairperson of the Board, executive Director and general manager of our Company, and Ms. Wong Ka Yin (黃嘉妍) ("**Ms. Wong**"), our joint company secretary, will act as our principal channels of communication with the Stock Exchange. Accordingly, our authorized representatives will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone, facsimile and/or email to promptly deal with enquiries from the Stock Exchange;

(b) **Directors**: each of our authorized representatives has means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of our Board for any matters. In the event that any Director expects to travel or otherwise be out of office, he/she will provide a contactable phone number of him/her to the authorized representatives. Pursuant to Rule 3.20 of the

Listing Rules, each of our Directors shall provide their telephone number, mobile phone number, facsimile number (if available), email address (if available), residential address and correspondence address to the Stock Exchange. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;

(c) **Compliance advisor:** we have appointed Maxa Capital Limited as our Compliance Advisor upon [**REDACTED**] pursuant to Rules 3A.19 and 8A.33 of the Listing Rules, who will, in addition to the authorized representatives and our Directors, act as an additional channel of communication with the Stock Exchange commencing from the [**REDACTED**]. Pursuant to Rules 3A.23 and 8A.34 of the Listing Rules, the Compliance Advisor will have access at all times to our authorized representatives, the Directors and other senior management. We shall also ensure that our authorized representatives, Directors and senior management will promptly provide such information and assistance as the Compliance Advisor may need or may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, authorized representatives, Directors, senior management and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between the Stock Exchange and us. Any meeting between the Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Advisor or directly with our Directors within a reasonable time frame. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor; and

(d) **Hong Kong legal advisor**: we will retain a Hong Kong legal advisor to advise us on the on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [**REDACTED**].

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint as our company secretary an individual, who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable: (a) a member of The Hong Kong Chartered Governance Institute; (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience", the Stock Exchange will consider the individual's: (a) length of employment with the issuer and other issuers and the roles he or she played; (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code; (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and (d) professional qualifications in other jurisdictions.

We have appointed Ms. JIN Shang (靳尚) ("**Ms. Jin**"), our Board secretary as our joint company secretary with effect from August 2026. Our Group's key operations and principal business activities are conducted outside of Hong Kong. We believe that the company secretary role requires a person to be deeply familiar with our operations and the specific industry context, and to be able to cultivate strong relationships with both the Board and the management. It would be in the best interests of our Company and our corporate governance to have as its joint company secretary a person such as Ms. Jin who has been with our Company since August 2022. As our Board secretary, Ms. Jin is deeply familiar with our operations and is able to cultivate strong relationships with both the Board and the management. Our Directors believe that Ms. Jin's intimate knowledge of our Company and operations is essential for the performance of company secretary duties in the most effective and efficient manner. For biographical details of Ms. Jin, see "Directors and Senior Management."

Since Ms. Jin does not possess the qualifications stipulated in Rule 3.28 of the Listing Rules, she is not able to fulfill the requirements to act as a company secretary of a [**REDACTED**] stipulated under the Listing Rules. To support Ms. Jin in performing the duties of company secretary, we have appointed Ms. Wong, who is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, and meets the requirements under Rule 3.28 of the Listing Rules, as a joint company secretary to provide assistance for a three-year period from the [**REDACTED**] so as to enable Ms. Jin to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules to duly discharge her duties.

Accordingly, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Jin as our joint company secretary for a period of three years from the [**REDACTED**]. Such waiver has been granted on the conditions that: (i) Ms. Jin is assisted by Ms. Wong, who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as our joint company secretary throughout the three-year waiver period, to discharge her function as a company secretary and gain the relevant experience under Rule 3.28 of the Listing Rules; and (ii) this waiver will be revoked in the event of any material breaches of the Listing Rules by our Company. In addition, Ms. Jin will comply with the annual professional training requirements under Rule 3.29 of the Listing Rules and enhance her understanding of the Listing Rules during the three-year period from the [**REDACTED**]. We will further ensure that Ms. Jin has access to the relevant training and support to familiarize herself with the Listing Rules and the duties of a company secretary of an [**REDACTED**] on the Stock Exchange. Prior to the expiration of the three-year period, we will further evaluate the qualifications and experience of Ms. Jin to determine whether she has satisfied the requirements as stipulated under the Listing Rules and whether she needs further assistance. We will liaise with and seek the Stock Exchange's confirmation on whether Ms. Jin, having benefited from the assistance of Ms. Wong for three years, has acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary alone so that a further waiver will not be necessary.

[**REDACTED**]

[REDACTED]

[REDACTED]

DISCLOSURE REQUIREMENTS IN RESPECT OF OUTSTANDING SHARE INCENTIVES

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the Share Incentives granted by our Company (the "**Share Incentive Disclosure Requirements**"):

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all material terms of a share scheme must be clearly set out in this document. Our Company is also required to disclose in this document full details of all outstanding Share Incentives and their potential dilution effect on the shareholdings upon the [**REDACTED**] as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding Share Incentives;

(b) paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in this document particulars of any capital of any member of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and

(c) paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires that our Company shall disclose in this document the number, description and amount of any shares in or debentures of our Company which any person has or is entitled to be given, an option to subscribe for, together with the following particulars of the option, that is to say, (i) the period during which it is exercisable; (ii) the price to be paid for shares or debentures subscribed for under it; (iii) the consideration (if any) given or to be given for it or for the right to it; (iv) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures.

Paragraph 6 of Chapter 3.6 of the Listing Guide provides that in general, the Stock Exchange would grant waivers from disclosing the names and addresses of certain grantees in the listing document.

Paragraph 7 of Chapter 3.6 of the Listing Guide further provides that a waiver from the Share Incentive Disclosure Requirements is at least subject to the following conditions (the "**Waiver Conditions**"):

(a) demonstrating that the disclosure required under the relevant Listing Rules would be irrelevant or unduly burdensome;

(b) disclosing the following in this document:

   (i) for each of the grantees who is (1) a Director, (2) a member of the senior management, or (3) a connected person, all the particulars required under the Share Incentive Disclosure Requirements;

   (ii) for the remaining grantees, on an aggregate basis, (1) the aggregate number of grantees and the number of Share Incentives, (2) the exercise period of each Share Incentive, (3) the consideration paid for the Share Incentives, and (4) the grant/exercise price of the Share Incentives; and

   (iii) the aggregate number of underlying Shares required to be issued to satisfy the Share Incentives, the percentage of such aggregate number of underlying Shares to the issued share capital, and the dilution effect and impact on earnings per share upon full exercise of the Share Incentives under the Share Incentives Plans.

(c) making available for public inspection a full list of all grantees under the Share Incentive Plans with all the particulars required under Share Incentive Disclosure Requirements.

As of the Latest Practicable Date, each of the 2022 Share Incentive Plan, the 2024 Share Incentive Plan and the 2026 Share Incentive Plan was in effect, to which the Share Incentive Disclosure Requirements are applicable. As of the same date, 74,000, 377,510 and 1,752,800 Share Incentives were granted and remained outstanding under the 2022 Share Incentive Plan, 2024 Share Incentive Plan and 2026 Share Incentive Plan, respectively, accounting for approximately [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% of the total issued Shares upon completion of the [**REDACTED**] (assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]). In addition, 300,000 Share Incentives were reserved for future grant under the 2026 Share Incentive Plan, representing [**REDACTED**]% of the issued Shares immediately following completion of the [**REDACTED**] (assuming the same assumptions set out above). Among the outstanding Share Incentives, Share Incentives representing 92,000 A Shares, 25,000 A Shares and 43,000 A Shares were granted to one Director, one senior management (other than Director) and four other connected persons, respectively, accounting for approximately 4.2%, 1.1% and 2.0% of the total outstanding Share Incentives under the Share Incentive Plans, and approximately [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% of the total issued Shares upon completion of the [**REDACTED**] (assuming the same assumption set out above). For further details of the Share Incentive Plans, see "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document.

We have applied to: (i) the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, exempting our Company from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, respectively, on the grounds that strict compliance with the Share Incentive Disclosure Requirements would be unduly burdensome for our Company and the waiver and exemption would not prejudice the interest of the [**REDACTED**], taking into account the following reasons:

(a) given that over 200 grantees (other than our Directors, senior management or other connected persons) are involved under the Share Incentive Plans, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Share Incentive Plans in this document would be costly and unduly burdensome for our Company in light of a significant increase in cost and time for information compilation and document preparation. For example, the disclosure of personal information of each grantee may require the consent of all grantees to comply with personal information privacy laws and principles. Given the number of grantees, obtaining their consent would cause an unnecessary burden on our Company;

(b) the grant and exercise in full of the Share Incentives under the Share Incentive Plans will not cause any material adverse impact to the financial position of our Group;

(c) there will not be any new H Shares issued under the Share Incentive Plans as such plans are A-Share incentive plans;

(d) not fully compliant with the Share Incentive Disclosure Requirements would not prevent our Company from providing our potential [**REDACTED**] with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and

(e) material information relating to the Share Incentives, including the information required under the Waiver Conditions, has been disclosed in this document to provide prospective [**REDACTED**] with sufficient information to make an informed decision.

Therefore, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules in relation to the Share Incentive Plans on the conditions that:

(a) a summary of the latest terms of each of the Share Incentive Plans is disclosed in "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document;

(b) full details as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance of the Share Incentives granted by our Company to our Directors, senior management and other connected persons (if any), on an individual basis, will be disclosed in "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document;

(c) with respect to the Share Incentives granted to the remaining grantees (being grantees who are not our Directors, senior management or other connected persons), disclosure is made on an aggregate basis categorized into groups based on the number of Shares underlying the outstanding Share Incentives, being (i) 1 to 2,000, (ii) 2,001 to 5,000, and (iii) more than 5,000, and in respect of each group of Shares, the following details are disclosed in this document: (i) the number of grantees and the number of Shares underlying the Share Incentives, (ii) the consideration paid for the grant of the Share Incentives (if any), and (iii) the vesting/exercise period and the grant/exercise price of the Share Incentives;

(d) the total number of Shares underlying the outstanding Share Incentives under the Share Incentive Plans and the percentage to our total issued Shares represented by such number of Shares as of the Latest Practicable Date are disclosed in "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document;

(e) the dilutive effect and impact on earnings per share upon the full vesting/exercise of the Share Incentives upon completion of the [**REDACTED**] (assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]) are disclosed in "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document;

(f) a full list of all the grantees with outstanding Share Incentives under the Share Incentive Plans, containing all the details as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance be made available for public inspection in accordance with "Appendix V — Documents Delivered to the Registrar of Companies and Available on Display — Documents Available for Inspection" to this document; and

(g) the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

We have applied for, and the SFC [has granted] us, a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

(a) full details as required under paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance of the Share Incentives granted by our Company to our Directors, senior management and other connected persons (if any), on an individual basis, will be disclosed in "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document;

(b) with respect to the Share Incentives granted to the remaining grantees (being grantees who are not our Directors, senior management or other connected persons), disclosure is made on an aggregate basis categorized into groups based on the number of Shares underlying the outstanding Share Incentives, being (i) 1 to 2,000, (ii) 2,001 to 5,000, and (iii) more than 5,000, and in respect of each group of Shares, the following details are disclosed in this document: (i) the number of grantees and number of Shares underlying the Share Incentives, (ii) the consideration paid for the grant of the Share Incentives (if any), and (iii) the vesting/exercise period and the grant/exercise price of the Share Incentives;

(c) a full list of all the grantees with outstanding Share Incentives under the Share Incentive Plans, containing all the details as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance be made available for public inspection in accordance with "Appendix V — Documents Delivered to the Registrar of Companies and Available on Display — Documents Available for Inspection" to this document; and

(d) the particulars of the exemption are disclosed in this document, and this document is issued on or before [**REDACTED**].

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. HUANG Yuanhao (黃源浩)	Room 6A-1, City Valley Garden No. 2029 Shahexi Road Nanshan District Shenzhen, Guangdong Province PRC	Chinese
Dr. XIAO Zhenzhong (肖振中)	Room 2314, Building A Yangguang Liya Ju Nanshan District Shenzhen, Guangdong Province PRC	Chinese
Mr. CHEN Bin (陳彬)	Room 17A, Building B Fenglin Zuoan Mingyuan No. 53 Nonglin Road Futian District Shenzhen, Guangdong Province PRC	Chinese
Mr. ZHANG Dingjun (張丁軍)	Room 820, Building B2 Xiangnan Ruifeng Garden No. 22 Guimiao Road Nanshan District Shenzhen, Guangdong Province PRC	Chinese
Non-executive Directors		
Mr. JI Gang (紀綱)	Room 27-3 Xixi Rongzhuang Jingchang Avenue Yuhang District Hangzhou, Zhejiang Province PRC	Chinese
Independent Non-executive Directors		
Ms. CHEN Danmin (陳淡敏)	Room 502, Building T2, Huayu Tianqi No. 8 Yanghuan Road, Hengqin Town Xiangzhou District Zhuhai, Guangdong Province PRC	Chinese
Dr. QU Jian (曲建)	Room 2406, Building B, Qunxing Plaza No. 38, Hongli Road Futian District Shenzhen, Guangdong Province PRC	Chinese
Dr. HO Ho Pui (何浩培)	Flat C, 1/F, Hong Lok Court No. 1, Marconi Road Kowloon Hong Kong	Chinese (Hong Kong)

For further details of our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

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Strategy Committee	Dr. HUANG Yuanhao (黃源浩) *(Chairperson)* Dr. XIAO Zhenzhong (肖振中) Mr. CHEN Bin (陳彬)

Corporate Governance Committee	Ms. CHEN Danmin (陳淡敏) *(Chairperson)* Dr. QU Jian (曲建) Dr. HO Ho Pui (何浩培)

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The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by Frost & Sullivan. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report. The information from official government sources has not been independently verified by us, the Joint Sponsors, [**REDACTED**]*, any of the* [**REDACTED**]*, any of their respective directors, supervisors, and advisors, or any other persons or parties involved in the* [**REDACTED**]*, and no representation is given as to its accuracy. Accordingly, the information from official government sources contained herein may not be accurate.*

SOURCES OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on the global 3D visual perception industry for the use in this document, which was commissioned by us for a fee of RMB500,000. In compiling and preparing the F&S Report, Frost & Sullivan adopted the following assumptions: (i) the social, economic and political conditions globally currently discussed will remain stable during the forecast period, (ii) global government policies on 3D visual perception industry will remain consistent during the forecast period, (iii) global 3D visual perception industry will be driven by the factors which are stated in the report in the forecast period. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the F&S Report. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York and its services include, among others, industry consulting, market strategic consulting and corporate training. Frost & Sullivan conducted (i) primary research, which involved discussing the status of the industry with certain leading industry participants, and interviews with industry experts on a best-effort basis to collect information in aiding in-depth analysis; and (ii) secondary research, which involved reviewing company reports, independent research reports and data based on its own research database.

BACKGROUND ANALYSIS OF THE PHYSICAL AI ERA

Artificial Intelligence is Evolving from the Virtual World to the Physical World

As general-purpose foundation models become increasingly mature and accelerate their scaled deployment, artificial intelligence is evolving from generative AI toward agentic AI and Physical AI. Its capabilities are expanding from understanding and generating digital content to task planning, tool use, and the perception of, decision-making in, and execution of actions in real-world environments. Meanwhile, as foundation models become increasingly integrated with intelligent terminal devices such as robots, the application of artificial intelligence is extending from the digital space into physical environments, including industrial manufacturing, logistics, commercial services, and daily life, creating higher requirements for environmental information collection, spatial understanding, and the ability to execute physical tasks.

As artificial intelligence evolves from the virtual world toward the physical world, the key challenges faced by the industry are no longer limited to computing power, models and simulated environments, but increasingly lie in how to accurately perceive complex 3D environments, continuously acquire high-quality real-world data covering actions and interactions, and reliably deploy model capabilities on intelligent terminal devices such as robots. Accordingly, 3D visual perception, data collection and deployment on intelligent terminal devices have become critical building blocks that connect AI models with the physical world and enable the continuous iteration and scaled deployment of Physical AI.

Three Pillars of Physical AI

Physical AI is primarily supported by three pillars: the **Physical Perception Layer**, the **Data and World Model Layer**, and the **Terminal Execution Layer**:

- **Physical Perception Layer: Acquiring and understanding information from the real world.** The physical perception layer comprises multi-modal perception devices, including 3D sensors, tactile and force sensors, and inertial sensors, together with depth calculation, data processing and multi-sensor fusion algorithms. These devices and algorithms convert real-world information into processable data for object identification, 3D understanding and environmental perception, providing the foundation for Physical AI decision-making and task execution.

- **Data and World Model Layer: Building the foundation for real-world representation, prediction and decision-making.** The data layer organizes, processes and transmits 3D, behavioral and interaction information collected from real-world scenarios, converting such information into data assets for model training, simulation validation and algorithm optimization. World models can learn from such data to represent object characteristics, 3D relationships, physical laws and environmental dynamics, and to predict potential state changes under different actions. These capabilities enable intelligent systems to plan tasks, select actions, evaluate outcomes, and continuously optimize model performance through newly collected data.

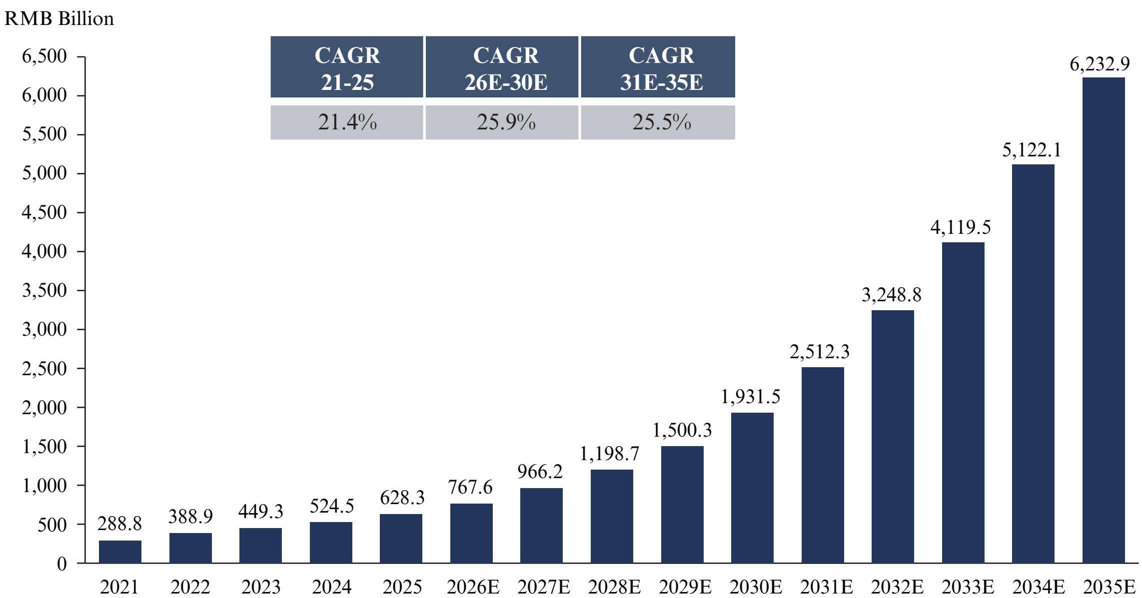
- **Terminal Execution Layer: Converting model decisions into physical actions.** The terminal execution layer mainly consists of commercial service robots, industrial robots, embodied intelligence robots and other intelligent terminal devices, which execute model-generated instructions through actions such as movement, grasping, assembly and human-robot interaction. Scaled deployment also requires engineering capabilities in product design, manufacturing, testing and delivery, supported by cooperation models including OEM, ODM and JDM.

Physical AI Market Size Analysis

With the accelerating adoption of robots and industrial automation equipment, Physical AI has continued to expand into manufacturing, logistics, commercial services and other physical-world scenarios. The global Physical AI market increased from approximately RMB288.8 billion in 2021 to approximately RMB628.3 billion in 2025, representing a CAGR of 21.4% during the period. In the future, as embodied intelligence robots accelerate commercialization and the application scope of commercial service robots, industrial robots and other products continues to expand, demand for robotic terminal devices, 3D perception devices and industrial automation equipment is expected to further increase. The global Physical AI market is expected to reach approximately RMB1,931.5 billion by 2030, representing a CAGR of 25.9% from 2026 to 2030, and further increase to approximately RMB6,232.9 billion by 2035.

The total addressable market ("**TAM**") for Physical AI refers to the theoretical upper limit of the market, assuming that relevant equipment achieves 100% penetration across all applicable scenarios. Based on estimates across four major scenarios, namely commercial services, industrial applications, embodied intelligence and logistics, the global TAM for Physical AI is estimated to exceed RMB65,000 billion.

Physical AI Market Size, Global, 2021–2035E



Source: Frost & Sullivan, China Robot Industry Alliance, National Data Administration

Key Value of 3D Visual Perception in Physical AI

- **A core perception gateway to the real world:** 2D vision captures projected images from specific viewpoints, without directly measuring depth or representing the full spatial structure of a scene. By contrast, 3D visual perception captures depth and geometry at real-world scale. By fusing observations from multiple viewpoints, it can reconstruct a spatial representation that can be viewed and analyzed from different angles, rather than being limited to the original capture viewpoints. This enables Physical AI systems to determine object positions, shapes, poses and motion, identify occlusion relationships and understand spatial layouts, supporting spatial understanding, path planning and action decisions in complex environments and enhancing robots' autonomous operation.

- **A high-quality data foundation for bridging virtual and physical environments:** 3D visual perception holistically and fully captures spatially consistent data on scene structures, object poses and interactions at real-world scale, supporting scene reconstruction, model training and simulation. These data enable real-world scenarios to inform virtual training, while simulation-trained models and policies can be deployed and tested on physical devices, facilitating real-world application.

- **A key enabler of complex task execution and continuous iteration:** 3D visual perception provides real-time depth, position and pose information for navigation, grasping, assembly and human-robot interaction, enabling robots to adapt their actions to environmental changes. Operational data can then be fed back into model training and algorithm optimization, creating a perception–execution–feedback cycle that advances Physical AI from single-task validation to multi-scenario applications and scaled deployment.

Evolution from Component Supply to System-Level Delivery Capabilities

As Physical AI applications progress from isolated validation to scaled deployment, customers' requirements are shifting from the performance of individual components toward system-level stability, compatibility and delivery efficiency. Suppliers capable of integrating perception hardware, data collection and engineering delivery can coordinate these elements from the product design stage, reducing integration efforts and duplicated development, and shortening customers' product validation and mass-production cycles. At the same time, real-world data continuously generated by deployed terminal devices can feed back into perception algorithms and product iteration, forming a self-reinforcing cycle of continuous improvement. Against this backdrop, the expansion of perception vendors from component supply into integrated solutions and whole-device engineering services, together with deeper participation in customers' product definition and joint development, is becoming an important direction of industry competition.

ROBOT 3D VISUAL PERCEPTION MARKET ANALYSIS

Definition and Classification of Robot Perception

- **Robot perception is primarily categorized into visual perception, tactile perception and other perception modalities.**

Robot perception primarily refers to embodied perception products and solutions that are mounted on or integrated into the robot itself, form part of the robot's own perception system, and operate in real time with the robot to support functions such as autonomous movement, spatial understanding, obstacle avoidance, human-robot interaction and general manipulation. It excludes perception devices deployed independently from the robot, as well as industrial-grade perception devices fixed at workstations and primarily used for tasks such as workpiece positioning and inspection.

Based on the type of information perceived, robot perception includes visual perception, tactile perception and other perception modalities. Robot visual perception uses sensors and related algorithms to acquire and process information such as color, texture, shape, position, distance and spatial relationships of humans, objects and the surrounding environment. Tactile perception uses point-based, array-based, distributed electronic skin and visuotactile solutions to acquire information on contact force, pressure, deformation, vibration, slippage and temperature. Other sensing modalities include auditory sensing, temperature sensing and LiDAR.

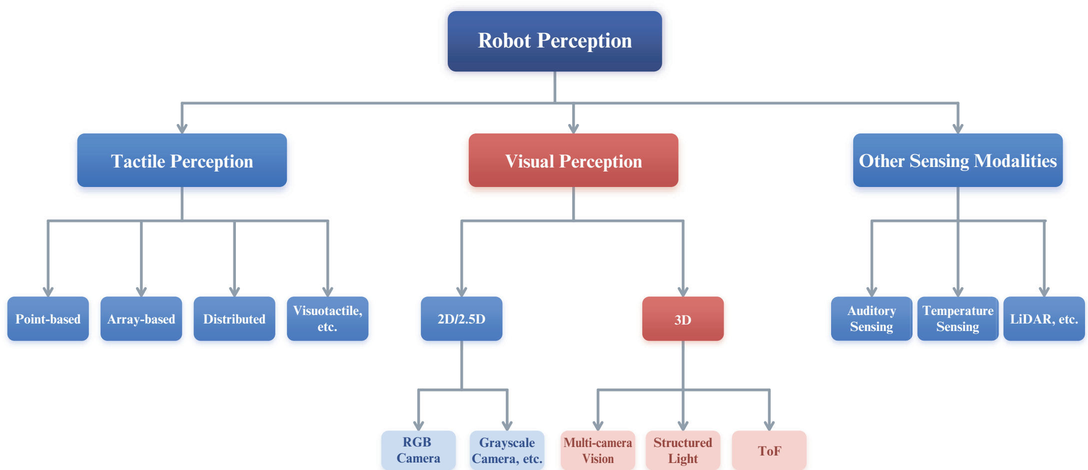
Compared with machine vision, which is primarily used at fixed workstations and in structured environments to perform tasks such as inspection, recognition and positioning of specific objects, robot visual perception needs to operate continuously in coordination with the robot in dynamic, multi-scenario environments and feed perception results in real time into positioning, planning and motion control. This enables robots to adjust paths, poses and actions in response to environmental changes, and to perform complex tasks involving motion control such as autonomous movement, obstacle avoidance, grasping and precise manipulation. Accordingly, robot visual perception places higher requirements on real-time performance, environmental adaptability and coordination with robotic motion-control systems.

- **Based on the spatial dimensions of the information acquired, visual perception can be further categorized into 2D/2.5D vision and 3D vision**

2D/2.5D vision primarily relies on imaging approaches such as monocular vision to acquire two-dimensional image information through RGB cameras, grayscale cameras, line-scan cameras, area-scan cameras and other imaging devices. In particular, 2D vision primarily captures two-dimensional image information such as color, texture and contours, and supports tasks including object detection, recognition, tracking and image segmentation. Building on two-dimensional images, 2.5D vision can further estimate information such as local depth, height or surface variations observed from a specific viewpoint using monocular vision algorithms and other methods. However, it generally does not directly generate a complete 3D spatial representation of objects and their surrounding environments, and can only be used for tasks such as surface inspection, height measurement and assisted localization.

3D visual perception further acquires 3D information on objects and their surrounding environments, including depth, distance, 3D coordinates, spatial structures and object poses, and develops an understanding of the spatial relationships between objects and their environments through depth calculation and spatial information analysis. Such information provides a basis for decision-making and motion control in robot functions such as, positioning and navigation, obstacle avoidance, motion planning, object grasping and precise manipulation, rather than merely capturing image information through cameras. Major technology pathways for 3D vision include stereo and multi-camera vision, structured light and time-of-flight ("**ToF**"). Stereo vision includes passive stereo vision, which uses two cameras under ambient light to derive depth through stereo matching and disparity calculation, and active stereo vision, which adds an active light source such as infrared speckle patterns to improve matching and depth calculation in low-texture or low-light environments. ToF primarily refers to ToF vision solutions based on depth cameras and imaging systems, including iToF and dToF, and excludes standalone LiDAR products.

Classification of Robot Perception



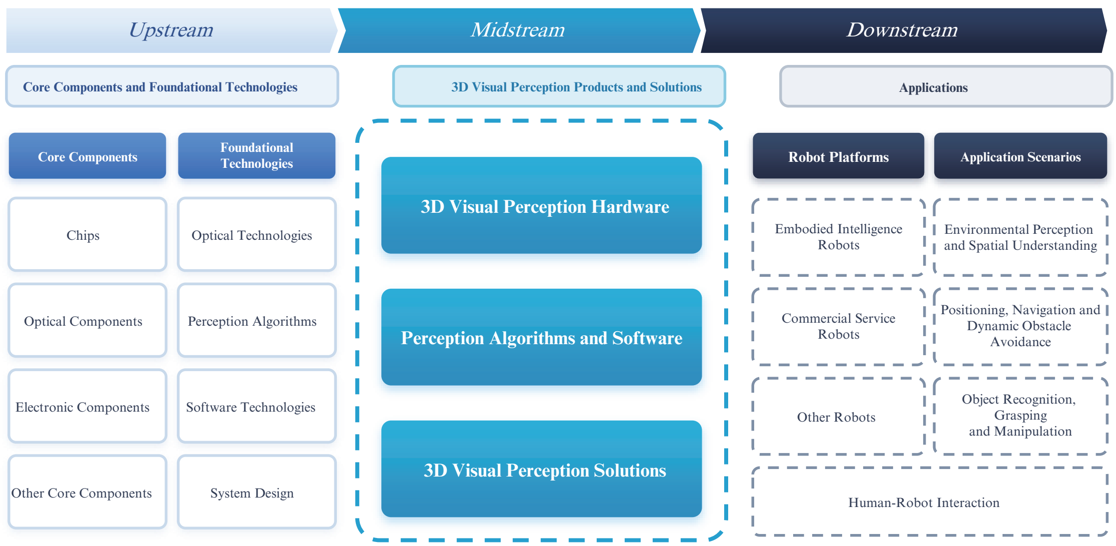
Source: Frost & Sullivan, China Robot Industry Alliance, International Federation of Robotics

Robot 3D Visual Perception Industry Value Chain Analysis

The robot 3D visual perception industry value chain comprises an upstream segment consisting of core components and foundational technologies, a midstream segment comprising 3D visual perception products and solutions, and a downstream segment comprising robotic platforms and applications. The midstream segment plays a critical role in bridging underlying technologies and end applications.

Midstream companies represented by **the Company** cover 3D visual perception hardware, perception algorithms and software, and related solutions, providing 3D visual perception capabilities for downstream robots and related applications.

Robot 3D Visual Perception Industry Value Chain



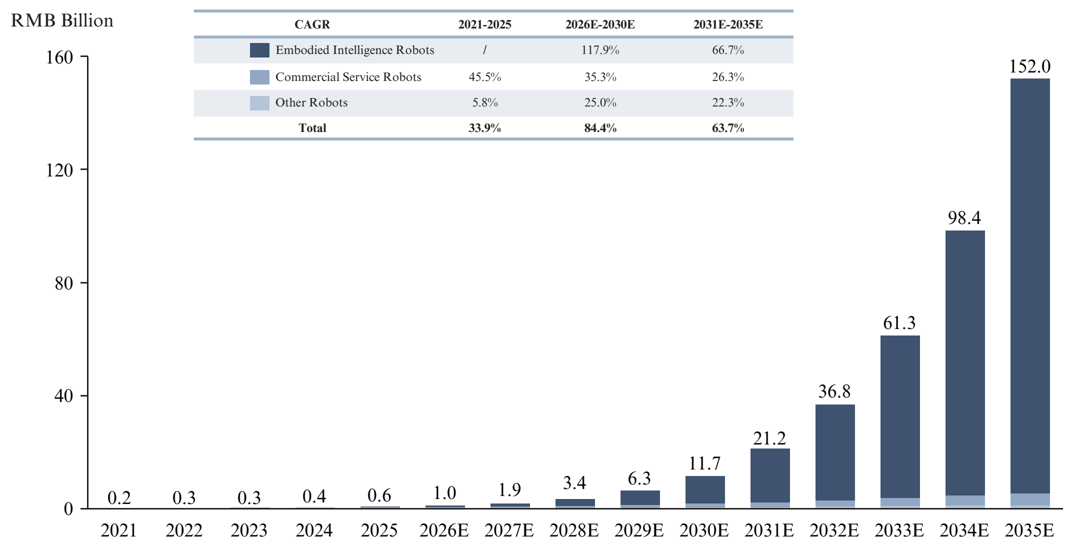
Source: Frost & Sullivan, China Academy of Information and Communications Technology, International Federation of Robotics

Robot 3D Visual Perception Market Size Analysis

As the scale of robot adoption expands, application scenarios become increasingly diverse, and requirements for environmental perception and autonomous operation continue to rise, the global robot 3D visual perception market has grown rapidly. The global robot 3D visual perception market increased from RMB0.2 billion in 2021 to RMB0.6 billion in 2025, representing a CAGR of 33.9%, and is expected to reach RMB11.7 billion by 2030, and RMB152.0 billion by 2035, driven by the scaled deployment of embodied intelligence robots and a broader range of application scenarios.

By market segment, the global 3D visual perception market for **embodied intelligence robots** was approximately RMB0.2 billion in 2025 and is expected to reach RMB9.9 billion by 2030 and RMB146.6 billion by 2035, driven by the commercialization and scaled deployment of embodied intelligence robots and rising demand for spatial understanding, environmental interaction and precise manipulation. The global market for **commercial service robots** reached approximately RMB0.3 billion in 2025 and is expected to increase to RMB1.3 billion by 2030 and RMB4.2 billion by 2035, supported by continued adoption across scenarios such as cleaning, delivery and reception. **Other robots**, mainly including logistics robots, special-purpose robots and robotic lawn mowers, generated a global 3D visual perception market of approximately RMB0.2 billion in 2025, which is expected to reach RMB0.4 billion by 2030 and RMB1.2 billion by 2035 as adoption expands into more complex scenarios.

Robot 3D Visual Perception Market Size, Global, 2021–2035E



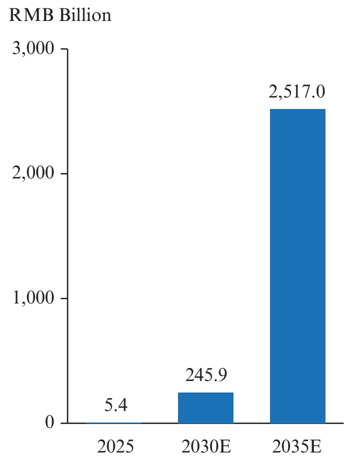
Global	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Robotic 3D Visual Perception	**0.2**	**0.3**	**0.3**	**0.4**	**0.6**	**1.0**	**1.9**	**3.4**	**6.3**	**11.7**	**21.2**	**36.8**	**61.3**	**98.4**	**152.0**
Embodied Intelligent Robots	\	\	**0.0**	**0.0**	**0.2**	**0.4**	**1.1**	**2.4**	**5.0**	**9.9**	**19.0**	**33.8**	**57.6**	**93.8**	**146.6**
Commercial Service Robots	**0.1**	**0.1**	**0.2**	**0.2**	**0.3**	**0.4**	**0.5**	**0.7**	**1.0**	**1.3**	**1.7**	**2.1**	**2.7**	**3.4**	**4.2**
Other Robots	**0.1**	**0.1**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.3**	**0.3**	**0.4**	**0.5**	**0.8**	**1.0**	**1.2**	**1.2**

Source: Frost & Sullivan, National Data Administration, International Federation of Robotics

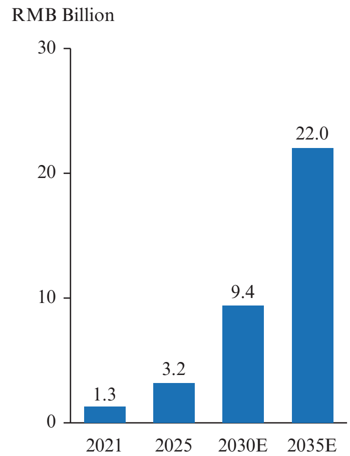
Analysis of Key Downstream Demand for Robot 3D Visual Perception

3D visual perception has been widely adopted across various types of robots and plays an important role in core functions such as environmental perception, spatial understanding, positioning and navigation, and precise manipulation. Embodied intelligence robots use 3D visual to acquire depth, position, pose and spatial-relationship information for autonomous navigation, object recognition, grasping, manipulation and human-robot interaction. Commercial service robots use 3D cameras for mapping, positioning, navigation, obstacle avoidance and interaction, while logistics robots use it to identify, locate and measure shelves, pallets, bins, goods and obstacles to support navigation, handling, picking, placing, loading and unloading. As robots become increasingly autonomous and their tasks more complex, and as downstream applications expand from individual scenarios into a broader range of complex, dynamic and unstructured environments, the breadth and depth of 3D visual perception applications and demand for its integration into robots are expected to further increase.

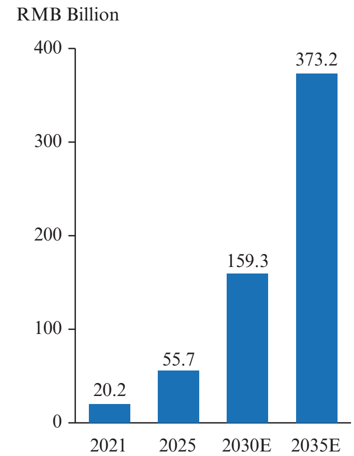
Embodied Intelligence Robot Market Size, Global, 2025, 2030E and 2035E



Commercial Service Robot Market Size, Global, 2021, 2025, 2030E and 2035E



Logistics Robot Market Size, Global, 2021, 2025, 2030E and 2035E



Source: *Frost & Sullivan, National Data Administration, International Federation of Robotics*

Market Drivers and Development Trends of Robot 3D Visual Perception

- **Continued expansion of the robot market is driving rapid growth in demand for 3D visual perception products.** As embodied intelligence robots and commercial service robots continue to grow rapidly, robot shipments and application scenarios continue to increase, driving demand for environmental perception, spatial understanding, navigation, obstacle avoidance and precise manipulation. This, in turn, is driving higher adoption and shipment volume of 3D visual perception products.

- **Increasing task complexity is driving higher deployment and value of 3D visual perception products per robot.** Robot applications are expanding from standardized and structured scenarios into more complex, dynamic and unstructured environments, requiring greater perception range, accuracy, real-time performance and spatial understanding. This is increasing the number of 3D visual perception products deployed on each robot, thereby raising the perception system value per robot.

- **Increasing adoption of multi-modal perception is enhancing robots' environmental understanding and interaction capabilities.** Robot 3D visual perception is evolving from reliance on visual information alone toward the coordinated use of multi-modal information across vision, tactile sensing, inertial sensing and other modalities. Integrating these data types enables robots to better understand spatial environments, object states and interaction processes, thereby improving perception stability, decision-making accuracy and task execution capabilities in complex scenarios.

- **Expanding applications of 3D visual perception into data collection, spatial modeling and simulation validation are forming a real-world data closed loop.** Beyond real-time perception and task execution by robots, 3D visual perception can also be used to capture spatial structures, object states and interaction information from the real world, with such data further applied to spatial modeling, model training and simulation validation. This enables real-world data to continuously feed into model training, algorithm optimization and terminal execution, gradually forming a real-world data closed loop.

Key Success Factors for Robot 3D Visual Perception Companies

- **Full-stack technology capabilities and a multi-pathway product portfolio support diverse robotic needs.** Robot 3D visual perception involves multiple technologies across optics, chips, algorithms, software and systems engineering. As robot form factors and application scenarios vary in perception range, accuracy, power consumption, interface and cost, companies need comprehensive R&D capabilities and a product portfolio covering major technology pathways, including stereo and multi-camera vision, structured light and ToF, to continuously address diverse market needs.

- **Scaled mass-production and quality-control capabilities are critical to ensuring stable product delivery.** 3D visual perception products typically involve multiple processes, including design, calibration, testing and quality control, and are required to maintain a high degree of stability, reliability and consistency in complex environments. Companies with mature mass-production systems and quality-management capabilities are better positioned to meet robot customers' requirements for large-volume and stable long-term delivery.

- **Ecosystem compatibility and scenario-specific delivery capabilities determine the efficiency of product deployment across different robotic platforms.** Robot manufacturers differ in terms of hardware platforms, operating systems, software interfaces and application requirements. 3D visual perception companies therefore need strong platform compatibility, hardware and software adaptation, and customized development to shorten customers' development and product introduction cycles.

Overview of the Competitive Landscape of the Robot 3D Visual Perception Industry

Participants in the global robot 3D visual perception market mainly include comprehensive providers with capabilities across multiple technology pathways and scaled mass production, and specialized providers focusing on specific technologies or application scenarios. As applications such as embodied intelligence robots, commercial service robots and industrial robots continue to expand, competition has extended beyond individual sensor performance to comprehensive capabilities in technology, product portfolio, customer coverage, scaled delivery and ecosystem compatibility. Leading players typically offer diversified technologies including stereo vision, structured light and ToF, supported by accumulated experience in product development, mass production and scenario adaptation, while specialized players differentiate through specific technologies, product forms or application scenarios. As robot applications become more complex and scaled deployment increases, companies with full-stack capabilities, broader product portfolios and large-scale delivery experience are expected to be better positioned to compete.

Ranking and Market Share of Robot 3D Visual Perception Companies

The global robot 3D visual perception market is relatively concentrated, with leading players accounting for a significant share of the market. Unlike ordinary cameras that primarily perform image capture and data transmission, robot 3D visual perception typically incorporates capabilities such as depth perception and data processing, enabling the real-time processing and analysis of captured visual data and converting such data into information that can support robots in environmental understanding, spatial assessment and task decision-making, thereby enabling the execution of more complex robotic tasks. Leading players have secured significant market shares through their long-term accumulation of capabilities in 3D visual perception technologies, product performance, scaled delivery and customer resources. In 2025, in terms of revenue, the top five players in the global robot 3D visual perception market collectively accounted for 71.7% of the market, among which **the Company** ranked first with a market share of 29.0%.

Ranking and Market Share of Robot 3D Visual Perception Companies, by Revenue, Global, 2025

Ranking	Company Name	Market Share
		(%)
1.	**The Company**	**29.0%**
2.	Company A	27.9%
3.	Company B	6.6%
4.	Company C	6.6%
5.	Company D	1.6%

Source: Frost & Sullivan, China Robot Industry Alliance, International Federation of Robotics, Companies' Annual Reports

Note:

(1) Company A was established in 2025 and is headquartered in Cupertino, the United States. It is a privately held company. It is primarily engaged in depth cameras and computer vision technologies for robotics, industrial automation, access control and other applications.

(2) Company B was established in 2018 and is headquartered in Shenzhen, China. It is a privately held company. It is primarily engaged in high-performance 3D sensing cameras and VCSEL-based optoelectronic solutions for robotics, AIoT and other applications.

(3) Company C was established in 2018 and is headquartered in Shenzhen, China. It is a privately held company. It is primarily engaged in AI-enabled 3D visual perception solutions, including structured-light and dToF LiDAR solutions for robotics and other intelligent devices.

(4) Company D was established in 2018 and is headquartered in Shenzhen, China. It is a privately held company. It is primarily engaged in intelligent visual perception technologies, including structured-light, ToF and other 3D sensing solutions for robotics, smart devices and other applications.

Barriers to Entry in the Robot 3D Visual Perception Industry

- **Technology Barriers:** Robot 3D visual perception spans optics, chips, depth calculation algorithms, vision algorithms and systems engineering. Companies need to optimize accuracy, frame rate, power consumption, form factor, cost and environmental adaptability, while iterating their technologies and products for different robot form factors and application scenarios, resulting in relatively high technological barriers to entry.

- **Customer and Ecosystem Barriers:** Robot 3D visual perception products require deep integration with robotic platforms, computing platforms, operating systems and algorithm frameworks. Customer development and validation cycles are long, and require suppliers to refine products based on customer requirements and feedback from real-world applications, thereby accumulating industry know-how. Once selected, switching suppliers typically involves significant redevelopment and adaptation costs, creating barriers related to customer relationship and ecosystem compatibility.

- **Manufacturing Barriers**: Robotic 3D visual perception products involve the integration of optical components, sensors, chips, and other precision components, requiring stringent control over assembly, calibration, testing, and quality consistency. Stable performance, high production yields, and reliable large-scale delivery require mature production processes, automated production and testing capabilities, and a comprehensive quality-control system.

EMBODIED INTELLIGENCE DATA COLLECTION DEVICE MARKET ANALYSIS

Definition and Classification of Embodied Intelligence Data Collection Device

Embodied intelligence data collection device refers to specialized equipment and systems used to collect information generated when humans or robots perform tasks in real-world scenarios, including visual and depth information, motion trajectories, device status and interaction feedback. Such equipment provides real-world data for training, skill learning and continuous iteration, and typically comprise visual, tactile and motion-sensing devices and related software. The market covers dedicated hardware and bundled software, but excludes general-purpose AR/VR devices, computing and storage equipment, standalone data collection services, data cleaning and annotation, dataset sales and data trading.

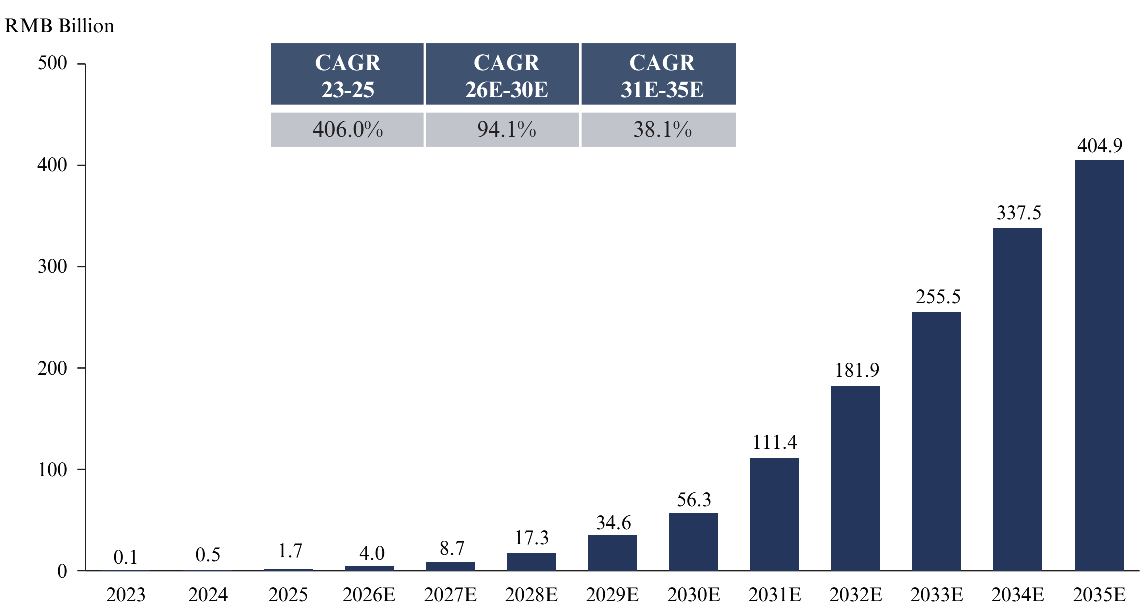
Based on whether data collection relies on a robot platform, embodied intelligence data collection device can be classified into teleoperation (robot-based data collection device) and robot-free data collection device. Teleoperation relies on a robot platform to collect data through remote control, autonomous operation or predefined tasks, while simultaneously recording control commands, robot status, motion trajectories and perception information. The resulting data is closely associated with the specific robot platform. Robot-free data collection device does not rely on a robot platform and instead uses head-mounted, wrist-mounted, handheld or tool-based devices to record visual information, motion trajectories, object states and spatial environmental information during human operations, offering flexible deployment and broad coverage across tasks and scenarios.

Embodied Intelligence Data Collection Device Market Size

As embodied intelligence moves from technology validation to model training and product development, demand for real-world data continues to increase. The global embodied intelligence data collection device market increased from approximately RMB0.1 billion in 2023 to approximately RMB1.7 billion in 2025. During this period, the market remained at a relatively early stage with a small base, and equipment demand was primarily driven by model R&D, robot training and the initial development of data collection systems.

As model training expands across multiple tasks and scenarios, in-house data collection centers and third-party data collection facilities are expected to expand, while both teleoperation and robot-free data collection device are expected to move from small-scale trials to batch deployment. The global embodied intelligence data collection device market is expected to reach approximately RMB56.3 billion by 2030 and further increase to approximately RMB404.9 billion by 2035. Robot commercialization, continuous model iteration and increasingly routine real-world data collection are expected to jointly support sustained market growth.

Embodied Intelligence Data Collection Device Market Size, Global, 2023–2035E



Source: Frost & Sullivan, National Data Administration, Ministry of Industry and Information Technology

Market Drivers and Development Trends of Embodied Intelligence Data Collection Device

- **Growing model-training demand and increasing task complexity are raising requirements for data volume and quality.** Demand spans general-purpose world models and embodied intelligence models tailored to specific industries and tasks. Compared with autonomous driving, general-purpose robotic applications involve more varied tasks, robot configurations and contact interactions, potentially requiring larger and more diverse training datasets. Grasping, assembly and tool use also demand accurate, synchronized multimodal data to capture spatial relationships and action outcomes. As internet and simulation data cannot fully reflect real-world contact, friction and execution variability, these requirements are driving investment in data collection device with enhanced sensing and synchronization capabilities.

- **Commercialization is expected to reshape demand for Teleoperation and Robot-free data collection device, both of which share underlying core perception technologies.** Embodied intelligence remains at an early stage of commercialization. In the short to medium term, robot-free data collection device is expected to predominate, supported by portability, lower deployment costs and efficient collection across scenarios. With large-scale commercialization, teleoperation may become more prevalent, as it directly captures robot control commands, operating states and task outcomes, providing data closely aligned with robotic tasks. Both approaches share core perception technologies, including 3D vision, providing a common technological foundation across collection formats.

- **The shift in data collection demand from experimental validation to large-scale implementation is driving device toward standardization, lightweight form factors and scaled deployment.** Early-stage data collection device was primarily used for laboratory research and specific projects, with a relatively high degree of customization and relatively complex installation and maintenance. As real-world data collection becomes increasingly routine, device is expected to increasingly adopt modular designs and standardized interfaces, while evolving toward portable form factors such as head-mounted, wrist-mounted and handheld devices. Functions including device configuration, operational monitoring, data recording and quality inspection are also expected to become further integrated, lowering barriers to use and improving data consistency.

DEDICATED 3D APPLICATION DEVICE MARKET ANALYSIS

Definition and Classification of Dedicated 3D Application Devices

Dedicated 3D application devices refer to devices primarily designed and used for 3D-related applications. Based on their primary application scenarios, such devices can be categorized into dedicated consumer-grade 3D application devices and dedicated industrial-grade 3D application devices.

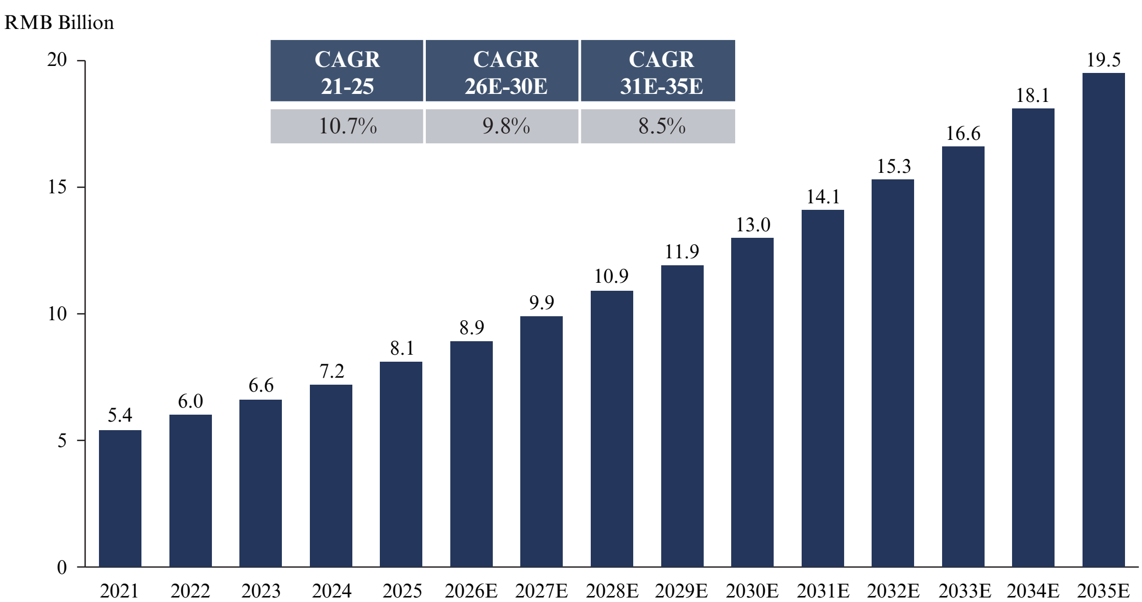
- **Dedicated consumer-grade 3D application devices:** Dedicated consumer-grade 3D application devices are primarily designed for individual and commercial scenarios, with the collection, recognition and application of 3D information relating to humans, objects and spaces as their core functions. They mainly include 3D scanning devices, 3D biometrics recognition payment sensors and other devices, and can be applied in scenarios such as human-body and spatial information collection, identity verification and 3D content generation. Unlike general-purpose terminal devices such as smartphones and AI glasses, these devices are primarily designed around 3D information collection and related applications, rather than treating 3D capabilities as ancillary functions.

- **Dedicated industrial-grade 3D application devices:** Dedicated industrial-grade 3D application devices are primarily used in industrial production and automation scenarios, with 3D information collection, inspection, measurement and positioning as their core functions. They mainly include industrial 3D cameras and 3D scanning devices. Compared with traditional industrial vision devices that primarily rely on 2D imaging, these devices can further acquire 3D information such as depth, shape and spatial position, providing richer spatial information for industrial applications including precision measurement, automated inspection and positioning.

Market Size of Dedicated 3D Application Devices

The global dedicated 3D application device market is expected to grow from approximately RMB5.4 billion in 2021 to approximately RMB8.1 billion in 2025, and further to approximately RMB13.0 billion in 2030 and RMB19.5 billion in 2035. As 3D perception technologies continue to advance, the performance of dedicated 3D application devices continues to improve, and their applications in areas such as industrial inspection, intelligent manufacturing, surveying and mapping, and modeling continue to deepen, growing downstream demand is expected to continue driving the expansion of the dedicated 3D application device market.

Dedicated 3D Application Device Market Size, Global, 2021–2035E



Source: Frost & Sullivan, National Data Administration, International Federation of Robotics, Ministry of Industry and Information Technology

Analysis of Market Drivers and Development Trends of Dedicated 3D Application Devices

- **Demand Side:** As 3D perception technologies mature, dedicated 3D application devices are increasingly used in consumer and commercial scenarios such as human-body and spatial information collection, biometric identification and identity authentication. In smart retail, 3D information collection and recognition can improve the accuracy, security and user experience of identity verification, driving the continued expansion of application scenarios for dedicated consumer-grade 3D application devices. In addition, as industrial automation and intelligent manufacturing continue to advance, demand for 3D information such as object depth, shape and spatial position is increasing across production processes, accelerating the adoption of industrial 3D cameras and 3D scanning devices in applications such as quality inspection, dimensional measurement and object positioning.

- **Technology Side:** Advances in core technologies are driving ongoing improvements in the accuracy, stability and ease of use of dedicated 3D application devices, while also enabling continued cost optimization. As 3D information collection and processing capabilities further improve, these devices can better meet usage requirements across different environments and application scenarios.

- **Product Side:** AI integration and hardware-software coordination are improving usability and application efficiency. The integration of generative AI with 3D modeling and data processing is improving 3D information processing, modeling and application efficiency. At the same time, dedicated 3D application devices are becoming more portable, user-friendly and integrated with supporting algorithms and software, lowering adoption barriers and improving scenario adaptability.

Competitive Landscape Analysis of the Dedicated 3D Application Device Industry

The global consumer-grade 3D application device market is relatively concentrated. Consumer-grade 3D application devices are generally positioned at more accessible price level and are designed for broad-based applications such as 3D content creation, education, cultural and creative applications and light professional use, with greater emphasis on portability, ease of use and cost efficiency. By comparison, industrial-grade products are generally priced higher and are primarily used in professional industrial scenarios requiring higher accuracy, stability and reliability, such as precision measurement, quality inspection and reverse engineering. In 2025, in terms of revenue, the Company ranked first among global dedicated consumer-grade 3D scanning solution manufacturers. In addition, the Company is also the largest provider of sensors for biometrics recognition payment terminals globally.

We are subject to a variety of laws, rules and regulations across a number of aspects of our business. This section summarizes the principal laws, rules and regulations which relate to our business and operations.

PRC REGULATIONS

Regulations on 3D Visual Perception Industry

On August 21, 2025, the State Council promulgated the Opinions on Deeply Implementing the "Artificial Intelligence Plus" Initiative (《關於深入實施「人工智能+」行動的意見》), which aims to promote the deep and extensive integration of artificial intelligence with industries, consumption, and other fields, enhance the intelligent perception and decision-making and execution capabilities of industrial systems, and promote the development and broad application of next-generation smart terminals, such as smart robots, smart home devices and smart wearable devices, in scenarios such as manufacturing, logistics, and lifestyle services, thereby expanding the downstream application scenarios for 3D visual perception products.

On August 22, 2025, the Ministry of Industry and Information Technology of the PRC (the "**MIIT**") and the State Administration for Market Regulation of the PRC (the "**SAMR**") jointly issued the Action Plan for Steady Growth of the Electronic Information Manufacturing Industry (2025–2026)(《電子信息製造業2025—2026年穩增長行動方案》), which focuses on the steady growth and high-quality development of the electronic information manufacturing industry, promotes the innovative development of new products such as AI terminals, and strengthens the supply capacity and industrial chain coordination of the electronic information industry, thereby providing industrial policy support for the development of 3D visual sensors and consumer-grade and industrial-grade 3D application equipment.

On March 13, 2026, the National People's Congress of the PRC (the "**NPC**") promulgated the Outline of the 15th Five-Year Plan for National Economic and Social Development (《國民經濟和社會發展第十五個五年規劃綱要》), which sets forth the forward-looking layout of future industries, promotes embodied intelligence and other fields as new drivers of economic growth, and encourages technological innovation in multimodal AI, AI agents, and embodied intelligence. It also advances the intelligent transformation, digitalization, networking, and integration of the manufacturing industry, and promotes the development of smart terminal products and services, thereby providing policy support for the sustained development of the 3D visual perception, robotics, and smart terminal industries.

On June 3, 2026, MIIT issued the Implementation Opinions on the Innovative Development of "Artificial Intelligence Plus Information and Communications" (2026–2028) (《「人工智能+信息通信」創新發展實施意見(2026—2028年)》), which proposes to strengthen the integrated innovation of embodied intelligence and information and communications, promote the adaptation and verification of embodied intelligence with connected communication modules and devices, and vigorously develop smart terminal products such as AI smartphones and computers, smart home devices, and smart wearable devices. It also proposes to promote the large-scale application of intelligent equipment inspection and industrial visual inspection, thereby providing policy support for the expansion of 3D visual perception applications in scenarios such as embodied intelligence, smart terminals, and industrial vision.

Regulations Relating to Weighted Voting Rights

The PRC Company Law, which was amended on December 29, 2023 and became effective on July 1, 2024, provides that a company may, prior to its initial public offering, issue a class of shares with rights different from those of its ordinary shares in accordance with the company's articles of association, including but not limited to shares carrying more or fewer voting rights per share than those of its ordinary shares. At shareholders' meetings, shareholders shall have one vote for each share held, except for shareholders holding a class of shares with different rights.

Pursuant to the Guidelines for the Application of Regulatory Rules — Overseas Offering and Listing No. 1 (《監管規則適用指引－境外發行上市類第1號》) promulgated by the CSRC on February 17, 2023 and effective on the same day, any PRC domestic enterprise intending to list its shares overseas shall amend its articles of association by reference to the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) and other relevant rules and regulations promulgated by the CSRC in relation to corporate governance. The CSRC promulgated the Guidelines on the Articles of Association of Listed Companies (2025 Revision) (《上市公司章程指引(2025修訂)》) on March 28, 2025, which became effective on the same day (the "**AoA Guidelines (2025)**"). According to the AoA Guidelines (2025), a company with shares carrying special voting rights shall expressly stipulate in its articles of association, among others, the qualifications of holders of shares carrying special voting rights, the ratio between the number of voting rights carried by shares carrying special voting rights and that carried by ordinary shares, the scope of matters submitted to shareholders' meetings on which holders of shares carrying special voting rights may vote, the lock-up arrangements and transfer restrictions applicable to shares carrying special voting rights, and the circumstances for the conversion of shares carrying special voting rights into ordinary shares. Such provisions in the articles of association shall comply with applicable laws and administrative regulations and the relevant requirements of the CSRC and the relevant stock exchange.

The Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (2026 Revision) (《上海證券交易所科創板股票上市規則(2026年4月修訂)》) (the "**STAR Market Listing Rules**") further provide that the articles of association of a company listed on the STAR Market shall specify the number of voting rights attached to each share carrying special voting rights. Each share carrying special voting rights shall carry the same number of voting rights, which shall not exceed ten times the number of voting rights attached to each ordinary share. Save for the difference in voting rights as provided in the articles of association, ordinary shares and shares carrying special voting rights shall carry identical shareholder rights in all other respects.

Pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and the Guidelines for the Application of Regulatory Rules — Overseas Offering and Listing No. 2: Guidelines on the Content and Format of Filing Materials (《監管規則適用指引－境外發行上市類第2號：備案材料內容和格式指引》), both promulgated by the CSRC on February 17, 2023, a PRC domestic enterprise with shares carrying special voting rights shall include in its filing report submitted to the CSRC information relating to such shares, including (i) basic information such as the classes of shares, the duration of the special voting rights arrangement, the qualifications of holders, the ratio between the number of voting rights carried by shares carrying special voting rights and that carried by ordinary shares, and the lock-up arrangements and transfer restrictions applicable to shares carrying special voting rights; (ii) the scope of matters submitted to shareholders' meetings on which shares carrying special voting rights may vote, and the matters to which the special voting rights do not apply; and (iii) risks that may arise from the special voting rights arrangement, such as change of control, and its impact on corporate governance.

Regulations on Production Safety

On June 29, 2002, the Standing Committee of the National People's Congress ("**the SCNPC**") promulgated the Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the "**Production Safety Law**"), which was recently amended by the SCNPC on June 10, 2021 and became effective on September 1, 2021. According to the Production Safety Law, enterprises that are engaged in production and business activities shall abide by the relevant laws and regulations concerning work safety, strengthen work safety management, establish and improve the all-staff work safety responsibility system and work safety rules and regulations, increase investment in funds, materials, technologies and personnel for work safety, improve the conditions for work safety, strengthen the standardized and information technology development of work safety, establish a dual prevention mechanism of graded management and control of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism, and improve the level of work safety so as to ensure workplace safety.

Regulations on Product Quality

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and recently amended with immediate effect on December 29, 2018, producers shall: (i) be responsible for the quality of the products they produce; (ii) not produce products that have been explicitly eliminated by the state; (iii) not forge the place of origin, forge or falsely use the name and address of another person's factory; and not forge or fraudulently use quality marks such as certification marks; and (iv) not produce or market adulterated products or use fake goods as genuine or substandard products as standard. If a defect in the product causes damage to the person or property of others, the victim may claim compensation from the producer of the product or from the seller of the product. Producers or sellers who produce or sell substandard products will be ordered to cease production and sales, the illegally produced or sold products will be confiscated, and a fine will be imposed. If there is any illegal income, the illegal income will also be confiscated. If the circumstances are serious, the business license shall be revoked. If a crime is constituted, criminal responsibility shall be investigated in accordance with law.

According to the Civil Code of the PRC (《中華人民共和國民法典》) (the " **PRC Civil Code**") promulgated by the National People's Congress (the "**NPC**") on May 28, 2020 and became effective on January 1, 2021, if a defect of a product causes damage to another person, the infringed person may claim compensation against the manufacturer or the seller of the product. If the infringer knows that the product is defective and still produces or sells it or fails to take effective remedial measures in accordance with the provisions of the PRC Civil Code, resulting in the death of another person or serious damage to the health of another person, the infringed person shall be entitled to claim corresponding punitive damages. If a product is defective due to the fault of a third party, such as a transporter or warehouseman, and causes damage to another person, the producer or seller of the product shall have the right to recover compensation from the third party after making compensation to the infringed person.

Regulations on Intellectual Properties

Trademarks

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), which was promulgated by the SCNPC on 23 August 1982, was most recently amended on 23 April 2019 and came into effect on 1 November 2019, and the Regulation on the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on 3 August 2002, was most recently amended on 29 April 2014 and came into effect on 1 May 2014, registered trademarks in the PRC include trademarks for goods, service trademarks, collective trademarks and certification trademarks. The Trademark Office of the China National Intellectual Property Administration handles trademark registrations and grants a validity period of ten years to registered trademarks, which may be renewed for a further ten years upon request prior to the expiry of the period of validity.

Patents

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), which was promulgated by the SCNPC on 12 March 1984, most recently amended on 17 October 2020 and came into effect on 1 June 2021, and the Implementation Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), which were promulgated by the State Council on 21 December 1992 and most recently amended on 11 December 2023 and came into effect on 20 January 2024, patents in the PRC fall into three categories: invention patents, utility model patents and design patents. The term of patent protection for invention patents is 20 years, the term of patent protection for utility model patents is 10 years, and the term of patent protection for design patents is 15 years, all commencing from the date of application.

Copyright

Pursuant to the Regulation on the Protection of Computer Software (《計算機軟件保護條例》), which was promulgated by the State Council on 4 June 1991, most recently amended on 30 January 2013 and came into effect on 1 March 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was promulgated on 6 April 1992, most recently amended by the National Copyright Administration of China (the "**NCAC**") on 18 June, 2004 and came into effect on 1 July 2004, the NCAC is responsible for the administration and supervision of software copyright registration in the PRC and recognises the China Copyright Protection Centre ("**CPCC**") as the software registration organisation. The CPCC shall grant registration certificates to computer software copyright applicants which comply with the provisions of the Regulation on the Protection of Computer Software and the Measures for the Registration of Computer Software Copyright.

Domain Names

According to the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by MIIT on August 24, 2017 and became effective on November 1, 2017, MIIT is responsible for supervision and administration of domain name services in the PRC. Communication administrative bureaus at provincial levels shall conduct supervision and administration of the domain name services within their respective administrative jurisdictions. Domain name registration services shall, in principle, be subject to the principle of "first apply, first register". A domain name registrar shall, in the process of providing domain name registration services, ask the applicant for which the registration is made to provide authentic, accurate and complete identity information on the holder of the domain name and other domain name registration related information.

Regulations on Cybersecurity, Privacy and Data Protection

PRC government authorities have enacted laws and regulations with respect to Internet information security and the protection of personal information from any abuse or unauthorized disclosure. Internet information in China is regulated and restricted from a national security standpoint.

On November 7, 2016, the SCNPC issued the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the " **Cyber Security Law**"), which was amended on October 28, 2025 and became effective on January 1, 2026. The Cyber Security Law is formulated to maintain network security, safeguard cyberspace sovereignty, national security and public interests, and protect the lawful rights and interests of citizens, legal persons and other organizations. The Cybersecurity Law also reiterates certain basic principles and requirements on personal information protection previously specified in other existing laws and regulations. Any violation of the provisions and requirements under the Cybersecurity Law may subject a network operator to rectifications, warnings, fines, confiscation of illegal gains, revocation of business permit, cancellation of business license, closedown of websites or even criminal liabilities.

The PRC Civil Code provides that individuals have the right of privacy and no organization or individual shall process any individual's private information or infringe an individual's right of privacy, unless otherwise prescribed by laws or with such individual's prior express consent.

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) (the "**Data Security Law**") was passed on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires a data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities using the Internet or any other information networks, a data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of business permit or even criminal liabilities.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**") promulgated on August 20, 2021 and came into effect on November 1, 2021, provides detailed rules on handling personal information and legal responsibilities. Critical information infrastructure operators and personal information processors processing personal information reaching quantities provided by the national cyberspace administration shall store personal information collected and produced within the borders of the PRC domestically; where they need to provide it abroad, they shall pass a security assessment organized by the national cyberspace administration. Processors of personal information shall, based on the purpose and methods of processing personal information, categories of personal information, the impacts on individuals' rights and interests, and potential security risks, take the measures to ensure that personal information processing activities comply with the provisions of laws and administrative regulations, and prevent unauthorized access as well as the leakage, tampering or loss of personal information.

The Cybersecurity Review Measures (《網絡安全審查辦法》), promulgated by the Cyberspace Administration of China (the "**CAC**") and other related authorities and last amended on December 28, 2021 and was effective on February 15, 2022, proposes the following key matters: (i) Internet platform operators that are engaged in data processing activities which have or may have an implication on national security shall undergo a cybersecurity review; (ii) the CSRC is one of the regulatory authorities for purposes of jointly establishing the state cybersecurity review mechanism; (iii) Internet platform operators that hold personal information of more than one million users and seek to list abroad shall file for a cybersecurity review with the Cybersecurity Review Office; and (iv) the risks of core data, material data or large amounts of personal information being stolen, leaked, destroyed, damaged, illegally used or transmitted to overseas parties, and the risks of critical information infrastructure, core data, material data or large amounts of personal information being influenced, controlled or used maliciously shall be collectively taken into consideration during the cybersecurity review process.

On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》) (the "**CBDF Provisions**"). In accordance with the Measures for the Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》) implemented on September 1, 2022, the Measures for the Standard Contract for the Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) implemented on June 1, 2023, the Announcement regarding the Implementation of Personal Information Protection Certification (《關於實施個人信息保護認證的公告》) implemented on November 4, 2022, and the CBDF Provisions, data processors transferring data overseas are required to comply with the corresponding data cross-border transfer supervision procedures as stipulated by relevant laws and regulations, except for those meeting exemption conditions. On September 24, 2024, the State Council promulgated the Regulations on Network Data Security Management (《網絡數據安全管理條例》), which came into force on January 1, 2025. This regulation clarifies the general provisions on network data security management, and also further supplements and refines the specific requirements on personal information protection, important data security management, cross-border security management of network data, and obligations of network platform service providers.

Regulations on Import and Export of Goods

The PRC Foreign Trade Law (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 which came into effect on July 1, 1994 and most recently amended on December 27, 2025, with such amendment taking effect on March 1, 2026 and the PRC Regulations on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, most recently amended on March 10, 2024, and came into effect on May 1, 2024, both stipulated that the import and export of goods and technologies to and from the PRC are free, unless otherwise in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations. The PRC Customs Law (《中華人民共和國海關法》) promulgated on January 22, 1987, as most recently amended on April 29, 2021, stipulates that, among other things, the consignee or consignor of import or export goods or a customs agent shall file for record with relevant customs authority before going through any customs declaration procedures. Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC on November 19, 2021, and effective from January 1, 2022, further gives detailed requirement on the documents needed for the filing and the requirement on reporting certain changes of the filed information to the relevant customs authority.

Regulations on Foreign Investment and Overseas Investment

Company Establishment and Foreign Investment

Companies established and operating in the PRC shall be subject to the PRC Company Law, which was promulgated by the SCNPC on December 29, 1993, implemented on July 1, 1994 and was most recently amended on December 29, 2023 and effective from July 1, 2024. The PRC Company Law provides for the establishment, corporate structure, and corporate management of companies, which also applies to foreign-invested enterprises in the PRC. Unless otherwise provided in the PRC foreign investment laws, the provisions in the PRC Company Law shall prevail.

On March 15, 2019, the NPC promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which came into effect on January 1, 2020. The Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), promulgated by the State Council on December 26, 2019 and became effective on January 1, 2020. Pursuant to the Foreign Investment Law, foreign investment refers to the investment activity directly or indirectly conducted by a foreign natural person, enterprise or other organization, collectively the "foreign investors". The Implementation Regulations for the Foreign Investment Law of the PRC have introduced the "look-through" principle and further provided that investments made by foreign-invested enterprises in China should also be governed by the Foreign Investment Law and its Implementing Regulations.

Investments in the PRC by foreign investors and foreign-invested enterprises were regulated by the Special Administrative Measures for Access of Foreign Investment (Negative List)(2024 Edition) (《外商投資准入特別管理措施(負面清單(2024年版))》) (the "**Negative List**"), which was promulgated by the NDRC and the MOFCOM jointly on September 6, 2024 and became effective on November 1, 2024, and the Catalogue of Encouraged Industries for Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》), which was promulgated by the NDRC and the MOFCOM, on December 15, 2025 and became effective on February 1, 2026. Pursuant to the laws and regulations mentioned above, foreign-invested projects are categorized as encouraged, restricted and prohibited. Foreign-invested projects that are not listed in the Negative List are permitted foreign-invested projects.

On December 30, 2019, the MOFCOM and the State Administration for Market Regulation issued the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which came into effect on January 1, 2020, pursuant to which, since January 1, 2020, for carrying out investment activities directly or indirectly within the territory of China, the foreign investors or foreign-invested enterprises shall submit investment information to the competent commerce administrative authorities through the Enterprise Registration System and the National Enterprise Credit Information Publicity System.

Security Review of Foreign Investment

In February 3, 2011, the General Office of the State Council promulgated a Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《國務院辦公廳關於建立外國投資者併購境內企業安全審查制度的通知》) (the "**Circular 6**"), which established a security review system for mergers and acquisitions of domestic enterprises by foreign investors. Under Circular 6, a security review is required for mergers and acquisitions by foreign investors having "national defense and security" concerns and mergers and acquisitions by which foreign investors may acquire "de facto control" of domestic enterprises with "national security" concerns.

In August 25, 2011, the MOFCOM promulgated the Rules on Implementation of Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》), effective from September 1, 2011, which provide that the MOFCOM will look into the substance and actual impact of a transaction and prohibit foreign investors from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. On December 19, 2020, the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) was jointly issued by NDRC and MOFCOM, which took effect on January 18, 2021, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof. According to the Measures for the

Security Review of Foreign Investment, a foreign investor or a party concerned in China shall take the initiative to make a declaration to the working mechanism office prior to making the investment in any important infrastructure, important transportation services and other important fields that concern state security while obtaining the actual control over the enterprises invested in, or making the investment in military related industries.

Outbound Investment by Enterprises

Pursuant to the Provisions of the State Council on Outbound Investment (《國務院關於對外投資的規定》) promulgated on May 5, 2026 and effective from July 1, 2026, as an administrative regulation, it establishes the overarching legal framework for the administration of outbound investment by domestic investors. The Provisions apply to outbound investment by domestic investors, including enterprises, other organizations and resident individuals, who directly or indirectly obtain ownership, control or management rights of enterprises or assets in other countries or regions through investment of assets or equity, or provision of financing or guarantee. The State implements classified and graded whole-process supervision over outbound investment, with the investment competent department and commerce competent department of the State Council formulating, adjusting and implementing outbound investment policies to clarify encouraged, restricted and prohibited outbound investments. Investors shall, in accordance with relevant state regulations, complete procedures including approval/filing, information reporting and cross-border fund registration. The State establishes an outbound investment security review system, under which outbound investments that affect or may affect national security shall be subject to security review by the investment competent department and commerce competent department of the State Council in conjunction with other relevant departments.

Pursuant to the Administrative Measures on Outbound Investments (《境外投資管理辦法》), which was promulgated by the MOFCOM on March 16, 2009 and was most recently amended with effect from October 6, 2014, overseas investments of enterprises involving sensitive countries and regions and sensitive industries shall be subject to examination and approval by the competent department of commerce and other overseas investments of enterprises shall be subject to filing. The competent department of commerce shall carry out the administration of overseas investments of enterprises through the overseas investment administration system, and issue to enterprises which have obtained filing or approval a Certificate of Overseas Investments of Enterprises. When the domestic institution invests in an overseas enterprise through its overseas subsidiary, it shall report to the competent department of commerce after completing the overseas legal formalities of reinvestment.

Pursuant to the Administrative Measures for the Outbound Investments by Enterprises (《企業境外投資管理辦法》), which was promulgated by the NDRC on December 26, 2017 and became effective on March 1, 2018, projects subject to approval are sensitive projects to be carried out by investors either directly or through overseas enterprises controlled thereby and the approval authority is NDRC. Projects subject to filing are non-sensitive projects directly carried out by investors.

Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and implemented on August 1, 2009 and the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

Regulations on Leasing of Real Property

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》) promulgated by the SCNPC on July 5, 1994, and last amended on August 26, 2019, and took effect on January 1, 2020, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental prices, rental and repair liabilities, and other rights and obligations of both parties. In addition, pursuant to the Law on Administration of Urban Real Estate of the PRC and the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural

Development on December 1, 2010, and became effective on February 1, 2011, both lessor and lessee are required to register the lease within 30 days from execution of the property lease contract with the real estate administration department. If the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines ranging from RMB1,000 to RMB10,000.

Pursuant to the PRC Civil Code, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if neither the lessor nor the lessee has completed the registration and filing procedures for the lease contract in accordance with laws and administrative regulations, it shall not affect the validity of the contract.

Regulations on Employment and Social Welfare

Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》) (the "**Labor Law**"), which was promulgated by the SCNPC on July 5, 1994, last amended and came into effect on December 29, 2018), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**"), which was promulgated by the SCNPC on June 29, 2007 and became effective on January 1, 2008, and then amended on December 28, 2012 and became effective on July 1, 2013, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), promulgated by the State Council on September 18, 2008 and came into effect on the same day. According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abides by state standards and provide relevant education to its employees. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations.

Social Insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was amended on December 29, 2018, and other relevant PRC laws and regulations, the employer shall register with the social insurance authorities and contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, work injury insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees, while work injury insurance and maternity insurance contributions shall be paid only by employers, and employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; and where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and employee, or any employee commitment to the employer, purporting to waive social insurance contributions shall be deemed invalid by the people's courts. Where an employer fails to pay social insurance premiums in accordance with the law, and the employee terminates the labor contract and claims economic compensation under Article 38(3) of the Labor Contract Law, the people's courts shall uphold such claims.

Housing Provident Fund

According to the Regulations on the Management of Housing Provident Fund (《住房公積金管理條例》), which was effective on April 3, 1999 and last amended on August 10, 2026, employers shall undertake to register with the competent administrative center of housing provident fund, or the Center, and upon the verification by the Center, open accounts of housing provident funds for their employees at the relevant bank. Enterprises are also obliged to timely pay and deposit housing provident funds for their employees in full amount. An enterprise that fails to make housing fund contributions in full may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline by the housing provident fund management center; otherwise, an application may be made to a local court for compulsory enforcement.

Regulations on Foreign Exchange

The principal regulations governing foreign currency exchange in the PRC are the Administrative Regulations for Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Regulations**"), which was promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008. Under the Foreign Exchange Regulations, the RMB is freely convertible for current account items, including the distribution of dividends, interest payments, trade, and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of the PRC, unless the prior approval of the SAFE, is obtained and prior registration with the SAFE is made.

On May 10, 2013, the SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents (《國家外匯管理局關於印發外國投資者境內直接投資外匯管理規定及配套文件的通知》), which specifies that the administration by the SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration. Institutions and individuals shall register with the SAFE and/or its branches for their direct investment in the PRC. Banks shall process foreign exchange business relating to direct investment in the PRC based on the registration information provided by the SAFE and its branches.

The SAFE released the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular 19**") and last amended on March 23, 2023. In accordance with the SAFE Circular 19, the foreign exchange capital of foreign invested enterprises shall be subject to the "discretional foreign exchange settlement" approach. The proportion of discretional foreign exchange settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined to be 100%, while SAFE can adjust the aforementioned proportion in due time based on the situation of the international balance of payments.

On June 9, 2016, the SAFE published the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular 16**"), which became effective immediately and was later amended on December 4, 2023. According to the SAFE Circular 16, enterprises that have registered in the PRC may also discretionally determine to convert their foreign debts from foreign currency to RMB. In addition, SAFE promulgated the Circular of the State Administration of Foreign Exchange Regarding Further Promotion of the Facilitation of Cross-Border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "**SAFE Circular 28**") and was amended on December 4, 2023. The SAFE Circular 28 expressly allows foreign-invested enterprises that do not have equity investments in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investments as long as there is a truthful investment and such investment is in compliance with the foreign investment- related laws and regulations.

According to the Circular of the State Administration of Foreign Exchange on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), which was issued and came into effect on December 4, 2023 by the SAFE, the equity transfer consideration paid in foreign currency by domestic entities owe to domestic equity transferors (including institutions and individuals), as well as the foreign exchange funds raised by domestic enterprises listed overseas, can be remitted to the capital project settlement account directly. The funds in the capital project settlement account can be independently settled and utilized.

On April 10, 2020, the SAFE promulgated Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), according to which, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc. for domestic payment, without prior provision of proof materials for veracity to the bank for each transaction.

Regulations on Taxation

Enterprise Income Tax

The EIT Law which was last amended on December 29, 2018 and the Implementing Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (collectively with the EIT Law, the " **PRC EIT Laws**") which was amended on December 6, 2024, took effect on January 20, 2025, apply a uniform 25% enterprise income tax rate to both foreign-invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. Enterprises qualifying as "High and New Technology Enterprises" are entitled to a 15% enterprise income tax rate.

Under the PRC EIT Laws, an enterprise established outside China with a "de facto management body" within China is considered a "resident enterprise," which means it can be treated as a domestic enterprise for enterprise income tax purposes. A non-resident enterprise that does not have an establishment or place of business in China, or has an establishment or place of business in China but the income of which has no actual relationship with such establishment or place of business, shall pay enterprise income tax on its income deriving from inside China at the reduced rate of enterprise income tax of 10%. Dividends generated after January 1, 2008 and payable by a foreign-invested enterprise in China to its foreign enterprise investors are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

Value-added Tax

The Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by SCNPC on December 25, 2024 and became effective from January 1, 2026, all entities or individuals in the PRC engaging in the sale of goods, services, intangible assets, or real estates, and the importation of goods are required to pay value-added tax (the "**VAT**").

In accordance with the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) issued by the MOF, the SAT and the General Administration of Customs on March 20, 2019, which came into force on April 1, 2019, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, where the VAT rate of 16% applies currently, it shall be adjusted to 13%, and the currently applicable VAT rate of 10% shall be adjusted to 9%.

Dividends Withholding Tax

Pursuant to the PRC EIT Laws and its implementation rules, dividends generated after January 1, 2008 and payable by foreign-invested companies in China to their foreign investors that are non-resident enterprises as defined under the law are subject to withholding tax at a rate of 10%, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with PRC that provides for a different withholding arrangement. Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重征稅和防止偷漏稅的安排》) (the " **Double Tax Avoidance Arrangement**") promulgated on August 21, 2006 and last amended on July 19, 2019, where a Hong Kong resident enterprise that holds more than a 25% equity interest in a PRC resident enterprise at any time within 12 consecutive months before receiving the dividend, the competent PRC tax authority may determine the Hong Kong resident enterprise to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement, and the withholding tax rate on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% from 10% applicable under the PRC EIT Laws.

However, based on the Notice of the State Administration of Taxation on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) promulgated and took effect on February 20, 2009 by the SAT, where the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a transaction or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. The Announcement of the State Administration of Taxation on Issuing the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Treaties (《國家稅務總局關於發佈非居民納稅人享受協定待遇管理辦法的公告》), which was issued on October 14, 2019 and took effect on January 1, 2020, provides that applicant who intends to prove his or her "beneficial owner" status shall gather and retain relevant documents, and shall submit the relevant documents to the competent tax bureau upon post-request by such tax bureau.

Regulations on Overseas Securities Offering and Listing

On July 6, 2021, the General Office of the CPC Central Committee and the General Office of the State Council jointly promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》), which emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings of China-based companies, and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies, and provided that the special provisions of the State Council on overseas offering and listing by those companies limited by shares will be revised.

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures and five supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures and Supporting Guidelines will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic enterprises' securities and will regulate both direct and indirect overseas offering and listing of PRC domestic enterprises' securities by adopting a filing-based regulatory regime. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either by direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information.

The Overseas Listing Trial Measures also provides that if the issuer meets both of the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as an indirect overseas offering by PRC domestic enterprise: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets, as documented in its audited consolidated financial statements for the most recent fiscal year, is accounted for by domestic enterprises; and (ii) the main parts of the issuer's business activities are conducted in the Chinese mainland, or its main place(s) of business are located in the Chinese mainland, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in the Chinese mainland. Where an issuer submits an application for an initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection and the National Archives Administration of China jointly issued the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which took effect on March 31, 2023, according to which, domestic company, securities companies and securities service providers shall first obtain approval from the CSRC or other competent Chinese authorities before cooperating with the inspection and investigation by the overseas securities regulator or competent overseas authority, or providing documents and materials requested in such inspection and investigation. To be specific, a domestic company that plans to, either directly or through its overseas listed entity, publicly disclose or provide to relevant individuals or entities including securities companies, securities service providers and overseas regulators, (i) any documents and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities and file with competent secrecy administrative department; (ii) any other documents and materials that, if leaked, will be detrimental to national security or the public interest, shall strictly fulfill relevant procedures stipulated by applicable national regulations. A domestic company that provides documents and materials to securities companies and securities service providers shall abide by applicable national regulations on confidentiality in handling such documents and materials, and shall provide a written statement simultaneously.

U.S. GOVERNMENT REGULATIONS

U.S. Trade and Economic Sanctions

The United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") administers trade and economic sanctions, which generally include prohibitions on all trade (imports or exports), investment, provision or receipt of services, and any other activity or transaction between "U.S. persons" and any sanctioned country or sanctions target. In general, the scope of sanctions may reach one of a number of tiers based on factors including the foreign country or countries involved in a transaction and the types of services provided.

First, OFAC prohibits all activities described above involving entire countries, regions, or territories under comprehensive sanctions or "embargoes". The regulations also frequently provide for the "blocking" (or "**freezing**") of all property (whether tangible or intangible) of a targeted country or person and persons acting on behalf of the government of the target country. Currently, comprehensive embargoes are in place against Cuba, Iran, North Korea, and the Crimea, Donetsk People's Republic ("**DNR**"), and Luhansk People's Republic ("**LNR**") Regions of Ukraine.

Second, persons may be prohibited from providing certain specified services to certain entities. These controls currently apply, for example, to Russia, which is not comprehensively sanctioned, and OFAC has instead specified certain transactions and services that are prohibited.

Third, many sanctions programs prohibit activities involving certain individuals and entities enumerated on one or more restricted party lists maintained by the U.S. government, such as persons included on the Specially Designated Nationals and Blocked Persons List (the "**SDN**" List), which includes persons determined to be engaged in activities contrary to U.S. national security (e.g., global narcotics trafficking, global terrorism, and significant human rights violations). These prohibited persons may be located anywhere in the world.

Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

"Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency or activities involving U.S.-origin goods, software, technology or services even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, the definition of U.S. persons includes any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States. Foreign entities that are majority owned or controlled by U.S. companies are, in some cases, subject to OFAC restrictions as well.

U.S. Export Control Regulations

The Export Administration Regulations (the "**EAR**"), administered by the U.S. Department of Commerce, Bureau of Industry and Security ("**BIS**"), govern the export and re-export of items "subject to the EAR." An item is subject to the EAR if it falls into any of the following four categories: (1) it is exported from United States; (2) it is produced or manufactured in the United States; (3) it is the foreign direct product of certain U.S.-origin technology or software (known as the Foreign Direct Product Rule "**FDPR**") or a plant containing items that are the direct product of this technology or software; and/or (4) the foreign-origin item incorporates more than a *de minimis* amount of controlled U.S.-controlled parts, materials and/or components (known as the "**de minimis rule**"). The specific controls that apply depend on the classification of the product, the countries and parties involved in the transaction, and the end-use. The EAR also control releases, or transfers, of source code or technology to a foreign national physically located within the United States (a "**deemed export**").

BIS maintains the Entity List which is a compilation of foreign individuals, companies, and organizations that are considered a national security concern by the U.S. government. Individuals and entities included on the Entity List are subject to specific export and re-export restrictions, and licensing requirements for certain technologies and goods. BIS also maintains other lists of restricted parties including the Denied Persons List ("**DPL**") and the Unverified List.

BIS also prohibits engaging in transactions where the seller knows or has reason to know that the products to be transferred (or re-transferred or re-exported) are destined for a prohibited end-user or end-use.

The Foreign Corrupt Practices Act

The U.S. Foreign Corrupt Practices Act of 1977 (the "**FCPA**"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201 and other anti-bribery and anti-corruption laws in the United States are interpreted broadly to generally prohibit companies, their employees, agents, representatives, business partners, and third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. These laws also require that the companies keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions.

Tariffs and the Importation of Goods into the United States

The importation of goods into the customs territory of the United States is governed principally by the Tariff Act of 1930, as amended, the Customs Modernization Act, and the regulations of U.S. Customs and Border Protection ("**CBP**"). Under these laws and regulations, U.S. importers have primary legal responsibility for initially valuing, classifying, and determining the rate of duty applicable to imported merchandise. The importer is required to exercise "reasonable care" in entering merchandise into the United States. This includes when providing to CBP information and documentation necessary for it to assess duties on imported merchandise, collect accurate import statistics, and determine whether an import complies with applicable laws.

The United States imposes a variety of tariffs on imported goods. The applicable tariff rate is determined based on factors including the type of product, its value, and the origin of the goods.

Intellectual Property Law

The United States has federal and state laws that govern intellectual property rights ("**IPRs**"). Copyrights and patents are governed by federal law; trademarks, service marks, and trade secrets are governed by both federal and state law.

A patent is a government grant providing the patent owner with the right to exclude others from using, manufacturing, offering to sell, selling, and/or importing a claimed invention or practicing a claimed method. A patent is obtained by filing an application with the U.S. Patent and Trademark Office (the "**USPTO**") claiming a useful, novel and non-obvious invention. The application must comply with various requirements set out in the Patent Act (codified at 35 U.S.C. §1 et seq.) and regulations established by the USPTO, which is an agency within the U.S. Department of Commerce. A patent grant typically lasts for 20 years from the filing date of the patent application.

A copyright grants exclusive rights to creators over their original works of art, which may include classic artistic works such as literature, music, film, and paintings as well as modern "digital" works of art such as software, source code, or graphics. U.S. federal copyright law is codified at 17 U.S.C. §1 et seq. A copyright typically lasts for the creator's lifetime plus 70 years. Copyright aims to protect the expression of ideas from unauthorized reproduction, distribution, performance, or adaptation, while balancing public access through exception like fair use or fair dealing. These exceptions allow limited use for purposes such as criticism, education, or parody without permission. Copyright arises automatically upon creation of a qualifying work, although registration with the U.S. Copyright Office (an extension of the Library of Congress) can enhance legal protections.

A "mark" is any one or more words, logos or other symbols used to identify and distinguish the mark owner's goods and/or services. A trademark is a mark used for goods; a service mark is a mark used in connection with providing services. U.S. trademarks and service marks generally must (i) be different from prior marks used for similar goods or services, so as to avoid consumer confusion; (ii) not be generic; and (iii) not be descriptive. U.S. federal trademark law is governed by the Lanham Act, codified at 15 USC. §1051 et seq. The USPTO is responsible for examining trademark and service mark applications and either granting or rejecting applications to register marks. Once granted, a trademark or service mark provides its owner with nationwide exclusivity within one or more particular fields of use. To obtain federal coverage, the applicant must establish that they are (or shortly intend to) use the mark in interstate commerce.

State law is an alternative basis for trademark and service mark rights, either under specific state laws or under common law. State law may apply even where federal law does not, such as where a mark is not used in interstate commerce. Some states have registries for trademarks and service marks. The rights inherent in such marks are limited to the state where they are used.

A trade secret is information that (i) has independent economic value from being generally unknown by the public; and (ii) is the subject of reasonable efforts under the circumstances to maintain its secrecy. Trade secrets are governed by both federal and state law.

The Defend Trade Secrets Act, codified at 18 USC.§1836, et seq. (the "**DTSA**"), is the federal trade secret law. Enacted in 2016, the DTSA applies only to trade secrets related to products or services that are used in interstate or foreign commerce. The DTSA provides specific remedies for trade secret misappropriation, including ex parte seizure in specific and generally rare instances.

The DTSA is similar to the Uniform Trade Secret Act (the "**UTSA**"), a model set of laws enacted by almost all fifty states within the U.S. A trade secret owner may often have a choice in enforcing its trade secret rights under the DTSA or a relevant state's version of the UTSA.

Regulations on Data Protection and User Privacy

Data protection and user privacy in the United States are governed by a combination of federal and state laws, as well as common law principles. At the federal level, key laws include the Children's Online Privacy Protection Act and the Federal Trade Commission Act, under which the Federal Trade Commission enforces prohibitions against unfair or deceptive acts or practices. At the state level, laws such as the California Consumer Privacy Act (the "**CCPA**"), as amended by the California Privacy Rights Act (the "**CPRA**"), impose additional obligations on businesses regarding the collection, use, and disclosure of personal information of California residents, including transparency, consumer rights, and data governance requirements.

Among these laws, the CCPA sets a comprehensive regulatory framework governing data privacy in California. It regulates the collection, use, and disclosure of personal information of California residents and is enforced by the California Privacy Protection Agency (the "**CPPA**"). Civil penalties of up to US$7,988 per intentional violation may be imposed, and under certain circumstances, consumers have a private right of action in the event of a data breach. Businesses subject to the CCPA/CPRA must comply with detailed requirements on privacy notices, consumer rights, and contractual arrangements with service providers. Currently, a growing number of other states have enacted comprehensive consumer privacy laws, a number of which have taken effect in recent years, and additional legislation has been proposed or is under consideration in other states. These laws impose, or have the potential to impose, additional obligations on companies that collect, store, use, retain, disclose, transfer, and otherwise process confidential, sensitive, and personal information, and will continue to shape the data privacy environment throughout the United States.

Laws and Regulations in relation to Labor and Employment

The employment of individuals in the United States is governed by federal, state and sometimes local laws. Labor and employment laws can generally be categorized under the headings of (1) equal employment opportunity, (2) wage and hour, (3) medical/disability, (4) union rights, and (5) workplace safety. Typically, national laws set the minimum legal standard for employee rights, and state and local laws, if adopted, enhance those rights. Most employees in the United States are hired "at-will," meaning that their employment can be terminated at any time, with or without notice, cause, or government mandated severance pay. However, individual employment agreements between an employee and employer may vary this status, and even an at-will employee may not be terminated for an illegal reason (such as discrimination), nor may an employee be terminated or otherwise retaliated against for engaging in protected activity under the law. In addition, employers are required to maintain workplaces that are free of harassment based on protected characteristics such as sex, race, etc. Employees who believe they have suffered discrimination, harassment, or other alleged wrongs may pursue claims against us through state and U.S. federal governmental agencies and the courts.

Laws and Regulations in relation to Registration and Regulation

Corporations in the United States are registered and organized in one of the 50 states. In addition to its legal formation in a particular state, a corporation that does business in more than one state may need to qualify or register to do business in other states if the corporation's activities establish "minimum contacts" for tax purposes in those states. Individual state laws apply to business transactions occurring in each state, unless such laws conflict with, or are superseded by, U.S. federal law, which takes precedence over state and local law. For this reason, U.S. businesses frequently must comply with separate federal, state and local regulations.

OVERVIEW

Our Company was established in 2013, when our founder, Dr. Huang, perceptively identified the opportunities and potential in the 3D visual perception technology. Over the past decades, we have evolved from a startup focused on a single technology pathway to a comprehensive Physical AI infrastructure platform spanning multiple technology routes, products, and applications and the global leader pioneering 3D visual perception solutions. Through years of accumulation of proprietary technology and deep domain expertise, we are building the foundational perception gateway, data infrastructure, and commercialization platform to empower the upcoming era of Physical AI and robotic intelligence. The ongoing and expanding success of our Group was predominantly driven by the dedication and efforts of our management team led by Dr. Huang. For details of the background and industry experience of Dr. Huang, see "Directors and Senior Management — Board of Directors — Executive Directors."

In July 2022, our A Shares were listed on the Shanghai Stock Exchange (stock code: 688322). See "— Corporate Development and Major Shareholding Changes — Adoption of WVR Structure and Listing on the Shanghai Stock Exchange" for more details.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following table sets forth our key corporate and business development milestones:

Year	Milestone
2013	Our Company was established in Shenzhen, the PRC.
2014	The first-generation prototype of our 3D visual sensors was showcased at Consumer Electronics Show held by the Consumer Technology Association.
	We established our subsidiary in the United States.
2015	We successfully developed MX400, China's first structured-light 3D sensing chip.
	We launched the Astra series of products, becoming one of the few manufacturers worldwide to mass-produce consumer-grade 3D vision sensors, with applications in the robotics and other AIoT sectors.
2016	The Astra series was delivered to dozens of robotics customers, enabling autonomous obstacle avoidance and navigation for robots.
2017	We successfully developed the second-generation depth-engine chip MX6000.
	We helped a customer achieve the world's first commercial offline application of 3D facial recognition payment.
2018	We successfully developed the third-generation depth-engine chip MX6300.
	We launched Astra P, China's first speckle structured-light module for Android smartphones with million-unit mass production.
	We were recognized as a "2018 China Unicorn enterprise" (2018年度中國獨角獸企業) by the Ministry of Science and Technology.
2019	We were awarded the first prize of the Shenzhen Science and Technology Progress Award (Technology Development Category) (深圳市科技進步獎技術開發類一等獎) by the Shenzhen Municipal People's Government.

Year	Milestone
2020	We successfully developed the iToF image sensor chip Pleco.
	We received the Wu Wenjun Artificial Intelligence Science and Technology Progress Award (吳文俊人工智能科技進步獎) from Chinese Association for Artificial Intelligence and the First Prize of the Guangdong Province Science and Technology Progress Award (廣東省科技進步獎) by the People's Government of Guangdong Province.
2021	We successfully developed our fourth-generation depth-engine chip, the MX6600.
2022	Our A Shares were listed on the STAR Market of the Shanghai Stock Exchange (stock code: 688322).
	We launched the D-Light depth camera for outdoor use under strong sunlight and successfully developed our single-point dToF sensor chip, the Yangtze.
2023	We launched the Femto Mega 3D camera in collaboration with globally renowned operating system and software company and chip manufacturing company.
	We were recognized as a National-level Specialized and Sophisticated "Little Giant" Enterprise (國家級專精特新「小巨人」企業) by the MIIT.
2024	Our 3D vision intelligent manufacturing base in Shunde District, Foshan City was completed and commenced operation.
	We released the Gemini 330 series all-scenario dual-camera 3D cameras and established an international business team to accelerate overseas expansion.
2025	We launched the Gemini 435Le industrial-grade dual-camera 3D camera and the Pulsar ME450, the industry's first dToF 3D LiDAR supporting multiple scanning modes.
	We were recognized as a National Manufacturing Single Champion Enterprise (國家級製造業單項冠軍企業) by the MIIT.
2026	We launched the Gemini 305/305g dual-camera 3D cameras designed for robotic arm wrists, purpose-engineered for robotic wrist-mounted applications, as well as the Physis series of high-performance robotic vision cameras designed for Physical AI.
	We developed a robot-free data collection hardware platform and introduced a standardized robot-free data collection suite comprising the EGO, UMI, WristCam, and other modules.

OUR MAJOR SUBSIDIARIES

Set out below are the major subsidiaries that made material contributions to our results of operations during the Track Record Period.

Subsidiary	Principal business activities	Date of establishment	Jurisdiction	Shareholding controlled by our Company
Shenzhen Malio Technology Co., Ltd. (深圳螞里奧技術有限公司) ("**Shenzhen Malio**")	R&D and sales of products related to payment and identification services	April 13, 2018	PRC	100%
Orbbec (Guangdong Shunde) Technology Co., Ltd. (奧比中光(廣東順德)科技有限公司) ("**Orbbec Shunde**")	Manufacturing center	September 12, 2023	PRC	100%
Xintuo 3D Technology (Shenzhen) Co., Ltd. (新拓三維技術(深圳)有限公司) ("**Xintuo Shenzhen**")	R&D and sales of 3D inspection equipment and software for industrial applications	January 15, 2018	PRC	60%(1)
Aocheng Information Technology (Shanghai) Co., Ltd. (奧誠信息科技(上海)有限公司) ("**Aocheng Shanghai**")	Chip-related R&D	June 27, 2014	PRC	100%
Shenzhen Orisen Technology Co., Ltd. (深圳市奧日升技術有限公司) ("**Shenzhen Orisen**")	Import and export platform	December 2, 2019	PRC	100%
Orbbec 3D Technology International, Inc. ("**Orbbec US**")	Sales platform for the European and US markets	October 1, 2014	United States	100%

Note:

(1) Xintuo Shenzhen became our subsidiary in July 2018 when our Company subscribed for 60% equity interest in it. In July 2023, the then shareholders of Xintuo Shenzhen transferred all their equity interest to XTOP 3D Technology (Xi'an) Co., Ltd. (新拓三維技術(西安)有限公司) ("**XTOP Xi'an**"), a subsidiary established by the Company for shareholding purposes, in consideration of the corresponding equity interest in XTOP Xi'an, and became shareholders thereof. As of the Latest Practicable Date, Xintuo Shenzhen was wholly owned by XTOP Xi'an, and XTOP Xi'an was owned as to 30.60%, 5.00%, 2.40% and 2.00% by TANG Zhengzong (唐正宗), Zhuhai Xintuo Kaiyuan Enterprise Management Partnership (Limited Partnership) (珠海新拓開元企業管理合夥企業(有限合夥)) ("**Zhuhai Xintuo**"), CHEN Jun (陳軍) and Xi'an Xintuo 3D Optical Measurement Technology Co., Ltd. (西安新拓三維光測科技有限公司) ("**Xi'an Xintuo Optical**"), respectively. Zhuhai Xintuo was controlled by TANG Zhengzong as its general partner. Xi'an Xintuo Optical was owned as to 50.00% and 50.00% by LIANG Jin (梁晉) and TANG Zhengzong, respectively. Each of TANG Zhengzong, Zhuhai Xintuo, CHEN Jun, Xi'an Xintuo Optical, and LIANG Jin was an Independent Third Party at the time of the subscription.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment and Early Development

On January 18, 2013, our Company was established as a limited liability company with an initial registered capital of RMB10 million.

Conversion into a Joint Stock Limited Company

In October 2020, our Company accomplished all procedures required to convert from a limited liability company to a joint stock limited company.

Adoption of WVR Structure and Listing on the Shanghai Stock Exchange

In consideration of the introduction of external financing, in order to ensure the control of the WVR Beneficiary and his leadership in our development pathway, we adopted the WVR structure in February 2021. Each Class A Ordinary Share entitled the WVR Beneficiary (i.e. Dr. Huang) to exercise five votes and each Class B Ordinary Share entitled him to exercise one vote on resolutions tabled at the Shareholders' meeting (except for resolutions with respect to the Special Matters).

On July 7, 2022, our Company completed the A-Share Listing and our A Shares commenced trading on the Shanghai Stock Exchange (stock code: 688322). In the A-Share Listing, we issued an aggregate of 40,001,000 A Shares (Class B Ordinary Shares), accounting for approximately 10% of our Company's total issued Shares immediately following the A-Share Listing. For details, see "— Listing on the Shanghai Stock Exchange and Reasons for the [**REDACTED**] on the Stock Exchange."

Private Placement of A Shares in June 2026

As approved by the Shareholders in May 2025 and the CSRC in March 2026, our Company conducted a private placement of its A Shares to raise funds for investment in the project related to our business. A total of 10,103,092 A Shares (Class B Ordinary Shares) were issued in the placement to 16 investors, all of whom were Independent Third Parties. The placement raised gross proceeds of approximately RMB980.0 million. Following completion of the private placement, the Company's total issued share capital increased to 411,247,332 A Shares (including 2,096,447 A Shares repurchased and held in our stock repurchase account as treasury Shares), and Dr. Huang was able to control 63.71% of the voting rights at the Shareholders' meeting (except for resolutions with respect to the Special Matters).

MAJOR ACQUISITION, DISPOSALS AND MERGERS

Our Company did not carry out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

On July 7, 2022, our Company completed the A-Share Listing and our A Shares commenced trading on the Shanghai Stock Exchange (stock code: 688322). Our Directors confirm that, since our listing on the Shanghai Stock Exchange and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the [**REDACTED**] attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Advisors are of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange.

Our Company seeks to [**REDACTED**] on the Hong Kong Stock Exchange to deepen our global strategic positioning, establish an international capital markets platform, diversify our financing channels, and enhance our overall competitiveness and international influence. For details, see "Business — Business Strategies" and "Future Plans and [**REDACTED**]."

[REDACTED]

Pursuant to Rule 8.08(1) (as amended and replaced by Rule 19A.13A of the Listing Rules) of the Listing Rules, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3.0 billion.

Our A Shares are listed on the Shanghai Stock Exchange. Assuming that (i) [**REDACTED**] H Shares are allotted and issued in the [**REDACTED**] and none of which will be allocated to any core connected person of our Company, (ii) the [**REDACTED**] is not exercised, and (iii) 412,834,732 A Shares are in issue and outstanding upon completion of the [**REDACTED**], [**REDACTED**] H Shares, representing [**REDACTED**]% of our total issued and outstanding Shares (excluding any treasury Shares), will be counted towards the [**REDACTED**]. Based on the above, it is expected that our Company will satisfy the [**REDACTED**] requirements as required under Rule 19A.13A(2) of the Listing Rules. With respect to the low-end of the indicative [**REDACTED**] range of HK$[**REDACTED**] per [**REDACTED**], the expected [**REDACTED**] of our H Shares held by the public would be HK$[**REDACTED**].

[**REDACTED**]

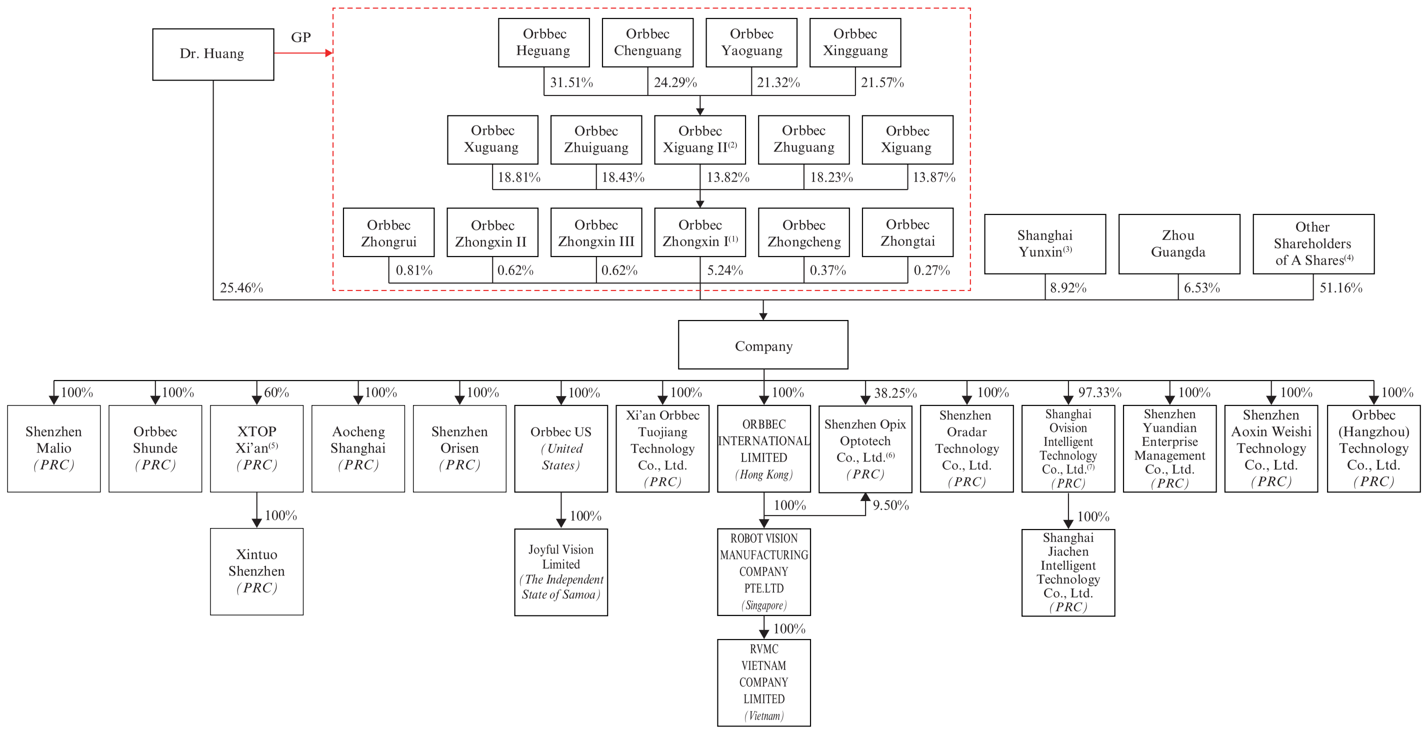
Pursuant to Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50.0 million; or (b) have an expected market value at the time of listing of not less than HK$600.0 million.

On the basis that (i) no [**REDACTED**] will be allocated under the [**REDACTED**] to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules and (ii) all Shares to be issued to the [**REDACTED**] (if any) are excluded for the purpose of satisfying the [**REDACTED**] requirement, assuming the [**REDACTED**] is not exercised and the final [**REDACTED**] is fixed at the low-end of the indicative [**REDACTED**] range of HK$[**REDACTED**] per [**REDACTED**], upon completion of the [**REDACTED**], it is expected that [**REDACTED**] H Shares representing [**REDACTED**]% of the total issued Shares with an expected [**REDACTED**] of HK$[**REDACTED**] will be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the [**REDACTED**]. Therefore, our Company will satisfy the [**REDACTED**] requirement under Rule 19A.13C of the Listing Rules.

OUR CORPORATE STRUCTURE

Corporate Structure as of the Latest Practicable Date

The following chart depicts a simplified shareholding and corporate structure of our Group as of the Latest Practicable Date:



Notes:

(1) Of the remaining 16.84% partnership interests in Orbbec Zhongxin I, 0.18% was owned by Dr. Huang as the general partner and 16.66% by 36 limited partners, all of whom are employees or former employees of the Group.

(2) Of the remaining 1.31% partnership interests in Orbbec Xiguang II, 0.98% was owned by Dr. Huang as the general partner and 0.33% by Dr. Xiao as the remaining limited partner.

(3) As of the Latest Practicable Date, Shanghai Yunxin was wholly owned by Ant Group Co., Ltd.

(4) Including 2,131,637 A Shares held in our Company's stock repurchase account as treasury Shares, representing 0.52% of our total issued Shares as of the Latest Practicable Date.

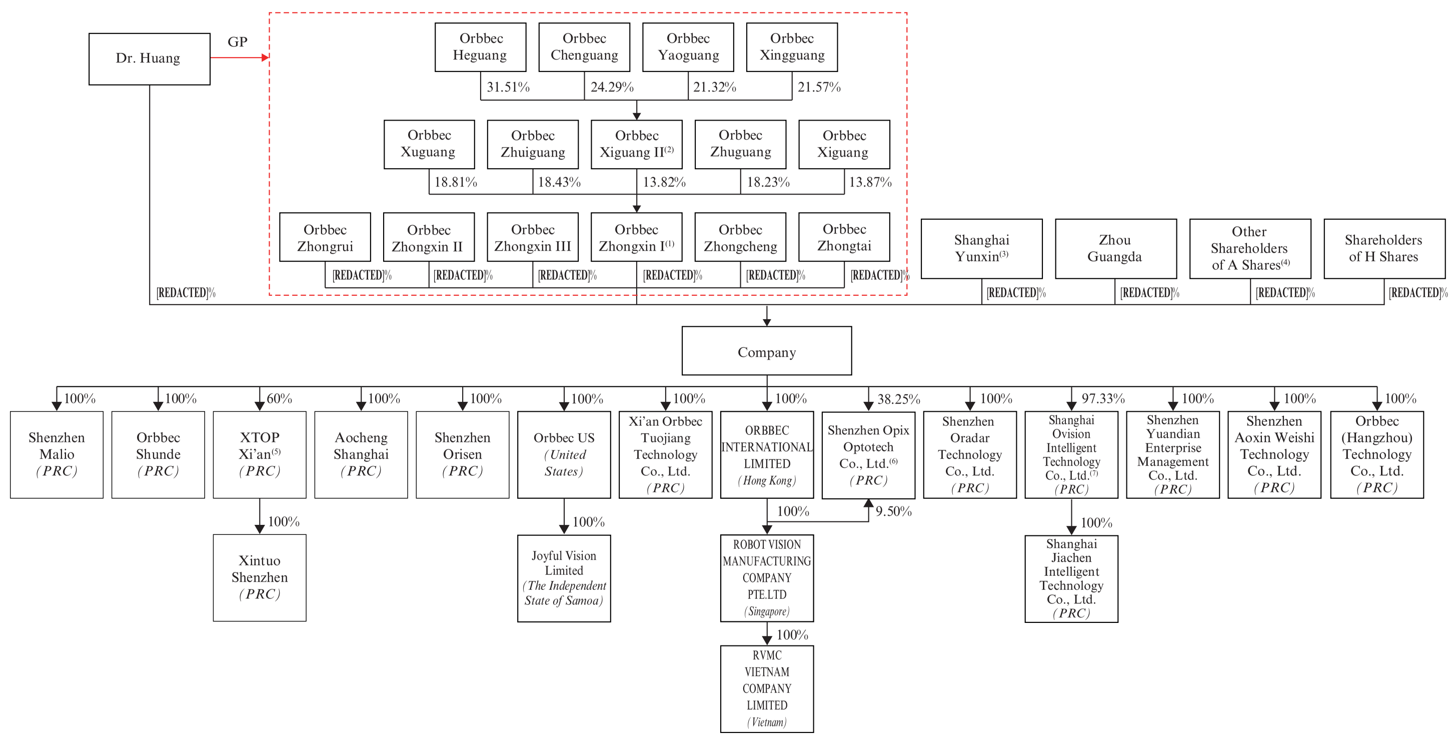
(5) As of the Latest Practicable Date, XTOP Xi'an was also owned as to (i) 30.60% by TANG Zhengzong, (ii) 5.00% by Zhuhai Xintuo, (iii) 2.40% by Chen Jun, and (iv) 2.00% by Xi'an Xintuo Optical, respectively. For details, please refer to "— Major Subsidiaries".

(6) As of the Latest Practicable Date, Shenzhen Opix Optotech Co., Ltd. (深圳奥辰光電科技有限公司) was also owned as to (i) 23.75% by Gpixel Changchun Microelectronics Inc. (長春長光辰芯微電子股份有限公司) ("**GPixel**"), a company whose shares are listed on the Stock Exchange (stock code: 3277), (ii) 23.75% by GPIXEL NV, a subsidiary of GPixel, and (iii) 4.75% by Changchun Changguang Chentou Technology Service Center (Limited Partnership) (長春長光辰投技術服務中心(有限合夥)), an entity controlled by ZHANG Yanxia (張艷霞) as its general partner. Each of the aforesaid entity and individual was an Independent Third Party at the time of the investment.

(7) As of the Latest Practicable Date, Shanghai Ovision Intelligent Technology Co., Ltd. (上海奥視達智能科技有限公司) was also owned as to 2.67% by Shanghai Zhuodong Technology Co. Ltd. (上海茁動科技有限公司), a company wholly-owned by KANG Chengxu (康承敘), an Independent Third Party.

Corporate Structure upon Completion of the [REDACTED]

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



Notes (1) to (7): See "— Corporate Structure as of the Latest Practicable Date."

OVERVIEW

Our Mission and Vision

We aspire to become the world's leading foundational infrastructure platform for Physical AI, connecting artificial intelligence with the physical world ("我們致力於成為全球領先的物理AI基礎設施平台，連接AI與物理世界").

Global leader pioneering 3D visual perception solutions

We are the global leader pioneering 3D visual perception solutions. Through years of accumulating proprietary technology and deep domain expertise, we are building the foundational perception gateway, data infrastructure, and commercialization platform to empower the upcoming era of Physical AI and robotic intelligence. We design, develop, and manufacture a comprehensive suite of 3D vision sensors and a diverse range of consumer-grade and industrial-grade application devices, serving customers across robotics and other artificial intelligence of things ("**AIoT**"). In 2025, we ranked the first in the global robot 3D visual perception market in terms of revenue, with a market share of 29.0%.

The global robotics and artificial intelligence industries are extending from the digital world into the physical world. As artificial intelligence accelerates its monumental transition from the virtual realm into the physical world, the industry faces a new paradigm of challenges. The key hurdles of Physical AI are not limited merely to sheer computing power, algorithmic models, or simulated environments, but increasingly lie in accurately acquiring multi-modal real-world data, spanning vision, touch and other sensing modalities — particularly capturing data on dynamic interactions between humans and the physical world, understanding the dynamics of physical interactions in complex 3D environments, and seamlessly deploying AI capabilities across embodied-intelligence and other real-world applications.

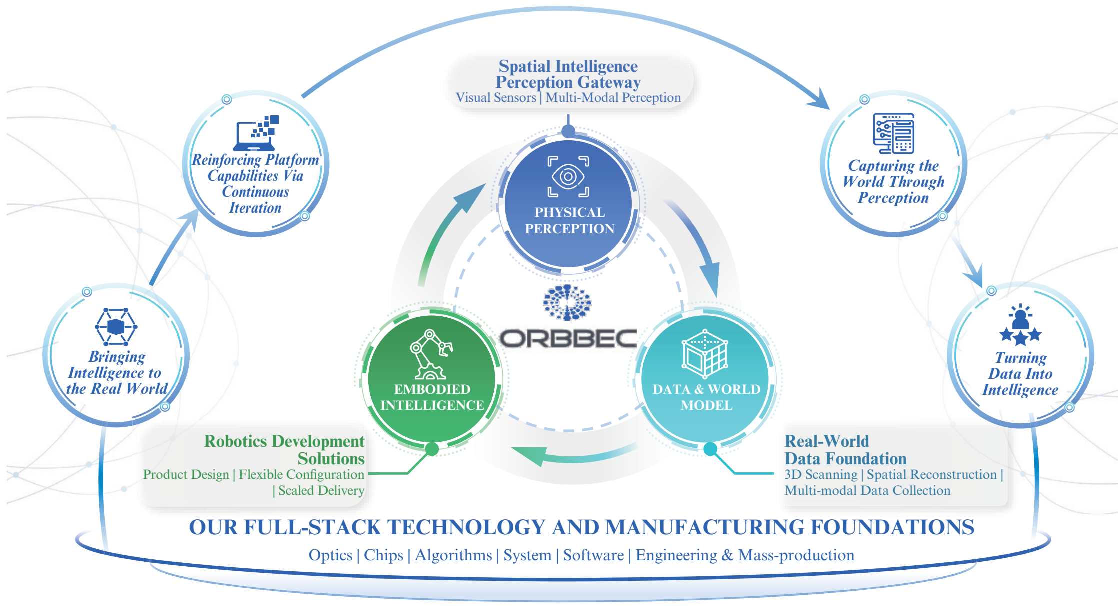
We focus on the critical infrastructure capabilities required for Physical AI to enter the real world, bridging spatial intelligence, embodied intelligence, and physical intelligence to build a core capability system connecting the real world, virtual training environments, and intelligent terminal devices:

- **Physical Perception: The Spatial Intelligence Perception Gateway.** Utilizing our full range of self-developed visual sensors and multi-modal perception solutions for real-time 3D perception for robots, we lay the spatial intelligence foundation for Physical AI to perceive the real world. Our visual sensors serve as the primary interface through which robots and intelligent devices acquire 3D awareness, enabling them to understand the 3D geometry of their surroundings, detect obstacles, recognize objects, and navigate complex environments.

- **Data and World Model: The Real-World Data Foundation.** Leveraging our 3D scanning, 3D reconstruction, and multi-modal data collection hardware platform, we address the critical challenge of having high-quality multi-modal 3D and tactile data required for Physical AI model training. Our data collection hardware platform consists of standardized robot-free data collection kit made up of newly released modules including EGO, UMI and WristCam, and supports access to third-party sensors. In addition, we provide a full-stack toolset supporting 3D modeling, cross-modal data integration, calibration and alignment, and hardware-level synchronization.

- **Embodied Intelligence: Engineering Delivery Capabilities.** Leveraging our integrated product design, engineering, and mass-production capabilities, we help customers bridge the gap from algorithms to hardware, driving embodied intelligence from digital models to real-world scenarios. This capability enables us to deliver not only standardized perception modules but also integrated system-level solutions for robotics and other AIoTs, which are designed to facilitate customers' integration processes and shorten the time to market of their products.

We aim to provide not only the "eyes" that enable Physical AI to perceive the real world, but also build a standardized multi-modal, real-world data collection infrastructure that captures complete dynamic physical interactions, creating an end-to-end closed loop system spanning perception, data collection, and embodied interaction. This infrastructure allows us to rapidly deploy and scale our technologies across diverse verticals.



Our Technology

The development of Physical AI does not rely on a breakthrough in any single piece of hardware or algorithm, but on the coordinated advancement of multiple underlying and cross-disciplinary technologies. Through sustained investment in visual perception and related intelligent-hardware technologies, we have established a full-stack technology platform covering optical design, chip design, algorithm development, system design, software development, and engineering and mass-production technologies. These capabilities can be flexibly combined for different products and application scenarios, providing a common foundation for our continued technology development, product innovation and scaled delivery.

Leveraging our long-standing R&D capabilities, we have independently developed depth-engine chips, specialized photosensitive chips, depth calculation algorithms and application algorithms, and accumulated technological capabilities across major visual perception pathways. Through the coordinated design of optics, chips, algorithms, systems and software, we are able to optimize perception accuracy, measurement range, power consumption, cost, product form factor and environmental adaptability based on different application requirements, providing tailored perception products and solutions for robotics, 3D digitalization, industrial measurement, and other intelligent terminals.

Building upon our 3D visual perception capabilities, we have developed related technologies in point-cloud processing, 3D reconstruction, 3D mapping, high-precision measurement and multi-modal data collection. We continue to advance R&D in monocular and multi-view vision, multi-sensor fusion, cross-modal calibration and hardware-level time synchronization, optical-deformation sensing, real-world data collection and 3D printing. These capabilities can be utilized to enhance 3D perception in complex environments, and support the continuous rollout of our 3D scanning, digital manufacturing, 3D digitalization, and standardized Physical AI data collection platforms.

In support of robotics and Physical AI applications, we are developing proprietary perception models while optimizing open-source vision-language, vision-language-action, as well as robotic motion-control models to enable broader robotic intelligence capabilities. Leveraging our established strengths in 3D and multi-modal perception, real-world data collection and intelligent-hardware engineering, we are focusing on improving the optimization, generalization, deployment and application of these models for specific robotic embodiments, tasks and real-world scenarios.

Beyond technology research and development, we have established a comprehensive engineering system covering prototype development, engineering validation, new product introduction, process development, automated calibration and testing, flexible manufacturing, quality management, supply-chain management and global delivery. This system successfully commercializes our optical, chip, algorithms and software innovations into reliable, manufacturable and scalable products. It enables the concurrent development and commercialization of our standardized perception products, 3D-digitalization devices, data collection hardware, and robotics and intelligent-device solutions.

Our Product Offerings

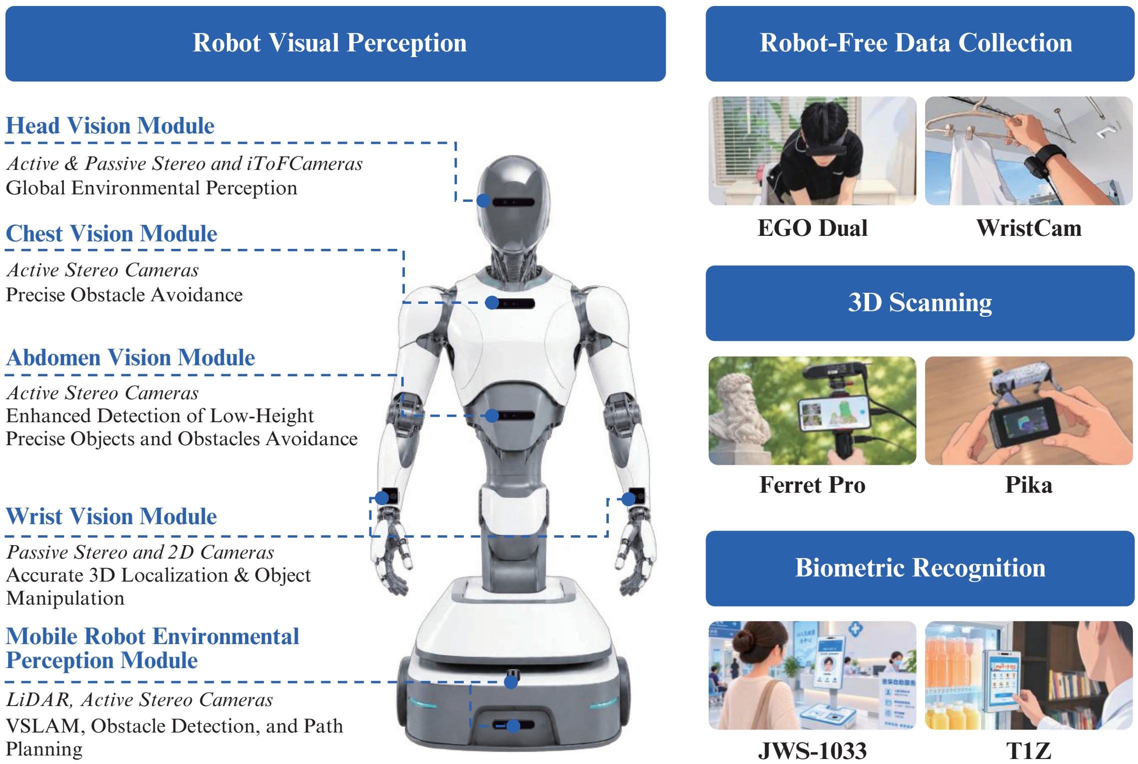
Leveraging our full-stack technology platform, we offer a comprehensive portfolio of 3D visual perception solutions spanning hardware, software, and integrated systems. We have mastered all the major 3D sensing technology pathways, positioning us as a "one-stop-shop" for robot manufacturers who require multi-sensor fusion, enabling us to deliver system-level optimization that achieves superior performance across diverse downstream applications. As of June 30, 2026, we have served over 7,000 customers globally, including over 1,000 robotic companies, and collaborated with world-leading AI computing infrastructure providers to participate in their AI ecosystems. According to Frost & Sullivan, we established clear industry leadership across multiple advanced technology sectors in China and globally in terms of revenue, as follows:

- The largest sensor provider globally in the robot 3D visual perception market in 2025;
- The largest solution manufacturer globally of dedicated consumer-grade 3D scanners in 2025;
- The largest sensor provider globally of biometrics recognition payment terminals in 2025.

Our solutions portfolio can be primarily divided into two segments.

- **Sensor Products.** Our sensor products represent the core of our hardware portfolio, comprising a comprehensive range of visual sensors designed to serve as the foundational "eyes" for Physical AI applications. Our flagship product lines include the Gemini, Astra, Femto and Physis series. These products leverage our proprietary depth-engine chips and full-stack optical technologies to deliver high-precision visual perception across diverse operating environments.
- **System-Level Devices and Solutions.** Our system-level devices and solutions comprise complete, ready-to-deploy products that integrate our visual sensors with hardware, software algorithms and application-specific functionality. These solutions primarily include robot-free data collection kits, consumer-grade and industrial-grade 3D scanners for application in 3D printing, and biometrics recognition payment terminals.

Advanced Vision Technologies Empowering Multiple Applications



For further details, see "Business — Our Products."

Our Financial Performance

During the Track Record Period, we achieved steady growth in both revenue and profitability. Our revenue amounted to RMB360.0 million, RMB564.5 million and RMB940.7 million in 2023, 2024 and 2025, respectively. We achieved a turnaround from net loss to net profit, with continued improvement in business scale and profitability. Notably, we recorded net profit of RMB127.6 million in 2025 and RMB40.8 million in the six months ended June 30, 2026, respectively, demonstrating the scalability of our business model and the sustained, development of our business.

COMPETITIVE STRENGTHS

Unrivaled Global Market Leadership in Full-Domain 3D Visual Perception Platform

We have established clear industry leadership across multiple advanced technology sectors in China and globally. Our market position reflects our commitment to technological excellence and our proven ability to deliver scalable, commercially viable 3D visual perception solutions. In 2025, we ranked the first in the global robot 3D visual perception market in terms of revenue, with a market share of 29.0%.

We are one of only a handful of companies worldwide that has mastered core 3D visual perception technologies and achieved million-unit mass production of 3D visual sensors. This rare combination of technological leadership and scaled manufacturing capability distinguishes us from competitors. Our commercialization track record demonstrates our ability to translate laboratory innovations into commercially viable products that meet the demanding requirements of real-world applications. The sales volume of our sensors increased from 846 thousand units in 2023 to 945 thousand units in 2025, driven by growing demand in the robotics industry and the commercialization of our new high-end sensor products. This growth trajectory continued into 2026, with sales volume increasing from 348 thousand units for the six months ended June 30, 2025, to 545 thousand units for the corresponding period in 2026, primarily due to the expansion of our robotics customer base.

Notably, shipment volumes for our Gemini sensors, which are widely utilized in embodied robots, grew by approximately 150% in the first half of 2026 compared to the same period in 2025. This unmatched ability to scale and commercialize advanced perception technologies reflects the maturity of our technology platform, the reliability of our manufacturing processes, and the strong demand for our solutions across the global robotics industry. As robots increasingly move from controlled industrial environments into homes, offices, retail spaces, and public areas, the demand for high-quality, cost-effective 3D perception solutions will continue to accelerate, and our proven commercialization capabilities position us to capture this growth.

Our technological excellence is protected by a broad and deep proprietary IP portfolio that spans the entire 3D visual perception technology stack. As of June 30, 2026, we had filed 2,082 patent applications and obtained 1,288 granted patents, including 574 invention patents and 151 overseas patents. Beyond patents, we have accumulated substantial proprietary know-how in areas such as optical design, precision calibration, chip-algorithm co-optimization, and manufacturing processes that are difficult to replicate without years of hands-on experience. Our technological achievements have received broad recognition from national, provincial, and industry authorities. We have been honored with the China Patent Excellence Award, first-prize science and technology awards from Guangdong Province and Shenzhen, and international industrial design awards such as the iF Design Award and Red Dot Design Award. These recognitions validate not only the technical merit of our innovations but also their practical commercial value and design excellence.

Full-Stack, Proprietary Technology System Spanning from Silicon to Algorithm Capabilities

We possess a full-stack, proprietary technology system that spans from silicon to algorithms and covers all major perception technology pathways, creating an unparalleled competitive moat in the 3D visual perception industry.

Horizontal Coverage Across Multiple Product Categories and Technology Roadmaps

We have mastered and commercialized all major perception technology pathways: structured light, active/passive stereo vision, iToF, dToF, and LiDAR. This comprehensive technology matrix represents years of sustained R&D investment across multiple disciplines and reflects our strategic commitment to providing complete solutions rather than point products. By covering all major perception technology pathways, we can deliver the optimal technology or combination of technologies for each customer's specific application requirements.

This multi-route capability allows us to act as a "one-stop-shop" for robot makers who require multi-sensor fusion. Modern robots increasingly require multiple perception modalities working together. Our customers can source all their perception needs from a single vendor with unified hardware interfaces, software SDK/APIs, and technical support. This one-stop-shop capability not only simplifies customers' development processes but also enables us to achieve system-level optimization that delivers high-performance solutions highly customizable for diverse downstream applications.

Vertical Integration from Chip to Algorithm

We possess a vertically integrated technology stack spanning from optical system design, chip design, proprietary algorithms, SDK development, and precision manufacturing. This vertical integration allows us to optimize system-level performance, power consumption, and cost. By controlling the entire stack, we can make holistic design decisions that balance trade-offs across optics, silicon, and software to achieve the best overall system performance.

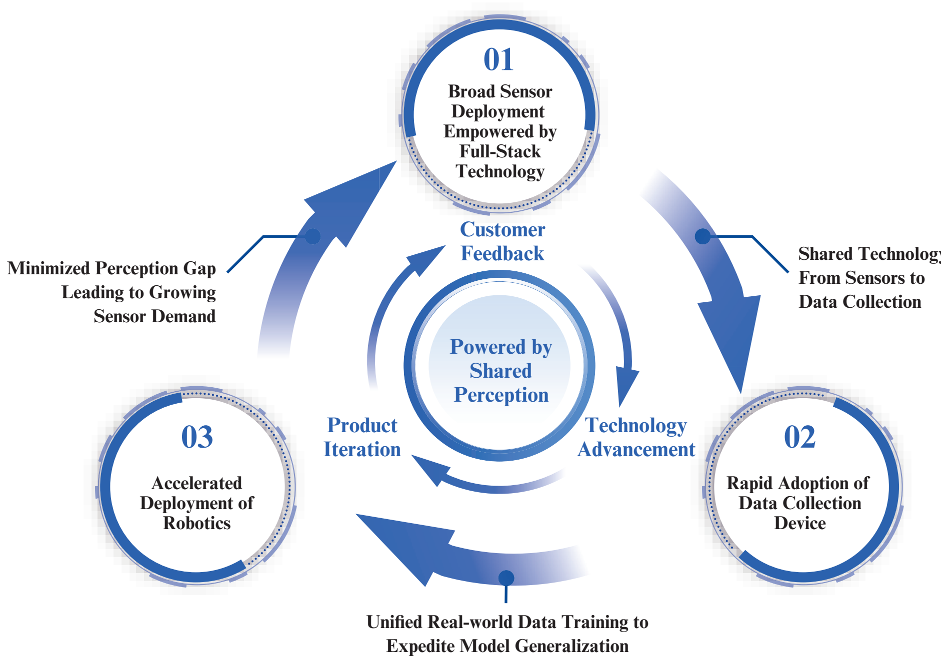
Optical Systems & Hardware. We possess proprietary capabilities in the design and development of optical emission and reception systems, lenses and optical paths, projection modules, filtering and photosensitive systems, and key optical components such as diffractive optical elements ("**DOEs**"), together with the related precision assembly, alignment, calibration, and testing capabilities. Our proprietary optical capabilities allow us to design custom optical systems optimized for specific applications, including robotics, and other AIoTs.

Proprietary Chips. We have developed and iterated proprietary ASICs, such as our MX series depth-engines, through multiple generations of continuous improvement. By baking our core 3D reconstruction algorithms directly into silicon, we achieve superior processing speeds and ultra-low power consumption at the edge. Our flagship MX6800 chip marks a China industry first by integrating active-passive stereo fusion onto a single chip, delivering stable, high-quality depth data across complex indoor and outdoor lighting conditions. This innovation addresses one of the most challenging problems in 3D perception: maintaining consistent performance as lighting conditions change.

Underlying Spatial Perception Algorithms. We develop our proprietary advanced 3D reconstruction algorithms and depth processing capabilities enhanced by deep learning. Our algorithm team has accumulated years of expertise in stereo matching, structured light decoding, time-of-flight signal processing, and point cloud processing. In this way, we can co-optimize hardware and software to enhance system-level performance.

A Self-Reinforcing Flywheel Powered by Real-World Feedback

Our business is powered by a self-reinforcing flywheel anchored by a comprehensive visual sensor technology stack. Our visual sensors are widely deployed across a broad range of customer applications, serving as the foundational "eyes" for Physical AI. This expansive installed base allows us to remain deeply integrated into real-world application scenarios and continuously receive customer feedback, enabling us to understand their evolving needs early. On this basis, we continuously enhance performance across successive generations of our products. In recent years, as the Physical AI era accelerated, we have observed rapidly growing demand among our customers for high-quality training data to power their AI models. This flywheel has enabled us to tap into the robot-free data collection devices market, as illustrated in the image below.



- **Broad Sensor Deployment, Empowered by Full-Stack Technology.** We offer a complete range of 3D visual sensors covering all major sensing technologies, supported by our full-stack technology capabilities. Our sensors have been widely adopted across diverse industries, establishing a large and growing installed base that forms the foundation of our flywheel.

- **Rapid Adoption of Data Collection Devices.** Building on our sensor platform, we have developed and launched data collection devices that share the same core sensing technology as our sensors. Leveraging our sensors' market-leading position and broad customer relationships, these devices are gaining rapid traction among customers who use them to train their robotics AI models.

- **Accelerated Deployment of Robotics.** AI models trained using data from our collection devices can be deployed directly onto robots equipped with our sensors with minimal or no recalibration. This seamless transition accelerates the pace at which our customers can bring robotic applications to market at scale, driving further demand for our sensors.

The core competitive moats of this flywheel lie in the data source homogeneity between our sensors and our data collection devices, and the associated scale effects. Our data collection devices and sensors share a unified perception front-end that ensures training data and real-world deployment data exhibit the same intrinsic camera characteristics, depth noise profiles, and spectral response. As a result, AI models trained on data from our devices are inherently calibrated to our sensors' perception parameters, achieving perception gap when deployed on robotic terminals in the real world. This visual and perception consistency incentivizes customers to adopt our solutions. Customers who have calibrated and trained their AI models using our data collection devices face significant switching costs and recalibration times if they transition to third-party sensors for mass production. Further, the growing scale of our sensor and data collection device deployments generates an increasingly dense corpus of real-world scenario feedback and engineering insights, continuously accelerating the iteration of our proprietary depth engine chips, perception algorithms, and products, making the flywheel spin faster with each successive cycle.

The commercial traction of our data collection devices provides early evidence of this flywheel effect: we delivered the first prototype sample of our data collection device in late July 2026 and officially launched the product in August 2026. Within less than two months since its launch, over 100 customers have already placed orders. Each new deployment further enriches the pool of real-world scenario feedback and engineering insights, which in turn feeds back into the iterative development of our proprietary depth-engine chips and algorithms, accelerating product innovation and enhancing cost efficiency.

Integrated Industrialization and Flexible Production Capabilities

We have successfully bridged the gap from laboratory innovation to industrial-scale manufacturing. Our integrated capabilities enable us to efficiently commercialize our core technologies while maintaining the highest standards of quality and reliability. Our Shunde manufacturing base can support million-unit-scale production of visual sensors and related devices. In addition, we are also building our overseas manufacturing base in Vietnam to support international delivery, enhance supply-chain resilience, and meet customers' localized sourcing requirements. Key highlights of our manufacturing facilities are summarized as follows:

Proprietary, End-to-End Industrialization Capabilities. We have established integrated capabilities spanning product engineering, production process development, precision manufacturing, calibration, testing, and quality control. We have independently developed specialized production equipment and proprietary processes for assembly, calibration, alignment, and testing, achieving levels of precision, efficiency, and quality that would be difficult to replicate using standard manufacturing approaches.

Flexible Manufacturing and Whole-Device Integration. Relying on our standardized technology platform, we combine and adapt pre-existing mature modules to meet customized demands, reducing delivery cycles while maintaining efficiency and quality. In addition to core sensors and optical modules, we have established capabilities in the design, assembly, testing, and delivery of complete intelligent devices and robotics.

Visionary Founder Supported by Elite Global R&D Team

Our leadership team and R&D capabilities provide the foundation for continued innovation and long-term competitiveness. The complementary backgrounds of our management team — combining deep technical expertise with strategic vision — have been instrumental in building our market position and will continue to guide our expansion in the Physical AI era.

Our founder, Dr. Huang, is a pioneer in the 3D vision field and an internationally renowned optical measurement expert. Since founding us in 2013, he has led the development of our strategic direction, technology roadmap, and full-stack capabilities, and driven the commercialization of our core technologies. Under his leadership, we have evolved from a startup focused on a single technology pathway to a comprehensive Physical AI infrastructure platform spanning multiple technology routes, products, and applications. His technical expertise and strategic foresight have been instrumental in establishing our market position and will continue to guide our innovation and long-term growth.

We have built a highly specialized, multi-disciplinary international R&D team covering core fields such as optics, chips, algorithms, software, hardware, system integration, calibration, and testing. This breadth of expertise reflects the inherently multi-disciplinary nature of 3D visual perception systems, which require simultaneous excellence across multiple technical domains to achieve competitive performance. Our R&D team, accounting for over 45% of our total workforce as of the Latest Practicable Date, includes experts recruited from leading global technology companies and research institutions, bringing diverse perspectives and world-class expertise to our product development efforts. As the Physical AI industry continues to evolve rapidly, our deep R&D bench provides flexibility and capability to adapt to changing market requirements and emerging technological opportunities.

BUSINESS STRATEGIES

As artificial intelligence accelerates its transition from the digital world into the physical world, the key challenges for Physical AI increasingly lie in acquiring high-quality multi-modal real-world data, deeply understanding 3D space, and achieving scaled engineering deployment. We are focused on building the critical infrastructure capabilities required for Physical AI to enter the real world — the foundational perception gateway, data infrastructure, and commercialization platform. We intend to pursue the following strategies:

Strengthen Our Full-Stack R&D Platform to Drive Continuous Innovation

- ***Modular Core Technologies.*** We will continue to advance the modularization and standardization of our six core R&D platforms — optics, chips, algorithms, software, systems, and engineering — to enhance R&D efficiency across different product types and scenarios. We will further deepen chip-optics-algorithm co-design to achieve system-level optimization in perception accuracy, power consumption, cost, and environmental adaptability.

- ***Perception Dimensions Expansion.*** Building on our established 3D visual perception technology pathways, we will continue to expand into pure-vision, optical-deformation sensing, and multi-modal perception fusion, enhancing the completeness, stability, and adaptability of perception capabilities for robots and intelligent terminals in complex environments.

- ***Multi-Modal Data Collection.*** We will focus on breakthrough technologies for cross-modal calibration and alignment, hardware-level time synchronization, and data standardization for multi-modal data spanning vision and touch. We aim to build a standardized data collection hardware platform supporting third-party multi-modal sensor integration (such as tactile gloves) and help establish industry standards for Physical AI multi-modal data collection.

- ***Scenario-Specific Robotic Intelligence.*** We focus on optimizing, adapting, and deploying AI models for specific robotic embodiments, tasks, and real-world scenarios, continuously improving environment understanding, task decision-making, and motion-control capabilities to strengthen our system-level engineering delivery foundation.

Expand Multi-Tier Product Matrix Covering Key Physical AI Stages

- ***Sensor Products.*** We will continue to iterate and expand our visual sensor portfolio to address differentiated requirements across robotics, industrial, and intelligent terminal applications. We will extend into industrial 3D cameras, and multi-modal perception products, building a multi-tier product portfolio covering short-to-long range, indoor-to-outdoor, and single-vision to multi-modal perception. In this way, we believe we can further strengthen our leadership position.

- ***System-level Devices and Solutions.*** We will extend our 3D scanning products to industrial measurement and inspection, 3D reconstruction, and mobile mapping applications. We will accelerate the development and commercialization of robot-free data collection hardware platforms (including EGO, UMI, and WristCam) and related data-processing and annotation tools to support Physical AI model training, evaluation, and scaled deployment.

- ***Engineering Delivery.*** We will extend our robotics and intelligent-device solutions toward multi-form-factor, system-level offerings and accelerate digital-manufacturing product development. Through deep participation in customers' product definition, system integration, engineering verification, and scaled delivery, we lower the barriers for customers to move from technical solutions to commercial products. Our system-level capabilities empower customers through joint definition and joint development, without competing with them.

Deepen Global Commercial Presence and Industry Influence

We will strengthen our commercial and technical service networks in key markets, accelerate the scaled replication of perception products and introduction of system-level solutions, and upgrade our global business from product export to capability export.

We will focus on key sectors including robotics, industrial intelligentization and 3D digitalization. We will deepen strategic partnerships with global industry leaders and key customers, evolving from single-product supply toward joint R&D and collaboration to increase partnership depth, customer stickiness, and industry demonstration effects.

We will continue to pursue compatibility certifications with global computing platforms, operating systems, cloud services, and development platforms to lower developer integration barriers. We will also deepen the integration of perception hardware with specialized models to provide customers with integrated solutions that accelerate perception and understanding deployment in real-world scenarios.

Upgrade Flexible Manufacturing and Global Supply Chain

We will continue to enhance the flexibility and intelligence of our production systems to address the differentiated manufacturing requirements of multi-category products and system-level solutions. We will strengthen the modularization, standardization, and flexible configuration of production processes, equipment, and production lines, improving rapid product switching, mixed-line production, and elastic delivery capabilities to form flexible manufacturing capacity suitable for multi-category, small-batch, and large-scale production.

We will continue to strengthen our supply-chain coordination and enhance diversified supply assurance for key components, and coordinate domestic and overseas production and delivery resources. We will improve our ability to flexibly allocate resources, providing stable support for global business expansion and scaled delivery.

Pursue Strategic Investments and Industry Partnerships

We will selectively pursue strategic investments, acquisitions, and diversified industry partnerships across the Physical AI, embodied intelligence, and spatial intelligence value chains. Our focus will be on strengthening key technology capabilities, enhancing our business portfolio, and integrating strategically synergistic technology, product, customer, and market resources. Through these initiatives, we aim to cultivate new growth opportunities and consolidate our core position and long-term competitive advantages in the global Physical AI value chain. As of the Latest Practicable Date, we had not yet identified any acquisition or investment targets.

OUR PRODUCTS

Leveraging our full-stack technology platform, we offer a comprehensive portfolio of visual perception products that serve customers across embodied robotics and other AIoTs. The table below sets forth our revenue by segment during the Track Record Period.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Sensors	229,867	63.9	215,170	38.1	303,889	32.3	138,004	31.7	206,946	47.3
System-level devices and solutions	118,513	32.9	339,037	60.1	616,897	65.6	289,664	66.5	202,547	46.3
Services and others[i]	11,626	3.2	10,252	1.8	19,958	2.1	7,801	1.8	28,113	6.4
Total	**360,006**	**100.0**	**564,459**	**100.0**	**940,744**	**100.0**	**435,469**	**100.0**	**437,606**	**100.0**

Note:

(i) Revenue generated from service and others primarily represented the robotics OEM services and R&D services in relation to 3D visual perception technology.

We generate revenue primarily through the sale of our products, which include sensors and system-level devices and solutions. Our product offerings comprise both standardized and customized products. We regularly introduce standardized products, primarily sensors, designed to address common applications across our customer base. These products are developed based on our assessment of broad market demand and are made available to customers on a ready-to-deploy basis. For customers with specialized requirements, we offer customized products. Where a customer requires sensor specifications that differ from our standardized offerings, we work closely with that customer to develop a customized sensor product that meets their specific needs. For customers that require system-level devices and solutions beyond standalone sensors, we develop integrated products that combine our sensors with additional hardware and software components to deliver a complete, application-ready system tailored to the customer's use case.

Sensors

Sensors are our core product category, representing sophisticated measurement devices capable of capturing 3D information, depth data, and environmental geometry. The following image illustrates the major categories of our visual sensor products.

Active Stereo Camera

The active stereo camera represents our advanced binocular 3D visual perception technology. These cameras utilize our MX6800 depth-engine chip and a high-performance active-passive fusion imaging system. The series supports measurement ranges from 4cm to over 20 meters with 3D accuracy of up to 0.5% at 2 meters, and depth frame rates up to 60fps. The cameras feature IP65/IP67 protection ratings, wide temperature operating ranges, and multi-mode perception capabilities with precise frame synchronization. The following table summarizes major product series of our 3D stereo camera with IR speckle projection sensors.

Product	Target Application Scenario	Key Features
Gemini 335 Series	Robotics and automation (robotic arms, AMRs, forklifts, humanoid robots), 3D scanning and drones	Powered by the MX6800 depth-engine chip, the Gemini 335 Series combines active and passive stereo vision for high-quality depth-engine. The series offers compact designs, extended-range depth sensing, and industrial-grade protection to meet diverse application needs.
Gemini 336 Series	AMRs in bright or reflective environments, retail shelf scanning, outdoor delivery, and 3D reconstruction	Built on the Gemini 335 platform, the Gemini 336 Series incorporates infrared filtering technology to reduce visible light interference, enabling reliable depth sensing in bright sunlight, reflective environments, and challenging lighting conditions.
Gemini 338 Series	Autonomous forklifts, AMR obstacle avoidance, palletizing and depalletizing, and industrial and logistics measurement	Featuring infrared bandpass optics and a highly stable optical design, the Gemini 338 Series delivers stable depth data in bright, reflective, and vibration-prone environments, with industrial-grade protection and high-speed, reliable data transmission.
Gemini 345 Series	Commercial lawn mowers, quadruped robots, agricultural machinery and low-speed autonomous vehicles	Features excellent high-temperature adaptability, vibration resistance, IP67 protection, and an ultra-wide field of view, with GMSL2/FAKRA high-speed connectivity for harsh outdoor environments.
Gemini 435 Series	Inspection robots, commercial cleaning robots, forklifts, and robotic arms	Features long-range, high-precision depth sensing and flexible depth presets, with M12 industrial interfaces, IP67 protection, vibration resistance, wide-temperature operation, electromagnetic interference resistance, and multimodal data synchronization.

Passive Stereo Camera

Our passive stereo cameras combine high-resolution color imaging with advanced depth sensing capabilities, providing comprehensive visual perception for intelligent systems. These cameras integrate industry-leading image sensors with our proprietary depth-engine technology, enabling simultaneous capture of rich color information and precise 3D data. Key applications include robotic arm grasping and manipulation, desktop 3D scanning, near-field obstacle avoidance, and industrial intelligentization. The product line offers various configurations optimized for different operating environments, featuring compact form factors for wrist-mounted robotic applications, industrial-grade protection ratings, and flexible connectivity options including GMSL2 interfaces for high-speed data transmission in dynamic environments.

Product	Target Application Scenario	Key Features
Gemini 305 Series	Collaborative robotic arms, humanoid robots, close-range grasping, and dexterous manipulation.	Lightweight near-field stereo 3D camera designed for robotic arm wrist mounting.Features 18mm short baseline with 4cm minimum working distance, achieving sub-millimeter precision at 15cm range.
Physis 257g	Humanoid robots, robotic arms and grasping, mobile manipulation robots, data collection and 3D perception	Features 63mm-baseline stereo RGB imaging and an AI depth-engine for high-precision, wide-FOV depth sensing. Supports GMSL2 high-speed transmission, industrial-grade connectivity, and IP67 protection for reliable operation in complex, dynamic environments.

Structured Light Camera

The Astra series is our foundational product line of structured light sensors. The series is built on speckle projection technology paired with our proprietary MX-series depth-engine chips, supporting both structured light and active stereo depth calculation. The Astra series is primarily deployed in AIoT applications including service robots, smart agriculture, 3D scanning, and has been extensively adopted in our system-level biometrics recognition payment products. The following charts illustrate our Astra series products.

Product	Target Application Scenario	Key Features
Astra Mini Series	Robot obstacle avoidance, motion-sensing interaction, 3D scanning	Monocular structured light 3D sensor featuring our proprietary VCSEL speckle projection and MX6000 depth-engine chip. Compact modular design optimized for embedded system integration.
Astra Series	Volume measurement,motion-sensing interaction and indoor scanning	Next-generation monocular structured light 3D sensor featuring our proprietary VCSEL speckle projection and MX6600 depth-engine chip. Enhanced optical system delivers improved measurement accuracy and multi-device synchronization.

ToF Camera

ToF technology powers our flagship Femto series of high-performance 3D cameras. This series include the Femto Bolt and Femto Mega, delivering megapixel-level depth resolution with a field of view exceeding 100 degrees. The Femto series is fully compatible with a leading technology company's depth sensing platform and is primarily deployed in embodied intelligence robotics, service robots, full-body motion capture, rehabilitation and fitness applications. The Femto Mega was awarded the German iF Design Award in 2024. The following chart illustrates details of our Femto series products.

Product	Target Application Scenario	Key Features
Femto Bolt	Developers, industrial robots, robotic arm grasping, smart manufacturing, healthcare, fitness, logistics	Integrates multi-mode depth camera, color video camera and inertial sensors with single-cable data and power delivery.
Femto Mega	Developers, industrial robots, robotic arm grasping, smart manufacturing, healthcare, fitness, logistics	Combines edge computing with iToF technology for direct depth image output. Features a 4K RGB camera, 6DoF IMU, industrial M12 Ethernet interface, PoE, IP65 protection, and multi-device synchronization, with 4× improved depth-to-color alignment accuracy.

Other Sensor Products

In addition to our major product categories, we also have a number of other sensor products under our solution portfolio, as illustrated in the table below.

Product	Target Application Scenario	Key Features
PulsarME450	Autonomous forklifts, logistics vehicles, lawn mowers and warehouse AMRs	dToF 3D LiDAR with MEMS pitch scanning and motor azimuth scanning for multi-mode configurable scanning. Features millimeter-level ranging precision, IP67 protection and resistance to vibration, ambient light and multi-device interference.
Physis 157g.	Humanoid robots, robotic arms and grasping, mobile manipulation robots, data collection and 3D perception	Features wide-angle monocular RGB global-shutter imaging and a lightweight, compact design for flexible robot head and wrist mounting and multi-camera synchronization. Supports GMSL2 high-speed transmission, industrial-grade FAKRA-Z connectivity, and IP67 protection.

System-Level Devices and Solutions

System-level products and solutions comprise complete, ready-to-deploy devices that integrate 3D visual sensors with hardware, software algorithms, and application-specific functionality. These products transform our core 3D visual perception capabilities into turnkey solutions optimized for specific market verticals. Our system-level offerings span three primary categories: (i) consumer- and industrial-3D scanners serving the 3D printing, reverse engineering and digital content creation markets; (ii) payment terminals integrating structured light sensors with biometrics recognition algorithms or NFC module for payment or verification purposes; and (iii) robot-free data collection hardware platform, including standardized data collection kits for modules. These system-level products enable us to capture greater value across the 3D vision supply chain while addressing downstream customer applications that require integrated hardware-software solutions. The following image illustrates the major categories of our system-level products.

Our System-Level Product Portfolio

3D Scanning Devices

Our 3D scanner portfolio comprises multiple product series spanning consumer-grade to industrial-grade applications. These products serve diverse use cases including 3D printing, reverse engineering, industrial inspection, digital content creation, VR/AR asset generation and cultural heritage preservation. Our 3D scanning business is developed through a strategic partnership with a leading global 3D printing equipment provider. Under this collaboration, we provide ODM development, manufacturing, technical support and product certification services, while our partner is responsible for product requirements, brand operations, marketing and end-user sales. This partnership model allows us to leverage our core competencies in 3D visual perception technology while benefiting from our partner's established distribution channels and brand recognition in the consumer 3D scanning market.

Our key product offerings include:

- ***Ferret Series (Ferret Pro and Ferret SE).*** Entry-level consumer scanners designed for hobbyists and casual users, featuring wireless connectivity and portable form factors suitable for scanning medium-to-large objects.
- ***Otter Series (Otter and Otter Lite).*** Mid-range consumer scanners featuring quad-camera anti-shake technology, capable of scanning objects ranging from small items to full-body human subjects and vehicles.
- ***Pika.*** Compact, lightweight portable scanner optimized for mobile creativity and small object scanning, featuring wireless connectivity and AI-assisted model processing.
- ***Raptor Series (Raptor Pro and Raptor X).*** Professional-grade scanners utilizing dual-mode blue laser and infrared technology, designed for industrial applications including automotive scanning, reverse engineering and quality inspection.
- ***Sermoon Series (X1, S1 and P1).*** Industrial-grade scanners with multi-mode optical systems supporting high-speed scanning, deep-hole detection and standalone operation, targeting demanding quality control and precision measurement applications.

Under our 3D scanner collaboration, we are responsible for ODM development of complete 3D scanners including hardware, industrial design, mobile applications and PC software, as well as mold development, production, technical support and project progress reporting. Our partner specifies product requirements and packaging design. Upon completion of development, we deliver physical prototypes to our partner for testing and acceptance, and make modifications based on feedback. After product verification, we handle relevant certifications and transition to production. Our partner places purchase orders based on market demand, and we organize production and deliver products in batches through logistics providers to designated locations. We recognize revenue upon product delivery and acceptance. After product sales, our partner is responsible for brand operations, marketing and end-user customer service, while we provide repair, returns and exchanges, algorithm upgrades and technical support.

Payment Terminals

Our payment terminal business represents one of our earliest commercial applications of 3D visual perception technology, developed in strategic partnership with a leading payment solutions provider in China. These terminals integrate our proprietary Astra-series structured light sensors with financial-grade security algorithms to enable secure, contactless payment experiences across diverse retail and institutional settings. Since commercial deployment, we supplied over one million payment devices serving offline payment points throughout China, serving applications including self-service retail checkout, smart vending, campus and corporate cafeterias, hospital registration, supermarket self-checkout and medical insurance verification. In addition, we also launched an NFC payment terminal product in November 2024, which supports both NFC contactless and QR code payment method.

Under our payment terminal collaboration, we are responsible for camera and hardware design, prototype development, software integration, system adaptation, testing and certification, materials procurement and volume production. Our partner specifies the functional, design, branding and software requirements for biometrics recognition, identity verification and payment terminal products. Following prototype approval by our partner, purchase orders are placed through the partner's procurement platform. We then organize production, quality inspection and delivery to the partner or designated recipients, who complete acceptance testing for appearance, quantity, functionality and quality. Upon successful acceptance, we issue invoices and recognize product sales revenue.

Data Collection Kit

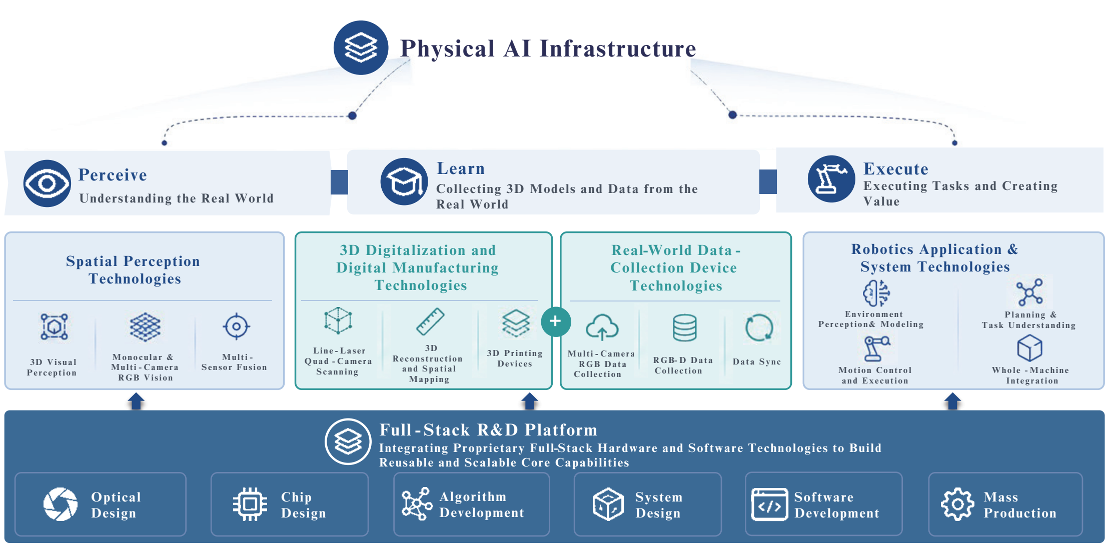
We officially launched and delivered our in-house developed data collection kits in August 2026. Our data collection kit business addresses the growing demand for high-quality multi-modal data collection solutions essential for training embodied intelligence and Physical AI models. We provide customers with a standardized robot-free data collection kit, including modules such as EGO, UMI and WristCam. Among them, EGO is designed for first-person visual data collection. It records first-person visual perception, task workflows and real-scene context when humans perform tasks, helping embodied intelligence and robot learning systems understand how humans perceive environments, complete tasks and interact with the physical world. UMI targets manipulation data collection. It captures human demonstration processes including grasping, moving, placing, assembling and organizing objects, with a focus on how tasks are accomplished. It can provide valuable manipulation data for embodied intelligence, robot learning and real-world task training. WristCam is for near-field wrist interaction data collection, focusing on recording detailed interactions between hands and objects, as well as between tools and objects. We have also developed a series of modular accessories designed for seamless compatibility with our data collection products. This includes advanced connectivity hubs and wearable backpack systems. Together, these modules empower customers to conduct extended, high-capacity data harvesting across diverse and unstructured real-world environments.

In addition, we also collaborate with our partners on data collection kit products through provision of contract manufacturing and joint design manufacturing services spanning product design, core camera modules, hardware and software development, SDK adaptation, prototype verification and volume production.

OUR TECHNOLOGIES

We are one of the few companies globally that have mastered all major 3D sensing technology routes and achieved million-unit-scale mass production of 3D visual sensors. After more than a decade of accumulation, we have established a 3D vision technology system. As the AI and robotics industries develop and underlying technologies continue to evolve, we have further upgraded this system into four core technology systems for Physical AI, with the aim of building Physical AI infrastructure for intelligent devices and robots across multiple industries and application scenarios.

The system is underpinned by a full-stack R&D platform comprising six platforms — optical design, chip design, algorithm development, system design, software development, and engineering and mass production — that are vertically accumulated and reusable across scenarios. Built upon this platform are four core technology systems: spatial perception technologies serve as the "eyes" of the physical world; 3D digitalization and digital manufacturing technologies transform the real world into a computable and replicable digital space; together with real-world data collection technologies, they supply "data fuel" to Physical AI; and robotics application and system technologies give robots a "brain" and a "body," enabling them to perceive, learn and act. Based on this architecture, we can develop new products without building R&D capabilities from scratch. At the same time, each new product feeds back into the platform, while real-world deployment feedback flows back continuously, forming a self-reinforcing innovation cycle.



Full-Stack R&D Platform

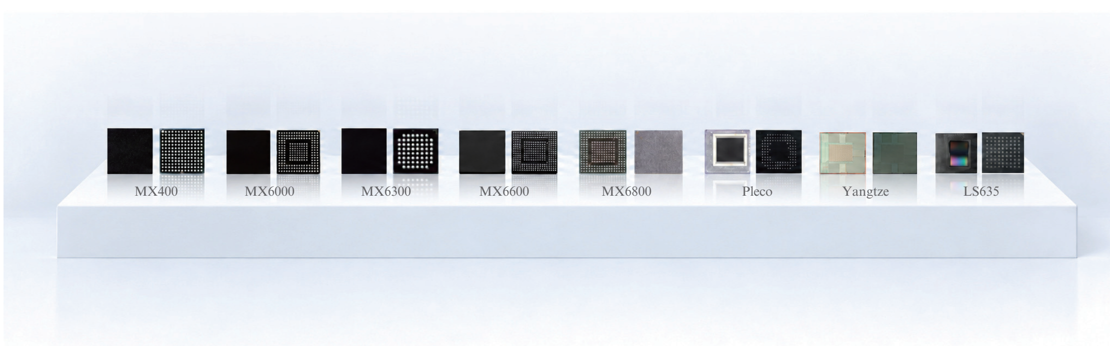
Our full-stack R&D platform consists of six platforms and serves as a readily deployable R&D toolbox. It enables us to retrieve, combine and adapt mature system solutions and modules for specific customer requirements, rather than developing each new product from scratch. This platform-based model has shortened the development cycle of 3D visual sensors and other products from more than seven months to approximately three months, significantly improving our overall R&D efficiency.

Optical Design Platform

3D visual perception is fundamentally an optical measurement technology, and optical design directly determines measurement accuracy, measurement range, power consumption and product dimensions. The platform covers the complete optical emission and reception chain, including VCSEL selection and design, customized DOE design, structured-light, stereo, iToF and dToF sensing systems, and optical safety and environmental adaptability. It supports cross-scale measurement requirements ranging from centimeter-scale close-range measurement to medium- and long-range measurement of more than 100 meters. In June 2018, we launched Astra P, which, according to Frost & Sullivan, was the China's first speckle structured-light module for Android smartphones.

Chip Design Platform

Depth calculation is the most compute-intensive part of 3D visual perception, and general-purpose processors cannot readily satisfy low-power, small-size and low-cost requirements simultaneously. We have independently developed and iterated five generations of depth-engine ASICs, from MX400 to MX6800, as well as our Pleco series iToF sensing chips and LS635 dToF single-photon avalanche diode (SPAD) SoC, which has a maximum measurement range of 350 meters, enabling coordinated optimization of chips, algorithms and systems. In 2015, we successfully taped out MX400, which, according to Frost & Sullivan, was China's first structured-light 3D sensing chip. Our latest flagship, MX6800, integrates active-passive stereo fusion on a single chip. The following image illustrates major categories of chips developed by us.



Algorithm Development Platform

The platform covers the full algorithm stack, from depth calculation, point-cloud processing and 3D reconstruction to visual understanding and interaction, multimodal perception fusion, and optimization of vertical VLM/VLA and motion-control models. We focus on optimizing, adapting and deploying third-party and open-source models for real-world scenarios and customer projects. Real-world deployment feedback from thousands of customers and developers accelerates our algorithm iteration. In January 2026, open-source spatial-perception model, "LingBot-Depth," was integrated, adapted, validated and deployed based on our Gemini 330 series stereo cameras, ultimately serving end customers. We acquire and use existing AI systems, test them and then integrate them with our hardware using software. We do not do integration design in the AI systems or models themselves, or modify, customize, configure or fine-tune them, or repurpose their performance, function or capability, nor do we do other activities that would constitute AI system development.

System Design Platform

3D visual sensors are systems in which optics, mechanics, electronics, chips, algorithms and software are tightly coupled, and optimized system architecture maximizes performance and improves cost efficiency. The platform maintains a reference-design library covering all five mainstream 3D sensing routes and has supported more than 100 products, ranging from compact consumer electronics to wide-temperature, dust-resistant and shock-resistant industrial equipment. Gemini 330 series, launched in 2024, were one of the industry's first few 3D camera matrixes based on a single self-developed depth-engine chip and a unified optical platform.

Software Development Platform

The platform covers firmware, drivers, middleware, SDKs and APIs, scanning and reconstruction software, and data-processing tools. Orbbec SDK is compatible with Windows, Linux, Android, macOS, Unity, ROS and OpenCV and is co-designed with our proprietary chips and firmware. Our products have been integrated with leading ecosystems. More than a decade of serving thousands of customers and developers globally has built code-ecosystem stickiness and switching costs around our software platform.

Engineering and Mass Production Platform

We have independently developed calibration, alignment and automated-testing systems covering prototype development and engineering verification, NPI and process development, flexible manufacturing, quality control and global delivery. Phases I and II of our intelligent manufacturing base in Shunde, Guangdong commenced operations in 2024 and have a gross floor area of approximately 86,611 square meters. We are also in the process of establishing our first overseas manufacturing base in Bac Ninh, Vietnam.

Core Technology Systems

Relying on our full-stack R&D platform, we have formed four major technology systems corresponding to different links in the Physical AI value chain and to our five categories of products and solutions. Each system combines mature platform modules into directly deployable application capabilities, enabling us to respond rapidly to emerging customer requirements while retaining the efficiency and quality advantages of standardized development.

Spatial Perception Technology

We have commercialized all five mainstream robotic perception technology routes — structured light, active/passive stereo vision, iToF, dToF and LiDAR — and have extended our perception coverage to monocular and multi-camera RGB vision, RGB-D, multi-sensor fusion and optical-deformation sensing. We can therefore provide tailored perception solutions for different measurement ranges, precision requirements, lighting conditions and power constraints. These capabilities support our Astra, Gemini, Femto, Pulsar, and Physis series sensors. The Physis series robotic vision products, launched in August 2026, mark the formal extension of our perception coverage into the pure-vision route. Coverage of multiple technology routes also enables us to serve as a one-stop partner for robot manufacturers requiring multi-sensor fusion.

3D Digitalization and Digital Manufacturing Technology

This system transforms the physical world into high-precision digital assets and supports digital manufacturing processes. It covers line-laser scanning and quad-camera vision scanning, supporting metrology-grade scanning of objects ranging from millimeter scale to meter scale; point-cloud processing and 3D reconstruction; SLAM and mobile 3D mapping; 3D modeling and high-precision measurement; and 3D printing equipment system development in collaboration with digital-manufacturing partners. These technologies support our handheld 3D scanners and 3D-reconstruction and mobile-mapping solutions, serving applications ranging from 3D printing and digital content creation to industrial metrology and cultural heritage preservation.

Real-World Data Collection Device Technology

The shortage of high-quality real-world training data is one of the most important bottlenecks in the development of Physical AI. Based on whether data collection relies on a robot platform, embodied intelligence data collection device can be classified into teleoperation (robot-based data collection device) and robot-free data collection device. We have self-developed robot-free data collection hardware platform and supporting data toolchains, forming a standardized robot-free data collection kit covering first-person (EGO), hand-held operation (UMI), wrist-mounted near-field (WristCam) and other modules. These solutions enable customers to capture authentic, high-fidelity data on dynamic interactions between people and the physical world, and provide supporting capabilities including cross-modal time synchronization and spatial calibration, data cleaning, labeling, alignment and processing. We deliver these capabilities through standardized products, customized solutions and other service models. We do not engage in the data collection business or collect data ourselves.

Robotics Application and System Technology

Leveraging our robotics application and system technology, we deliver standardized perception modules and system-level solutions, reducing customers' integration barriers and shortening their time to market without competing with them. The whole-machine implementation layer includes whole-machine product definition, mechatronic and embedded systems, control and communications systems, sensor and actuator integration and robot-body integration, reliability and whole-machine testing, and mass-production introduction supported by our engineering and mass production platform. The cognitive decision layer covers 3D semantics and task understanding, object and pose recognition, specialized VLA model optimization, grasping and manipulation strategies, visual servoing, and optimization of motion-planning and control models. Together, these capabilities form an integrated service offering to robot manufacturers from whole-machine product definition through mass production.

RESEARCH AND DEVELOPMENT

Research and development is fundamental to our business and a key contributor to our anticipated future growth. As a technology-driven enterprise operating at the forefront of Physical AI infrastructure, our competitive position, product development pipeline and long-term growth prospects are critically dependent on sustained and substantial investment in research and development. We have established a comprehensive research and development infrastructure spanning multiple locations, supported by a sizable and highly qualified research and development team.

We have consistently devoted significant financial resources to our research and development activities. Our R&D expenses amounted to RMB300.8 million, RMB204.3 million, RMB202.5 million, RMB91.2 million, and RMB111.4 million in 2023, 2024, 2025, and the six months ended June 30, 2025, and 2026, respectively, representing 59.6%, 52.9%, 54.5%, 53.1%, and 54.3% of our total operating expenses for the corresponding periods.

R&D Team

Our R&D team comprises dedicated professionals with extensive industry expertise, focusing on the development of our products that help sustain our technological capabilities and market position. As of the Latest Practicable Date, we had 509 R&D personnel, representing approximately 46.4% of our total employees. The R&D team includes PhD and master's degree holders from leading universities and research institutes, with over 30% holding master's degrees or higher, reflecting a highly educated and technically skilled workforce.

R&D Process

Our R&D process follows a streamlined Integrated Product Development ("**IPD**") framework tailored to our platform-based, full-stack technology strategy. The process begins with market and technology research, under which our product management and R&D team identify emerging customer needs, competitive dynamics and technology trends relevant to our six core technology platforms. Candidate projects are then submitted to our product committee for review and, upon approval, are classified into priority tiers based on strategic importance, expected commercial value and resource requirements.

Approved projects then progress sequentially through engineering verification test ("**EVT**"), design verification test ("**DVT**"), production verification test ("**PVT**") and mass production stages, with each stage having its own review before advancement to the next. During these stages, our engineering teams complete detailed design across optics, hardware, algorithms and firmware and progressively validate the design through prototyping, small-batch pilot production and full production line trials, while our design quality engineers are assigned to each project team to review key performance indicators against target specifications and monitor quality risks throughout the project lifecycle.

Overall R&D project execution is overseen by a project management team, with dedicated project managers accountable for schedule, cost and quality. Our project management team convenes weekly project reviews and, at the strategic portfolio level, our leadership conducts regular reviews of progress across strategic directions, enabling timely reallocation of R&D resources and adjustment of project priorities. Our finance function separately tracks project-level financial performance to support R&D budget monitoring and post-project return assessment.

R&D Facilities

Our R&D activities are headquartered in Shenzhen and supported by additional R&D centers in Shanghai, Xi'an and Foshan. Our R&D function operates as a unified, centralized organization that consolidates shared engineering resources and capabilities across the business, with teams organized by discipline, including optics, electronics, mechanical engineering, chip design and software development, working alongside dedicated teams focused on robotics and 3D reconstruction solutions and on translating customer demands into product definition and designs.

We have established an R&D laboratory system that covers the entire 3D visual perception technology chain, including, among others, an optics laboratory, an algorithm laboratory, a hardware laboratory, an imaging laboratory and a reliability testing laboratory. These laboratories provide the equipment and testing environments necessary to support our research and development activities from early-stage design through validation and reliability testing.

R&D Roadmap

We intend to continue to invest in research and development across several principal directions. In sensors, we plan to continue developing our Gemini, Astra, Femto and Physis product lines to address differentiated requirements across robotics, industrial, and intelligent terminal applications. We will extend into industrial 3D cameras, LiDAR, and multi-modal perception products, building a multi-tier product portfolio covering short-to-long range, indoor-to-outdoor, and single-vision to multi-modal perception. In 3D scanners, we intend to expand into higher-precision industrial-grade scanners as well as more compact and portable consumer-grade scanners. We also plan to develop industrial-grade 3D cameras for welding, industrial inspection and other application scenarios, as well as next-generation 3D scanners benchmarked against leading mid-to-high-end products in the market. In addition, we are developing standardized robot-free data collection kit targeting embodied intelligence and world model applications, including modules such as EGO, UMI, WristCam. We are also developing embodied intelligence robotic system solutions, fully leveraging our integrated capabilities from whole-machine product definition to mass-production introduction.

INTELLECTUAL PROPERTY RIGHTS

Our proprietary intellectual property portfolio has been instrumental to our success and remains central to the sustainability of our competitive position. Since inception, we have systematically developed a comprehensive patent portfolio that spans the entire technology stack of 3D visual perception. This coverage extends across foundational chip architectures, optical system design, advanced algorithms, and mass production processes, reflecting the depth and breadth of our in-house research and development capabilities.

As of June 30, 2026, we had filed a total of 2,082 patent applications, including 1,019 invention patents, 212 Patent Cooperation Treaty ("**PCT**") invention patents, and 234 overseas patents. Of these applications, 1,288 have been granted, including 574 invention patents and 151 overseas patents. In addition, as of the same date, we held 150 registered trademarks in the PRC and 32 registered trademarks overseas. We had also registered 123 copyrights covering works developed in the course of our business. We consider these registered rights, taken together with our patent portfolio, to be important to the protection of our brand, technology, and know-how.

We believe our intellectual property rights collectively constitute a significant barrier to entry within our industry. The scope, quality, and integration of these rights across the full technology stack differentiate us from other market participants and reinforce our leadership in the 3D visual perception sector. We regularly review our portfolio to safeguard existing rights, pursue additional protection where appropriate, and align our innovation pipeline with evolving market and customer requirements.

During the Track Record Period and as of the Latest Practicable Date, we were not subject to any material disputes or claims of infringement upon third parties' intellectual property rights.

PRODUCTION

We have established our own manufacturing capabilities as an integral part of our full-stack technology strategy, enabling us to control the core processes that determine the performance and reliability of our products and to translate our proprietary optical, algorithm and chip technologies into consistent high-volume output. We commenced manufacturing at our Dongguan production base in August 2020. In October 2024, we relocated our production operations to our new Shunde production base and subsequently ceased production at our Dongguan base. We develop the core components of our products in-house, which allows us to maintain close coordination between design and manufacturing and to respond flexibly to a variety of customer requirements. We have developed a substantial body of proprietary process know-how and do not rely on third parties for the core process equipment used across the module-to-finished-sensor production chain.

Our Production Process

We continually refine our production processes and advance the automation and digitalization of our production lines. Our chip-on-board ("**COB**") infrared-red-green-blue ("**IRGB**") module line is highly automated.

Our production process for 3D visual sensors begins with COB packaging, followed by an assembly stage that comprises dispensing, assembly testing, and calibration and depth accuracy testing, and concludes with a packaging step. Calibration and depth accuracy testing are the most technically demanding steps within the assembly stage and the principal drivers of finished-product quality, and are supported by our proprietary calibration algorithms and self-developed test equipment. Under our current cycle, our modules typically take approximately 10 days to complete, our finished 3D visual sensors take approximately four to seven days, and our overall delivery cycle from raw material procurement to finished product shipment is approximately two months.

Contract Manufacturers

While we develop the core components of our products, we selectively engage third-party contract manufacturers for certain lower-technical-barrier processes and product categories, including surface mount technology ("**SMT**") processing for selected printed circuit board assembly ("**PCBA**") boards and complete unit assembly for selected consumer-facing products such as biometrics recognition payment terminals, tablet devices and identity verification devices. We select our contract manufacturers based on their scale, quality track record and industry standing, and have maintained our relationships with our principal SMT subcontractor and our principal unit-assembly subcontractor since 2018 and 2019, respectively, without any material disputes or batch quality incidents. We station our own quality and engineering personnel on-site at contract manufacturer facilities to oversee incoming materials, in-process production, finished product testing and after-sales handling on a full-lifecycle basis. For further details on our contract manufacturer arrangements, see "Business — Production — Contract Manufacturers."

Production Bases

During the Track Record Period, our production activities were mainly conducted through our Shunde base and Dongguan base. The table below sets forth key information regarding our production bases as of June 30, 2026.

Production Base	Location	Gross Floor Area	Primary Products	Production Period
Shunde Base	Shunde, Guangdong	Approximately 86,611 square metres	LDM modules, IR modules, RGB modules, finished product assembly and OEM processing	From October 2024 till now
Dongguan Base . .	Dongguan, Guangdong	Approximately 16,000 square metres	LDM modules, IR modules, RGB modules, finished product assembly and OEM processing	From August 2020 to October 2024

The table below sets forth the production capacity, production volume and utilization rate of our Shunde and Dongguan Base for the periods indicated. As the relocation of our Dongguan Base to Shunde Base was carried out as a whole-site transfer, we have treated the two bases as a single continuous production base for the purpose of calculating the production capacity and production volume in the table below.

	Year ended December 31,									Six months ended June 30,		
	2023			2024			2025			2026		
	Production Capacity(1)	Production Volume(2)	Utilization Rate(3)	Production Capacity(1)	Production Volume(2)	Utilization Rate(3)	Production Capacity(1)	Production Volume(2)	Utilization Rate(3)	Production Capacity(1)	Production Volume(2)	Utilization Rate(3)
	('000 units)		(%)	('000 units)		(%)	('000 units)		(%)	('000 units)		(%)
Sensors . .	3,600	1,056	29.3(4)	3,600	1,405	39.0	3,600	1,909	53.0	1,800	1,338	74.3
System-level devices .	325	95	29.2(4)	325	305	93.8	1,000(5)	952	95.2	500	398	79.5

Notes:

(1) Production capacity is the designed capacity of our production base to produce a representative product within a specific period.

(2) Production volume is calculated by dividing the actual standard working hours consumed during relevant period for the products produced by the standard working hours required to produce one unit of a representative product.

(3) Utilization rate is calculated by dividing the production volume for the relevant period by the production capacity for the same period.

(4) We set our production plans based on projected sales volumes. In 2023, sales of our sensors and system-level devices were relatively low, resulting in lower capacity utilization rates at our production base. As our sales and revenue grew in 2024 and 2025, capacity utilization rates at our production base continued to improve.

(5) The annual production capacity for system-level devices increased from 325 thousand unit in 2024 to 1,000 thousand unit in 2025 as new production lines commence operation.

We are also in the process of establishing our first overseas manufacturing base in Bac Ninh, Vietnam in two phases. In the first phase, we expect to commence small scale production on leased premises by the end of 2026. In the second phase, we expect to complete the construction of our own manufacturing facility and commence scaled production by the end of 2027. This new base is intended to enhance our global supply chain resilience and delivery capabilities, support international delivery, and meet customers' localized sourcing requirements. Once our Bac Ninh base in Vietnam is fully operational, we intend to position our Shunde base as our new product introduction center and global supply chain coordination hub, while our Vietnam base will serve as our production and delivery center for the global market.

Production Equipment and Machinery

We operate advanced production equipment and machinery that support the quality, cost-effectiveness and efficiency of our 3D visual sensors. At the core of our production lines are our COB packaging lines, together with proprietary calibration, alignment and depth accuracy testing equipment developed in-house, and a broad range of environmental, mechanical, electronic and wireless signal test equipment.

We developed our own core production equipment, including automated calibration and alignment equipment and laser dot performance testers used in the calibration and testing of laser emitter modules. General-purpose instruments such as oscilloscopes and thermal chambers are procured from third-party suppliers. Together, our in-house and procured equipment enables end-to-end production, from module fabrication to finished-product calibration and testing. As of the Latest Practicable Date, all of our major production assets and equipment were self-owned rather than leased, and were not subject to any mortgage, pledge, lien or other encumbrance, and have not been subject to any seizure, distraint or freezing order.

SALES AND MARKETING

We have established an efficient sales network focused primarily on direct sales. As of the Latest Practicable Date, we had a sales and marketing team of 98 personnel. Our sales and marketing team has profound industry knowledge and expertise and works closely with our customers as well as our internal operations teams to promote our products. Our sales team is organized regionally with further segmentation by vertical industry, such as robotics and scanning, in our major markets, and is supported by tiered technical and field-application-engineering support teams that work closely with our sales organization.

The following table sets forth a breakdown of our revenue by sales channel for the periods indicated.

	For the year ended December 31,						Six months ended June 30,	
	2023		2024		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)						*(unaudited)*	
Direct Sales	355,247	98.7	548,065	97.1	902,880	96.0	403,336	92.2
Distribution	4,759	1.3	16,394	2.9	37,864	4.0	34,270	7.8
Total	**360,006**	**100.0**	**564,459**	**100.0**	**940,744**	**100.0**	**437,606**	**100.0**

Sales Channels

Direct Sales

During the Track Record Period, we mainly conducted our sales through direct sales and generated most of our revenue domestically. We sell directly to enterprise customers, who typically integrate our products into their own end products across various industry sectors. We believe our direct sales model allows us to engage closely with customers throughout the product lifecycle, from initial technical evaluation and design-in support through to volume production, and to respond quickly to customer feedback and evolving technical requirements. This close engagement has also allowed us to build long-term relationships with our customers, and substantially all of our key accounts are supported under framework agreements or long-term cooperation arrangements with terms of one to three years.

The salient terms of our typical direct sales agreements with our customers include the following:

- **Product specifications.** We specify product models, technical parameters, quantities, quality standards and delivery requirements in each purchase order or framework agreement with our customers.

- **Credit period and delivery.** We typically provide our customers with a credit period from 0 to 120 days via wire transfer or bank acceptance bills. We are responsible for delivering products to customer-designated locations, and bear the transportation and handling costs prior to delivery.

- **Warranty.** We provide a standard warranty period of one year from the date of acceptance, during which we provide free repair services for qualifying product defects. We respond to fault reports within 24 hours. After-sales repair services beyond the warranty period are provided on a paid basis.

- **Intellectual property.** We retain complete, exclusive and proprietary intellectual property rights in our products, including patents, designs, trademarks and trade dress. Customers are prohibited from reproducing, reverse-engineering or registering any such intellectual property.

- **Confidentiality.** Both parties are required to maintain confidentiality of all technical, application and commercial information exchanged, including pricing, sales policies, source code, engineering designs and manufacturing processes.

- **Termination.** The agreements may be terminated by mutual agreement or upon material breach by either party. We may also terminate if the customer refuses to sign the delivery note without valid written reasons.

- **Dispute resolution.** Any disputes shall be resolved through friendly negotiation first, failing which either party may file a lawsuit with the competent people's court at the plaintiff's place of domicile.

Distributorship

We sell our products primarily through direct sales, with only a minor portion distributed via regional distributors. We believe this distribution model helps enhance our market penetration and improve our operational efficiency, particularly in overseas markets with diverse customer demands. Distributors provide local market knowledge, sales networks, and customer access, allowing us to accelerate market entry while reducing costs. Our distributors serve both our online and offline channels.

During the Track Record Period, we had 11, 20, 25 and 25 distributors as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively, with relatively modest variations in line with our business growth and strategies. We generated revenue from distributors of RMB4.8 million, RMB16.4 million, RMB37.9 million and RMB34.3 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing approximately 1.3%, 2.9%, 4.0% and 7.8% of our total revenue in the corresponding periods. The increase in revenue from distributors was primarily due to the expansion of our distributor network, growing market demand for our sensor products, particularly in overseas markets, and our distributors' efforts in exploring new market opportunities. Our distribution sales are made under buy-out arrangements, under which the distributors purchase our products for resale to its own customers. Product returns or exchanges are generally limited to defective or non-conforming product. Revenue is recognized when control of the products is transferred, i.e. when products are delivered to the delivery point specified by our distributors. We monitor distributor activities through monthly reports covering end-customer sales. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material channel stuffing, inventory buildup or distributor disputes.

Our sales and marketing team screens and selects distributors whom we believe have the required qualifications and capabilities and are suited to our marketing strategy. We select our distributors based on a number of factors, including their qualification, location, business scale, sales experience, customer base, reputation, technical and sales capabilities. For overseas markets, we focus on introducing leading distributors and agents in the electronics and sensor industries. Our distributors are generally required to comply with all applicable laws, regulations and our policies for distributors. Distributors' business performance is primarily evaluated based on their annual sales performance.

The salient terms of our typical distributor agreements include the following:

- **Pricing.** Distributor purchase prices are set by us and specified in the agreement. Distributors are not permitted to publicly disclose their purchase prices.

- **Sales targets.** Certain of our distributor agreements include purchase amount targets. We do not impose mandatory penalties or forced exit mechanisms for failure to meet such targets.

- **Authorized regions and channels.** Each distributor is authorized to sell our products within specified regions and/or channels. Distributors are prohibited from cross-region, cross-channel or unauthorized sales without our prior written consent.

- **Payment terms.** Payment is generally required in full prior to shipment. For certain major overseas distributors, we grant credit terms of approximately 30 days, managed in accordance with our accounts receivable management policies, and we have purchased export credit insurance to cover credit-term customers.

- **Inventory.** Our distributor agreements generally do not impose minimum inventory level requirements. Upon termination of the agreement, our distributors may continue to sell remaining inventory for a certain period following termination, subject to the same authorized region and pricing restrictions.

- **Termination.** Either party may terminate the agreement by giving three months' prior written notice. Either party may also terminate immediately if the other party commits a material breach that remains uncured within 30 days of written notice, or upon certain other events including material deterioration of the other party's financial condition.

Our sales and marketing department monitors, manages and supports the activities of our distributors to help ensure that they comply with our guidelines, policies and procedures. We implement a unified regional pricing system and designate authorized operating regions and business channel scope to prevent cross-selling and unauthorized low-price sales. For major channel distributors, our sales team monitors project delivery and downstream expansion and tracks key projects and inventory turnover. We monitor distributor activities through sales reports covering end-customer purchasing details, including customer information, product models, purchase quantities and sales progress. We also track product sell-through and obtain sales information from our distributors.

We do not enter into agreements with or exercise management or control over any sub-distributors. We believe the existence of sub-distribution arrangements did not have a material impact on our business.

To our best knowledge, as of the Latest Practicable Date, except for one distributor, which is controlled by a former employee of our Group, all of our distributors are independent third parties. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disputes or claims with our distributors, any material product returns, product recalls or product liability claims relating to our distribution business, or any material channel stuffing, inventory buildup or distributor disputes that adversely affected our business.

Pricing

We price our products by considering a range of factors, including product positioning, competitive landscape and purchase amount of our customers. Our pricing strategy generally falls into two categories. For products in more highly competitive segments, we set prices primarily based on our target gross margin and market share objectives, adjusting pricing dynamically as competitive conditions evolve. For other products, we benchmark against comparable competitor offerings in the market and set our price at a level that is slightly lower than or otherwise competitive with those offerings on a similar performance basis.

Marketing

Our marketing efforts are focused on building brand recognition among enterprise customers in our target industries and on supporting the commercialization of our products in overseas markets. In China, we have established broad market presence and brand awareness. Overseas, we participate regularly in leading industry trade shows and exhibitions to showcase our products and engage with customers, and we plan to expand our brand-building efforts in North America and Europe over the coming years. We also invest in our developer ecosystem, including through partnerships with organizations such as OpenCV, and we intend to deepen our engagement with the broader Physical AI and embodied intelligence ecosystem over the coming years.

OUR CUSTOMERS

During the Track Record Period, our major customers primarily included enterprise customers across robotics, 3D scanning and biometric payment sectors, including certain of the largest and most established brands in their respective fields. Revenue generated from our five largest customers in each period of the Track Record Period was RMB135.7 million, RMB290.8 million, RMB601.3 million and RMB204.0 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing 37.6%, 51.5%, 63.9% and 46.6% of our total revenue in the corresponding periods. For the same periods, revenue generated from our largest customer in each period of the Track Record Period was RMB62.4 million, RMB159.7 million, RMB282.0 million and RMB119.6 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 17.3%, 28.3%, 30.0% and 27.3% of our total revenue in the corresponding periods.

The following table sets forth details of our five largest customers in each period during the Track Record Period.

For the Year Ended December 31, 2023

Customer	Background	Products Purchased	Credit Terms	Commencement of Business Relationship (Since)	Revenue Contribution	% of Total Revenue
					(RMB in thousands)	*(%)*
Customer A	A public company listed on Hong Kong Stock Exchange, headquartered in China, and primarily engaged in Business Internet of Things (BIoT) solutions.	Biometric devices	60 days	2017	62,437.0	17.3
Customer B	A public company listed on Hong Kong Stock Exchange, headquartered in China, and primarily engaged in consumer 3D printing products and services.	3D scanning devices	25 workdays upon receipt	2023	32,820.9	9.1
Customer C	A private company headquartered in China and primarily engaged in Internet of Things (IoT) technology services.	Biometric devices	0 to 120 days	2019	18,517.0	5.1
Customer D	A private company headquartered in China and primarily engaged in healthcare IT solutions and services.	Biometric devices	0 to 120 days	2018	13,098.6	3.6
Customer E	A public company listed on Shanghai Stock Exchange, headquartered in China and primarily engaged in commercial cold chain equipment.	Biometric devices	0 to 60 days	2019	8,848.9	2.5
Total					**135,722.4**	**37.6**

For the Year Ended December 31, 2024

Customer	Background	Products Purchased	Credit Terms	Commencement of Business Relationship (Since)	Revenue Contribution	% of Total Revenue
					(RMB in thousands)	*(%)*
Customer B	A public company listed on Hong Kong Stock Exchange, headquartered in China, and primarily engaged in consumer 3D printing products and services.	3D scanning devices	25 workdays upon receipt	2023	159,662.9	28.3
Customer F	A private company headquartered in China and primarily engaged in digital payment and internet finance services.	Biometric devices	15 days upon receipt	2019	44,638.4	7.9
Customer G	A private company headquartered in China and primarily engaged in medical imaging and smart healthcare solutions.	Biometric devices	0 to 135 days	2018	38,244.3	6.8
Customer D	A private company headquartered in China and primarily engaged in healthcare IT solutions and services.	Biometric devices	0 to 120 days	2018	31,273.6	5.5
Customer H	A public company listed on National Equities Exchange and Quotations, headquartered in China and primarily engaged in identification terminal products and AI hardware solutions.	Biometric and AIoT devices	30 days	2018	16,968.4	3.0
Total					**290,787.6**	**51.5**

For the Year Ended December 31, 2025

Customer	Background	Products Purchased	Credit Terms	Commencement of Business Relationship (Since)	Revenue Contribution	% of Total Revenue
					(RMB in thousands)	*(%)*
Customer B	A public company listed on Hong Kong Stock Exchange, headquartered in China, and primarily engaged in consumer 3D printing products and services.	3D scanning devices	25 workdays upon receipt	2023	281,970.3	30.0
Customer F	A private company headquartered in China and primarily engaged in digital payment and internet finance services.	Biometric devices	15 days upon receipt	2019	252,525.3	26.8
Customer H	A public company listed on National Equities Exchange and Quotations, headquartered in China and primarily engaged in identification terminal products and AI hardware solutions.	Biometric and AIoT devices	30 days	2018	35,930.7	3.8
Customer D	A private company headquartered in China and primarily engaged in healthcare IT solutions and services.	Biometric devices	0 to 120 days	2018	16,220.7	1.7
Customer I	A private company headquartered in China and primarily engaged in R&D and manufacturing of commercial service robots.	AIoT devices	60 days	2020	14,702.4	1.6
Total					**601,349.4**	**63.9**

For the Six Months Ended June 30, 2026

Customer	Background	Products Purchased	Credit Terms	Commencement of Business Relationship (Since)	Revenue Contribution	% of Total Revenue
					(RMB in thousands)	*(%)*
Customer B	A public company listed on Hong Kong Stock Exchange, headquartered in China, and primarily engaged in consumer 3D printing products and services.	3D scanning devices	25 workdays upon receipt	2023	119,618.5	27.3
Customer F	A private company headquartered in China and primarily engaged in digital payment and internet finance services.	Biometric devices	15 days upon receipt	2019	52,949.9	12.1
Customer J	A private company headquartered in Singapore, primarily engaged in R&D and manufacturing commercial service robots.	Sensors and robotic OEM services	90 days upon shipment	2020	12,087.7	2.8
Customer H	A public company listed on National Equities Exchange and Quotations, headquartered in China and primarily engaged in identification terminal products and AI hardware solutions.	Biometric and AIoT devices	30 days	2018	9,844.1	2.2
Customer I	A private company headquartered in China and primarily engaged in R&D and manufacturing of commercial service robots.	AIoT devices	60 days	2020	9,529.2	2.2
Total					**204,029.4**	**46.6**

As of the Latest Practicable Date, except for (i) Customer F, which is the parent company of one of our Shareholders, and (ii) Customer A, in which Customer F holds a minority equity interest, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each period during the Track Record Period. Each of our five largest customers for each period during the Track Record Period was an independent third party.

OUR SUPPLIERS

Our Major Suppliers

During the Track Record Period, our major suppliers primarily consisted of providers of optical components, electronic components, structural components and other raw materials and services used in our products. Purchases from our five largest suppliers in each period of the Track Record Period were RMB43.2 million, RMB74.7 million, RMB99.8 million and RMB65.6 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 24.4%, 18.9%, 19.9% and 22.4% of our total purchases in the corresponding periods. Purchases from our largest supplier in each period of the Track Record Period were RMB12.0 million, RMB18.6 million, RMB22.5 million and RMB25.2 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 6.8%, 4.7%, 4.5% and 8.6% of our total purchases in the corresponding periods.

The typical salient terms of our standard agreements with our major suppliers include the following.

- **Product specifications.** We specify the product name, brand, model, specifications, quantity, unit price and total price in each purchase order sent to our suppliers. The supplier's technical parameter documentation forms an integral part of the agreement.

- **Payment and delivery.** We typically pay a portion of the contract price as an advance payment upon contract signing, with the balance payable upon acceptance and receipt of a valid VAT invoice. The supplier is responsible for delivering products to our designated location.

- **Quality control.** The supplier warrants that all products have obtained the requisite quality certifications from relevant government authorities and do not infringe the intellectual property rights of any third party. The supplier is required to conduct rigorous product inspection and testing to ensure conformity with the agreed technical specifications.

- **Warranty.** The supplier provides a product quality warranty period of 24 months from the date of delivery, during which the supplier is responsible for free repair or replacement of any products with quality defects and bears all associated costs. The supplier must address warranty issues within three days of notification.

- **Termination.** The agreements may be terminated by mutual agreement, or by either party upon material breach by the other party.

- **Dispute resolution.** Any disputes shall be resolved through friendly negotiation first, failing which either party may file a lawsuit with the competent people's court at the plaintiff's place of domicile.

Contract Manufacturers

We engage third-party contract manufacturers for certain non-core processes and product categories, including SMT processing for selected PCBA boards and complete unit assembly for selected consumer-facing products such as biometrics recognition payment terminals, tablet devices and identity verification devices. We have maintained long-term relationships with our principal contract manufacturers, which have consistently and reliably met our production needs. To manage the quality of our contract manufacturers, we station our own quality and engineering personnel on-site at their facilities to oversee incoming materials, in-process production, finished product testing and after-sales handling on a full-lifecycle basis. Where quality issues arise, they are jointly investigated and resolved by us and the relevant contract manufacturer. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material quality issues, delivery delays or disputes with our contract manufacturers.

The salient terms of our typical agreements with our contract manufacturers include the following:

- **Product specifications.** We specify the product description, quantity, required delivery date, delivery destination and applicable technical data and version numbers in each processing order. The contract manufacturer must use materials provided by us and may not substitute materials without our prior written consent.

- **Payment and settlement.** Processing fees are settled on a monthly basis, calculated at agreed rates based on accepted product quantities, placement points or actual hours worked, as applicable.

- **Warranty.** For defective products attributable to the contract manufacturer's processing within the agreed warranty period, the contract manufacturer is responsible for free repair and bears the associated costs, including labor, logistics and materials. For batch-level defects exceeding a certain percentage of the relevant batch, we are entitled to return the entire batch for full inspection or replacement.

- **Materials ownership and management.** All raw materials, components, semi-finished goods, tooling and equipment provided by us remain our property at all times. The contract manufacturer must store our materials in a designated area and may not use them for purposes other than fulfilling orders under the agreement. Excess material consumption beyond agreed wastage rates is deducted from processing fees.

- **Intellectual property.** All our existing intellectual property rights in the products, including any improvements or modifications arising during, or resulting from, the manufacturing process, remain exclusively ours. The contract manufacturer may use our intellectual property solely for the purpose of fulfilling the agreement and is prohibited from reverse-engineering, disassembling or otherwise misusing our proprietary technology.

- **Design and engineering changes.** We may modify product designs upon advance notice. The contract manufacturer may not make any material process or design changes that affect product performance without our prior written consent.

- **Termination.** Either party may terminate the agreement by giving prior written notice without cause. Either party may also terminate on prior notice if the other party fails to cure a material breach within a specified time of written notification. The agreement terminates immediately upon the bankruptcy or dissolution of either party.

- **Dispute resolution.** Any disputes shall be resolved through friendly negotiation first. If negotiation fails, the dispute shall be submitted to the competent court or arbitral institution.

Supplier Management

Most of the raw materials used in our products are readily available in the market from multiple suppliers, and we believe we have access to alternative sources with comparable quality and pricing. During the Track Record Period, we purchased our raw materials primarily from suppliers located in China and did not experience any significant difficulties in maintaining stable sources of supply, and we expect to continue maintaining adequate sources of qualified supplies in the future.

We have established a supplier management system covering supplier onboarding, ongoing evaluation and periodic review to help ensure the quality and reliability of our supply chain. New suppliers must pass a joint review by our quality, procurement and R&D departments before being onboarded, with each department scoring the candidate supplier against its own criteria. Following onboarding, we conduct quarterly business reviews of active suppliers, assessing them on dimensions such as delivery performance, service responsiveness, new product introduction capability and cost control. We also conduct annual reviews to evaluate each supplier's overall performance.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any disruption of business as a result of shortages or delays in procurement from our suppliers.

OVERLAPPING OF MAJOR CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our major customers were also our suppliers. In 2023, 2024, 2025 and the six months ended June 30, 2026, we had one, one, one and one of our five largest customers that were also our suppliers, respectively. The overlapping customers and suppliers were Customer C, Customer F, and Customer I. The aggregate sales to these overlapping customers and suppliers amounted to RMB21.5 million, RMB61.9 million, RMB268.1 million and RMB62.7 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, and the aggregate purchase amounts from these overlapping customers and suppliers amounted to RMB12.1 million, RMB18.6 million, RMB6.5 million and RMB4.9 million in the same periods. These customers purchased biometric devices or AIoT devices from us, while we procured R&D components, application software and devices for manufacturing and display from them for use in our business. The following paragraphs set forth the nature and amount of sales to, and purchases from, each of these overlapping customers and suppliers.

Customer C, is a private company headquartered in China and primarily engaged in IoT technology services. During the Track Record Period, Customer C purchased biometric devices from us and supplied us with R&D components. Our sales to Customer C amounted to RMB18.5 million, RMB12.8 million, RMB0.9 million and RMB0.3 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 5.1%, 2.3%, 0.1% and 0.1% of our revenue during the same periods, respectively. Our purchase amounts from Customer C were RMB5.1 thousand, RMB3.5 thousand, nil and nil in the same periods, respectively.

Customer F, is a private company headquartered in China and primarily engaged in digital payment and internet finance services and is the parent company of one of our Shareholders. During the Track Record Period, Customer F purchased biometric devices from us and provided technology services to us. Our sales to Customer F amounted to RMB0.3 million, RMB44.6 million, RMB252.5 million and RMB52.9 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 0.1%, 7.9%, 26.8% and 12.1% of our revenue during the same periods, respectively. Our purchase amounts from Customer F were RMB12.0 million, RMB18.6 million, RMB6.5 million and RMB4.9 million in the same periods, respectively.

Customer I, is a private company headquartered in China and primarily engaged in the research and development and manufacturing of commercial service robots. During the Track Record Period, Customer I purchased AIoT devices from us and supplied us with devices for manufacturing and display. Our sales to Customer I amounted to RMB2.7 million, RMB4.5 million, RMB14.7 million and RMB9.5 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 0.7%, 0.8%, 1.6% and 2.2% of our revenue during the same periods, respectively. Our purchase amounts from Customer I were RMB0.1 million, nil, nil and nil in the same periods, respectively.

Our Directors confirm that all our sales to, and purchases from, the overlapping customers and suppliers were conducted at arm's length in the ordinary course of business, and under normal commercial terms. Except for Customer F, who is the parent company of one of our Shareholders, all these overlapping companies are independent third parties. Our directors also confirm that prices of the transactions with overlapping customers and suppliers are comparable to similar transactions conducted with other comparable customers and suppliers.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We primarily engage reputable third-party logistics service providers to handle the delivery of our products from our production facilities and warehouses to the venue specified by our customers, as well as the procurement of raw materials. These logistics providers are responsible for customs clearance, where applicable, and the entire transportation process, with liability for any damage occurring in transit borne by the relevant provider.

Inventory Management

Our inventories consisted of (i) raw materials, (ii) finished goods, (iii) goods in transit, representing goods delivered to customers which have not yet been accepted by customers and for which revenue-recognition criteria have not been satisfied, (iv) work in progress, and (v) contract fulfilment costs. As of December 31, 2023, 2024, 2025 and June 30, 2026, our inventories amounted to RMB159.0 million, RMB219.9 million, RMB185.6 million and RMB256.2 million, respectively. Our inventory turnover days for the same periods were 265 days, 201 days, 135 days and 170 days.

We operate under a make-to-stock model rather than a make-to-order model. We procure and produce ahead of demand and maintain a steady level of finished goods inventory to serve our broad customer base. We have implemented a periodic inventory review mechanism to support disciplined inventory management. We refresh and monitor inventory data on a weekly basis and conduct a systematic review of raw material and finished goods turnover on a monthly basis. Based on the outcome of these reviews, we adjust our stocking strategy in light of supply availability and prevailing market conditions. For finished products, we plan our production capacity in reference to finished goods inventory turnover days, in order to align production with market demand while meeting our quality management requirements. During the Track Record Period and up to the Latest Practicable Date, we did not experience any instances where a customer order could not be accepted or fulfilled due to material shortages or insufficient production capacity.

QUALITY CONTROL

We are committed to delivering high-performance products characterized by consistent quality and reliability, and we implement strict quality controls throughout our production and delivery processes. Our current manufacturing facility holds ISO9001, ISO45001 and ISO14001 certifications as well as SMETA social responsibility system certification, underscoring our commitment to quality control and management.

Under our integrated product development framework, we assign a design quality engineer to each project at the R&D stage. Our design quality engineers review key performance indicators against target specifications and monitor quality risks throughout the project lifecycle. When raw materials are introduced into production, a supplier quality engineer takes responsibility for raw materials quality management. During mass production, our in-process quality control personnel conduct rolling inline inspections at each production stage, our functional quality control personnel perform functional sampling on assembled units, and our shipping quality control personnel conduct opening inspections of packaged units before release from our warehouse. After sale, our after-sales quality team is responsible for follow-up and resolution of customer-facing issues. We have also adopted a dedicated contingency plan for quality-related incidents. When an incident is identified, our quality team coordinates root cause analysis, containment measures and corrective action, and continues to track the affected product's field performance in the market following resolution. During the Track Record Period and up to the Latest Practicable Date, there were no material product recalls related to our products. In addition, during the Track Record Period and up to the Latest Practicable Date, our products had not been subject to any material claim, litigation or investigation.

PRODUCT RETURNS AND WARRANTY

Our quality department serves as the centralized point of contact for handling customer complaints. We generally only permit returns of defective products or other reasonable requests for return that we approve on a case-by-case basis. During the Track Record Period, we did not receive any material quality-related customer complaints, product quality issues, product recalls or material returns.

We provide our customers and distributors with warranty coverage, during which we provide repair or replacement services for qualifying product defects at no additional charge. For consumer-facing products, we provide a standard warranty card in compliance with the PRC "Three Guarantees" policy. For enterprise customers, we typically provide warranty terms of one year. Any repair or other after-sales service requested after expiration of the applicable warranty period or beyond the covered proportion is provided on a paid basis. Our warranty expenses amounted to RMB104 thousand, RMB42 thousand, RMB362 thousand and RMB229 thousand, in 2023, 2024, 2025, and the six months ended June 30, 2026, respectively.

Where a product defect is attributable to raw materials or components supplied by a supplier, the relevant product quality liability is borne in principle by the supplier. Any inspection or quality control activities conducted by us do not relieve the supplier of its quality obligations. If a supplier-attributable defect causes third-party personal or property damage, the supplier bears the corresponding product liability. Where we advance compensation, repair, recall or other costs on behalf of a supplier for customer-relationship or market-management reasons, the supplier is required to reimburse us in full, including but not limited to indemnity payments, legal fees, travel expenses and other actual expenditures.

COMPETITION

The markets in which we operate, including robotics 3D visual perception, embodied intelligence data collection devices and dedicated 3D application devices, are highly competitive and are evolving rapidly. We compete with global and domestic providers of 3D visual perception products and solutions, comprising both comprehensive providers with capabilities across multiple technology pathways and scaled mass production, and specialized providers focusing on specific technologies or application scenarios. As applications such as embodied intelligence robots, commercial service robots and industrial robots continue to expand, competition has extended beyond individual sensor performance to comprehensive capabilities in technology, product portfolio, customer coverage, scaled delivery and ecosystem compatibility. Leading players typically offer diversified technologies including binocular vision, structured light and ToF, supported by accumulated experience in product development, mass production and scenario adaptation, while specialized players differentiate through specific technologies, product forms or application scenarios. As robot applications become more complex and scaled deployment increases, companies with full-stack capabilities, broader product portfolios and large-scale delivery experience are expected to gain stronger competitive advantages. For details of the competitive landscape in our industry, please refer to "Industry Overview."

The global robot 3D visual perception market is relatively concentrated, with leading players accounting for a significant share of the market. Unlike ordinary cameras that primarily perform image capture and data transmission, robot 3D vision typically incorporates capabilities such as depth perception and data processing, enabling the real-time processing and analysis of captured visual data and converting such data into information that can support robots in environmental understanding, 3D assessment and task decision-making, thereby enabling the execution of more complex robotic tasks. Leading players have secured significant market shares through their long-term accumulation of capabilities in 3D visual perception technologies, product performance, scaled delivery and customer resources. For further details of the risks associated with competition in our industry, see "Risk Factors — Risks Relating to Our Business and Industry — The industries in which we operate are highly competitive and may become more competitive. If we fail to compete effectively, our business, financial condition and results of operations may be materially and adversely affected."

DATA PRIVACY AND SECURITY

We attach great importance to data security and protection. We have established a series of internal policies and procedures, including the Data Compliance Management Measures and the Information Security Incident Management Measures, to govern matters related to our data management. To safeguard the overall security of our data and IT systems, we have formulated the Data Classification, Grading and Confidentiality Management Measures and the Information Security Policy, and designated the Information Security and Data Compliance Committee as the management body responsible for supervising and inspecting the implementation of technical security measures and protection management systems across all departments.

We have implemented comprehensive management protocols for data based on its level of confidentiality. These protocols ensure that the collection, storage, transfer, duplication, backup, and destruction of data comply with our internal policies as well as applicable laws and regulations. We collect and store essential data integral to our business operations, which includes commercial and transactional information from our engagements with customers, suppliers, and other counterparties, as well as personal information of our employees, job applicants, and designated contacts within our partner organizations, primarily consisting of their names and contact information. We primarily collect the aforementioned business contact and transaction-related information through our enterprise email, official website, and ERP systems.

To safeguard information security and prevent unauthorized internal access, access to and management of the personal information database of employees and designated contact persons of our business partners are strictly limited to authorized personnel within the Group. Based on the terms of our agreements with customers and suppliers and in accordance with general commercial practice, the ownership of external business and transaction information we obtain belongs to the party providing such information.

Data backups are performed regularly, with access to backup files strictly restricted to authorized employees, following a rigorous approval process. All access is logged for accountability. The destruction of data requires approval from Information Security and Data Compliance Committee. Confidential-level data must be conducted under supervision with records maintained to ensures that the data is rendered irrecoverable.

Given that during the Track Record Period and up to the Latest Practicable Date, (i) we did not receive any complaints regarding our data privacy or security measures, (ii) to the best of our knowledge, there were no investigations, legal proceedings, or administrative penalties for violations of cybersecurity, data security, or personal information protection laws or regulations, nor were any such actions pending or threatened by competent authorities or third parties, and (iii) we have established and implemented comprehensive internal policies and protocols to govern our data management, our Directors are of the view that we have complied with the relevant laws and regulations on cybersecurity and data security and privacy during the Track Record Period and up to the Latest Practicable Date.

EMPLOYEES

As of the Latest Practicable Date, we had a total of 1,098 employees, a substantial majority of whom were based in the Chinese Mainland. The following table sets forth the number of our employees by function as of the same date.

Functions	Number of employees by function	Percentage (%)
R&D	509	46.4
Supply Chain	320	29.1
Administration	171	15.6
Sales	98	8.9
Total	**1,098**	**100.0**

We offer our employees a compensation package designed to be internally equitable and externally competitive, comprising base salary, performance-linked bonuses, benefits and long-term incentives, and we have also adopted a series of equity incentive arrangements to attract, retain and motivate key talent. We provide our employees with structured training, including onboarding programs, mentorship for new joiners, an internal online learning platform offering various courses and tiered leadership development programs for our management.

As required under PRC labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans.

INSURANCE

We consider our insurance coverage to be adequate for our business operations in accordance with the commercial practices in the industries in which we operate. Our employee-related insurance consists of statutory social insurance and overseas business travel insurance. We have also purchased export credit insurance, property insurance covering our headquarters building and our Shunde production base, product liability insurance for exports of selected customer products and motor vehicle insurance. Our Directors are of the view that our insurance policy complies in the material aspects with the relevant rules and regulations. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all losses, liabilities or risks incurred in the course of our operations."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

ESG Management and Strategy

We integrate ESG principles throughout our corporate governance and operational management processes, continuously enhance our ESG management mechanisms, and promote the systematic implementation of environmental, social and governance initiatives. We have established an ESG management framework with clearly defined responsibilities for the oversight and implementation of ESG matters. The Board oversees key ESG matters and provides overall direction for our ESG management. The ESG Working Group, headed by our general manager with our Board secretary serving as deputy head, serves as the principal execution body for ESG matters and is responsible for coordinating and implementing ESG initiatives across our operations. Our Board Office supports the day-to-day implementation of ESG matters, including stakeholder communication, ESG information collection and consolidation, materiality assessment and ESG reporting. In addition, we maintain effective communication with government and regulatory authorities, shareholders and investors, employees, customers, suppliers and other stakeholders, and continuously seek to understand their expectations, views and recommendations, and enhance our ESG management priorities and related mechanisms in light of our business and operational development.

Green Synergy

Addressing Climate Change

We recognize the potential impacts of climate change on our operations and sustainable development and incorporate climate-related matters into our ESG and operational management systems. Taking into account the characteristics of our business and operations, we continue to advance environmental management, energy conservation, resource efficiency and greenhouse gas emissions management, while monitoring factors that may affect our operations, including extreme weather events, changes in environmental and carbon emissions policies and fluctuations in energy prices. Through these measures, we aim to strengthen our ability to address climate-related risks and capture potential opportunities arising from the transition toward green and low-carbon development.

Our key climate-related risks and corresponding mitigation measures are set out below:

Risk Type	Risk Event	Risk Level	Time Horizon	Potential Impact	Mitigation Measures
Physical Risk	Extreme weather events such as extreme heat, heavy rainfall and typhoons	Low	Short to medium term	May disrupt production and business premises, logistics and transportation, and employee safety, and increase equipment maintenance and operating costs	We have established contingency plans for major disasters, safety incidents and other emergencies, conduct relevant training and emergency drills, and carry out regular safety inspections and hazard rectification
Transition Risk	Energy price fluctuations and increasing requirements for green operations	Medium	Medium to long term	May increase production and operating costs and impose higher requirements on energy efficiency	We strengthen energy conservation management and conduct energy conservation assessments and acceptance inspections for the R&D project for the Robot Vision Industry Technology Platform and the 3D Vision Sensing Intelligent Manufacturing Base project to continuously improve energy efficiency

Our key climate-related opportunities and corresponding response measures are set out below:

Opportunity	Description	Potential Impact	Response Measures
Improved Energy Efficiency	Increasing energy conservation requirements and improvements in energy efficiency create opportunities to further optimize energy use	Helps reduce energy consumption and operating costs and improve energy efficiency	We continue to advance energy conservation management and conduct energy conservation assessments and acceptance inspections for the R&D project for the Robot Vision Industry Technology Platform and the 3D Vision Sensing Intelligent Manufacturing Base project to improve energy efficiency
Enhanced Green Operations Capabilities . . .	Increasing requirements for green and low-carbon operations and efficient resource utilization create opportunities to optimize production and operating practices	Helps improve water and other resource utilization efficiency and reduce the environmental impact of production and operations	We continue to optimize production and resource use management, promote the treatment and reuse of production wastewater, and regulate waste classification, collection and disposal through internal policies including the Waste Management Policy, thereby improving resource efficiency

With respect to greenhouse gas emissions management, we continue to strengthen our climate-related management practices and progressively enhance our GHG emissions management processes in light of our business characteristics. We refer to relevant requirements, including the Guidelines on Enterprise Greenhouse Gas Emissions Accounting Methods and Reporting issued by the Ministry of Ecology and Environment of the PRC, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Our GHG accounting covers Scope 1 direct GHG emissions, Scope 2 energy indirect GHG emissions and Scope 3 other indirect GHG emissions across the value chain, including emissions arising from office and R&D premises, vehicle use, purchased electricity, business travel, supply chain activities, raw materials and product transportation.

For the six months ended June 30, 2026, our total GHG emissions amounted to 4,831.9 tonnes of CO2 equivalent ("**tCO_2e**"), comprising 25.3 tCO_2e of Scope 1 direct GHG emissions, 2,535.2 tCO_2e of Scope 2 energy indirect GHG emissions and 2,271.4 tCO_2e of Scope 3 other indirect GHG emissions across the value chain. Our GHG emissions intensity was 11.0 tCO_2e per RMB million of revenue. Based on the above climate management measures and emissions performance, we have set 2025 as the base year and established phased GHG emissions reduction targets: by 2028, to reduce GHG emissions intensity by 1% compared with 2025; and by 2030, to achieve a cumulative reduction of 3% in GHG emissions intensity compared with 2025.

	For the years ended December 31			For the six months ended June 30
	2023	2024	2025	2026
Total GHG emissions (tCO_2e)	2,942.0	5,570.6	10,354.3	4,831.9
Scope 1 — Direct GHG emissions (tCO_2e)	14.0	46.3	63.1	25.3
Scope 2 — Indirect GHG emissions (tCO_2e)	267.2	2,365.6	4,532.5	2,535.2
Scope 3 — Other indirect GHG emissions across the value chain (tCO_2e)	2,660.8	3,158.8	5,758.8	2,271.4
GHG emissions intensity (tCO_2e/RMB million of revenue)	8.2	9.9	11.0	11.0

Pollutant Emissions Management

We place great importance on pollutant emissions management, strictly comply with applicable national and local environmental protection laws and regulations, and have established management mechanisms covering waste gas, noise, domestic wastewater and solid waste in light of our production and operational characteristics. We have formulated the Environmental Pollution Management Standards for Waste Gas, Wastewater and Solid Waste to regulate relevant pollutant emissions and clarify management responsibilities. For VOCs generated during production, we optimize production processes, collect and treat waste gas through dedicated collection systems and two-stage activated carbon adsorption units, conduct regular inspections and maintenance of treatment facilities, and engage qualified third-party institutions to carry out emissions testing. For solid waste, we classify and manage domestic waste, industrial waste and hazardous waste in accordance with our Solid Waste Control Procedures. Industrial and hazardous waste generated during production is separately collected, properly stored and disposed of by qualified third-party service providers in accordance with applicable requirements, thereby reducing the environmental impact of our production and operations.

Resource Management

We place great importance on the management of energy, water and other resources and integrate energy conservation and efficient resource utilization into our daily operations. In light of our production and operational characteristics, we continue to enhance relevant management mechanisms and strengthen the management of energy, water and waste materials to improve resource efficiency. In terms of energy management, we continue to advance energy conservation initiatives and conduct energy conservation assessments and acceptance inspections for the R&D project for the Robot Vision Industry Technology Platform and the 3D Vision Sensing Intelligent Manufacturing Base project to improve energy efficiency. In terms of water management, we strengthen the management of production and domestic water use. In accordance with the environmental impact assessment requirements of the relevant projects, production wastewater is fully reused after treatment without external discharge, while domestic wastewater is discharged into municipal sewer networks and subsequently treated at wastewater treatment plants after meeting applicable discharge standards. For other resources, we have formulated the Waste Materials Management Policy, which standardizes the centralized storage, classified collection and disposal of office, domestic and industrial waste materials to improve resource efficiency. Based on the above resource management measures, we have established a phased resource management target: by 2027, to reduce comprehensive energy consumption intensity by 1% compared with 2025.

	For the years ended December 31			For the six months ended June 30
	2023	2024	2025	2026
Water consumption (m^3)	6,619.0	14,090.0	43,879.0	28,270.0
Total energy consumption (tonnes of standard coal)	143.1	1,169.9	2,207.4	1,220.7
Energy consumption intensity (tonnes of standard coal/RMB million of revenue) . .	0.4	2.1	2.3	2.8

Creating Shared Value

Product and Service Safety and Quality

We place great importance on the safety, quality and compliance of our products and services and have established a comprehensive quality management system covering the full lifecycle of our products. We continuously strengthen product quality control, traceability, customer service and intellectual property protection to support the safety and reliability of our products and services. For further details, see "Business — Quality Control," "Business — Product Returns and Warranty" and "Business — Intellectual Property Rights."

Employee Development

We place great importance on employee development and talent cultivation and are committed to providing a fair, equal and inclusive working environment while safeguarding employees' lawful rights and interests. We have established employee development and training mechanisms covering onboarding, professional skills, management capabilities and mentoring to support employees' continuous development. For further details, see "Business — Employees." As of the Latest Practicable Date, we had a total of 1,098 employees, including 790 male employees and 308 female employees.

Occupational Health and Safety

We place great importance on employees' occupational health and personal safety and incorporate occupational health and safety management into our production and operational management system. We strictly comply with relevant laws and regulations and have established work safety and occupational health management mechanisms in light of our operational characteristics. We have established a Work Safety Leading Group and an occupational health and safety management system and obtained ISO 45001 occupational health and safety management system certification. We conduct work safety education, safety inspections, hazard rectification, relevant training and emergency drills, and have formulated contingency plans for major disasters, safety incidents and other emergencies. We have also established occupational disease prevention and labor protection requirements to safeguard employees' occupational health and safety. For further details on our employee arrangements and related insurance coverage, see "Business — Employees" and "Business — Insurance." As of June 30, 2026, we had no work-related fatalities.

Sustainable Supply Chain

We place great importance on the compliance, stability and sustainable development of our supply chain. We specify sustainability-related requirements through framework agreements and relevant commitment documents, including environmental impact assessment agreements and conflict-free minerals commitment letters, to promote environmental protection and responsible mineral sourcing among our suppliers. For further details on our supplier management, see "Business — Our Suppliers — Supplier Management."

Community Contribution

We actively fulfill our corporate social responsibilities and attach importance to creating social value through public welfare activities, industry-academia collaboration and talent development. Focusing on artificial intelligence and 3D vision, we uphold the philosophy of "industry-education integration and collaborative talent development" and jointly established the "Light-Chasing Space Station" industry-academia cooperation platform to provide university students with practical experience and exchange opportunities and support talent development in the 3D vision field. We also contribute to community and social development through charitable donations, consumption-based poverty alleviation initiatives and participation in industry ecosystem development.

Business Ethics

We place great importance on integrity and anti-corruption management and regard them as an important foundation for compliant governance and sound operations. We have established internal policies and management mechanisms to prevent corruption, commercial bribery, fraud and other misconduct, and continue to strengthen risk assessment, whistleblowing, supervision and compliance training. For further details, see "Business — Risk Management and Internal Control — Human Resources Risk Management." From time to time, we organize specialized anti-fraud trainings to our employees. As of June 30, 2026, there were no corruption-related litigation cases involving the Company.

PROPERTIES

Our headquarters is located in Shenzhen, China. As of the Latest Practicable Date, we owned three properties in Chinese Mainland, comprising our office, R&D center in Shenzhen and Shunde base in Guangdong for manufacturing, warehousing and related operations, with an aggregate gross floor area (GFA) of approximately 109,267.0 sq.m. We leased three properties as of the same date in Chinese Mainland, as our office and R&D center, with a GFA of approximately 644.7 sq.m. Outside Chinese Mainland, we leased one building in the United States and one building in Vietnam as our office and production base, respectively, with an aggregate GFA of approximately 7,901.0 sq.m., and one land in Vietnam for the construction of our production base, with a site area of approximately 45,000.0 sq.m.

As of June 30, 2026, none of the properties leased or owned by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our Group's interests in land or buildings.

LICENSES, PERMITS AND APPROVALS

Our PRC Legal Advisors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations and such licenses, permits and certifications all remain in full effect in the Chinese Mainland. We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

Compliance

We are subject to various regulatory requirements and guidelines issued by the regulatory authorities in the jurisdictions in which we operate. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation. According to our PRC Legal Advisors, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects as of the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

We are committed to developing and maintaining robust risk management and internal control systems tailored to our business operations, with a continuous focus on enhancing their effectiveness. We continually review the implementation of our risk management and internal control policies and procedures to enhance their effectiveness and sufficiency.

Financial Reporting Risk Management

Our financial reporting risk management involves a set of accounting policies. We have established procedures to effectively implement these policies, and our financial department regularly reviews management accounts based on these procedures. Additionally, we provide ongoing training to our finance department employees to ensure they are well-versed in and can effectively apply our financial management and accounting policies in our daily operations.

Internal Control Risk Management

To ensure compliance with applicable regulations and internal standards, we have instituted stringent internal procedures. Our compliance team collaborates closely with the finance and business departments to: (a) perform risk assessments and advise risk management strategies; (b) improve business process efficiency and monitor internal control effectiveness; and (c) promote risk awareness throughout our Company. We maintain rigorous internal procedures to secure all necessary licenses, permits, and approvals for our operations, with regular reviews by our internal control team to monitor the status and effectiveness of these authorizations. Our compliance team also coordinates with relevant departments to secure the necessary governmental approvals or consents for filings with appropriate authorities.

Human Resources Risk Management

We conduct regular and specialized training tailored to the diverse needs of our departments, ensuring that our staff's skills are current and aligned with our customer service objectives. We provide our employees with an employee handbook that outlines internal rules and guidelines on best commercial practices, work ethics, fraud prevention, negligence and corruption. Additionally, we have established a code of business conduct and ethics and an anti-bribery and corruption policy. These guidelines outline the best commercial practices and work ethics, providing clear anti-bribery guidance and measures. We maintain an open internal reporting channel for our staff to report any wrongdoing or misconduct, ensuring that all reported incidents and individuals are investigated, with appropriate actions taken based on the findings.

AWARDS AND RECOGNITION

During the Track Record Period, we received awards and recognitions in respect of our services, technology and innovation. The following table sets out the details of some of the notable awards and recognitions which we have received.

Award/Recognition	Award Time	Awarding Institution/Authority
First Prize, Science and Technology Progress Award, Guangdong Artificial Intelligence Industry Association (廣東省人工智能產業協會科學技術獎科技進步獎一等獎)	January 2023	Guangdong Artificial Intelligence Industry Association (廣東省人工智能產業協會)
Excellence Award, 10th Guangdong Patent Award (第十屆廣東省專利獎優秀獎)	August 2023	Guangdong Provincial People's Government (廣東省人民政府)
First Prize, Science and Technology Progress Award, Chinese Association of Automation (中國自動化學會科技進步獎一等獎)	October 2023	Chinese Association of Automation (中國自動化學會)
DIA China Design Award — Honorable Mention (DIA中國設計獎——佳作獎)	December 2023	China Design Intelligence Award Committee (中國設計智造大獎組委會)
iF Design Award (iF設計獎)	June 2024	iF International Forum Design GmbH (Germany) (德國iF國際論壇設計有限公司)
Red Dot Design Award (紅點設計獎)	June 2024	Red Dot Award Institution (Design Zentrum Nordrhein Westfalen, Germany) (德國紅點獎機構(威斯特法倫北威設計中心))
Science and Technology Progress Award, 4th Shenzhen Artificial Intelligence Award (第四屆「深圳人工智能獎」科技進步獎)	March 2025	Shenzhen Artificial Intelligence Society (深圳市人工智能學會)
First Prize, Beijing Science and Technology Invention Award (北京市科學技術發明獎一等獎)	May 2025	Beijing Municipal People's Government (北京市人民政府)
Second Prize, Artificial Intelligence Science and Technology Progress Award, Guangdong Outstanding Artificial Intelligence and Robotics Award (廣東省卓越人工智能與機器人獎 — 人工智能科技進步獎二等獎)	December 2025	Guangdong Artificial Intelligence Industry Association (廣東省人工智能產業協會)
Excellence Award, 11th Guangdong Patent Award (第十一屆廣東省專利優秀獎)	April 2026	Guangdong Provincial People's Government (廣東省人民政府)

BOARD OF DIRECTORS

Our Board consists of eight Directors, comprising four executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets forth the key information about our Directors as of the Latest Practicable Date.

Name	Age	Positions	Roles and responsibilities	Date of first joining our Group	Date of first appointment as a Director
Dr. HUANG Yuanhao (黃源浩)	[46]	Chairperson of the Board, executive Director and general manager	Leading the formulation and implementation of the Group's overall development strategy, core technology research and development, product planning and business expansion, and overseeing major decision-making of our Group	January 18, 2013	January 18, 2013
Dr. XIAO Zhenzhong (肖振中)	[45]	Executive Director and chief technology officer	Formulating overall strategic planning and core technology roadmap of our Group	January 31, 2013	May 2, 2018
Mr. CHEN Bin (陳彬)	[42]	Executive Director and chief financial officer	Overall management of finance, investments and capital market activities of our Group	March 7, 2016	May 2, 2018
Mr. ZHANG Dingjun (張丁軍)	[45]	Executive Director and employee representative Director	Daily management of R&D and manufacture	March 10, 2014	October 26, 2023
Mr. JI Gang (紀綱)	[51]	Non-executive Director	Overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group	May 2, 2018	May 2, 2018
Ms. CHEN Danmin (陳淡敏)	[46]	Independent non-executive Director	Supervising and providing independent opinion and judgment to our Board	October 26, 2023	October 26, 2023
Dr. QU Jian (曲建)	[60]	Independent non-executive Director	Supervising and providing independent opinion and judgment to our Board	August 7, 2026	August 7, 2026
Dr. HO Ho Pui (何浩培)	[63]	Independent non-executive Director	Supervising and providing independent opinion and judgment to our Board	August 7, 2026	August 7, 2026

Executive Directors

Dr. HUANG Yuanhao (黃源浩), aged [46], is our founder, chairperson of our Board, an executive Director and general manager of our Company.

Dr. Huang has over 15 years of professional experience in vision industry and business management. Dr. Huang founded our Company in January 2013 and has been serving as the chairperson of our Board, executive Director and general manager since then. He has also been concurrently serving as a director of various subsidiaries of our Group.

Prior to founding our Company, Dr. Huang conducted postdoctoral research at The Hong Kong Polytechnic University (香港理工大學) from March 2009 to April 2010, at Ryerson University (瑞爾森大學) in Canada from April 2010 to March 2011, at The Chinese University of Hong Kong (香港中文大學) from March 2011 to June 2011, and at the SMART Centre (SMART中心), Massachusetts Institute of Technology (麻省理工學院) from June 2011 to April 2012.

Dr. Huang obtained a bachelor's degree in mechanics and engineering science from Peking University (北京大學) in July 2002, a master's degree in optical mechanics from the National University of Singapore in December 2004, and a doctor's degree in optical mechanics from City University of Hong Kong in February 2009. He was accredited as a senior engineer by the Shenzhen Human Resources Bureau (深圳市人力資源局) in April 2013.

Dr. XIAO Zhenzhong (肖振中), aged [45], is the co-founder, an executive Director and chief technology officer of our Company.

Dr. Xiao has over 15 years of extensive experience in the machine vision and digital image processing industry. Dr. Xiao co-founded our Company with Dr. Huang in January 2013 and has been serving as our chief technology officer and Director since May 2018. He has also been concurrently serving as a director of various subsidiaries of our Group.

Prior to founding our Company, Dr. Xiao conducted postdoctoral research at Nanyang Technological University from November 2010 to October 2011, and served at the School of Mechanical Engineering, Xi'an Jiaotong University (西安交通大學).

Dr. Xiao obtained his bachelor's degree in materials forming and control engineering in July 2002, his master's degree in materials processing engineering in April 2006, and his doctor's degree in mechanical engineering in September 2010, all from Xi'an Jiaotong University. He was accredited as a senior engineer at the professor level recognized by the Human Resources and Social Security Department of Guangdong Province (廣東省人力資源和社會保障廳) in January 2020.

Mr. CHEN Bin (陳彬), aged [42], is an executive Director and the chief financial officer of our Company.

Mr. Chen has over 20 years of extensive experience in accounting, auditing and financial management. Mr. Chen joined our Company in March 2016 and has been serving as our chief financial officer since then and as our Director since May 2018. He has also been concurrently serving as a director and/or supervisor of various subsidiaries of our Group.

During the early stage of his career, from April 2007 to May 2011, he worked at various companies, financial institutions and accounting firms in the PRC, where he held positions including accountant, audit manager, internal auditor and deputy financial controller, and accumulated extensive experience in financial management and auditing. From July 2011 to February 2016, he served as the investment director at Guangdong Honde Investment Management Co., Ltd. (廣東弘德投資管理有限公司).

Mr. Chen obtained a bachelor's degree in management from Jiangxi University of Finance and Economics (江西財經大學) in the PRC in June 2005 and further obtained a master's degree in economics from Peking University (北京大學) in July 2015.

Mr. ZHANG Dingjun (張丁軍), aged [45], is an executive Director and employee representative Director of our Company.

Mr. Zhang has over 12 years of extensive experience in software engineering. Mr. Zhang joined our Company in March 2014 and has since held various positions in technology, engineering and management, and has been serving as our Director since October 2023 and our employee representative Director since May 2025. Prior to joining our Group, from May 2008 to February 2014, he served as an assistant software supervisor at Xi'an Yanhua Software Co., Ltd. (西安研華軟件有限公司).

Mr. Zhang obtained a bachelor's degree in mechanical design, manufacturing and automation from Xi'an University of Technology (西安理工大學) in July 2005, and obtained a master's degree in mechanical engineering from Xi'an Jiaotong University in March 2008.

Non-executive Director

Mr. JI Gang (紀綱), aged [51], is a non-executive Director of our Company.

Mr. Ji has 25 years of experience in investment and 17 years of experience in the internet industry. Mr. Ji joined our Company as a Director in May 2018 and was redesignated as a non-executive Director in August 2026. Mr. Ji joined Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) ("**Ant Group**", formerly known as Zhejiang Ant Small and Micro Financial Services Group Co., Ltd. (浙江螞蟻小微金融服務集團股份有限公司)) in January 2016, and currently serves as the vice president and head of the strategic investment and corporate development department of Ant Group.

Mr. Ji holds directorships in various listed companies. From January 2022 to December 2023, he served as a non-executive director of ZhongAn Online P&C Insurance Co., Ltd. (眾安在線財產保險股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 6060). He has also been serving as (i) a non-executive director of AGTech Holdings Limited (亞博科技控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 8279), since August 2016; and (ii) a director of Hundsun Technologies Inc. (恒生電子股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600570), since April 2022.

Mr. Ji obtained a bachelor's degree in international business management from the University of International Business and Economics (對外經濟貿易大學) in the PRC in July 1997.

Independent Non-executive Directors

Ms. CHEN Danmin (陳淡敏), aged [46], has been serving as an independent non-executive Director of our Company since October 2023.

Ms. Chen has robust experience in finance and business management. From September 2002 to January 2006, she was a senior auditor at Ernst & Young Hua Ming LLP (安永華明會計師事務所). Since January 2006, she has been serving in various positions at Trip.com Group Limited (攜程集團有限公司), a company listed on the NASDAQ (ticker symbol: TCOM) and the Hong Kong Stock Exchange (stock code: 9961), and currently serves as the vice president of finance at Trip.com Group Limited.

Ms. Chen obtained a bachelor's degree in international economics and trade from Shanghai Jiao Tong University (上海交通大學) in July 2002. She further obtained a Master of Business Administration degree from China Europe International Business School (中歐國際工商學院) in November 2022. Ms. Chen obtained the certificate of Certified Public Accountant (CPA) (註冊會計師證書) from the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in December 2009 and was accredited as a project management professional (PMP) by the Project Management Institute in the United States in June 2011.

Dr. QU Jian (曲建), aged [60], has been serving as an independent non-executive Director of our Company since August 2026.

Dr. Qu has over 30 years of extensive experience in economic research, regional planning and corporate governance. Dr. Qu conducted postdoctoral research at Fudan University (復旦大學) from July 2001 to October 2003. Dr. Qu has been serving as the vice president of China Development Institute (Shenzhen) (中國(深圳)綜合開發研究院) since 2009, and the president of Qianhai Branch of China Development Institute (Shenzhen) (中國(深圳)綜合開發研究院前海分院) since 2022.

From May 2020 to June 2026, Dr. Qu served as an independent director of Shenzhen Xinguodu Co., Ltd. (深圳市新國都股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300130).

Dr. Qu obtained a bachelor's degree in management science from Fudan University (復旦大學) in July 1989, a master's degree in industrial economics from Sichuan Academy of Social Sciences (四川社會科學院) in July 1992, and a doctor's degree in political economics from Nankai University (南開大學) in July 2000.

Dr. HO Ho Pui (何浩培), aged [63], has been serving as an independent non-executive Director of our Company since August 2026.

Dr. Ho has over 30 years of extensive experience in engineering industry. Dr. Ho has been serving as a professor at The Chinese University of Hong Kong (香港中文大學) since August 2002.

Dr. Ho obtained a bachelor's degree and a doctoral degree, both in electrical and electronic engineering, from the University of Nottingham in July 1986 and July 1990, respectively. In addition, he has been a Fellow of the Hong Kong Institution of Engineers (HKIE) since September 2010 and a Fellow of the International Society for Optics and Photonics (SPIE) since 2015.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth the key information about our senior management as of the Latest Practicable Date.

Name	Age	Positions	Roles and Responsibilities	Time of first joining our Group	Time of first appointment as a senior management
Dr. HUANG Yuanhao (黃源浩)	[46]	Chairperson of the Board, executive Director and general manager	Leading the formulation and implementation of the Group's overall development strategy, core technology research and development, product planning and business expansion, and overseeing major decision-making of our Group	January 18, 2013	January 18, 2013
Dr. XIAO Zhenzhong (肖振中)	[45]	Executive Director and chief technology officer	Formulating overall strategic planning and core technology roadmap of our Group	January 31, 2013	May 9, 2018
Mr. CHEN Bin (陳彬)	[42]	Executive Director and chief financial officer	Overall management of finance, investments and capital market activities of our Group	March 7, 2016	March 7, 2016
Mr. MEI Xiaolu (梅小露)	[46]	Senior vice president	Research and development of the chip business	July 8, 2014	October 27, 2020
Ms. JIN Shang (靳尚)	[38]	Board secretary	Presiding over the affairs and operations of the Board, coordinating capital market activities, investor relations management and group-wide compliance management	August 29, 2022	May 24, 2023

Dr. HUANG Yuanhao (黃源浩), aged [46], is our general manager. For his biography, see "— Board of Directors — Executive Directors" in this section.

Dr. XIAO Zhenzhong (肖振中), aged [45], is our chief technology officer. For his biography, see "— Board of Directors — Executive Directors" in this section.

Mr. CHEN Bin (陳彬), aged [42], is our chief financial officer. For his biography, see "— Board of Directors — Executive Directors" in this section.

Mr. MEI Xiaolu (梅小露), aged [46], is the senior vice president of our Company.

Mr. Mei has over 20 years of extensive experience in chip design industry. Mr. Mei joined our Company in July 2014 and has been serving as the senior vice president since October 2020. Prior to joining our Group, he worked at IBM (China) Company Limited (國際商業機器(中國)有限公司) until June 2011. From June 2011 until immediately prior to joining our Company, he served as an R&D manager at the Shanghai R&D Center of Advanced Micro Devices, Inc. (美國超威半導體公司上海研發中心), a company listed on NASDAQ (ticker symbol: AMD).

Mr. Mei obtained a bachelor's degree in theoretical and applied mechanics with a minor in computer software from Peking University (北京大學) in July 2002, and a master's degree in computer architecture from the Institute of Computing Technology of the Chinese Academy of Sciences (中國科學院計算技術研究所) in the PRC in July 2005.

Ms. JIN Shang (靳尚), aged [38], is the Board secretary of our Company.

Ms. Jin has over 10 years of extensive experience in corporate governance and securities affairs. Ms. Jin joined the Company in August 2022 as director of the Board office and securities affairs representative, and has been serving as our Board secretary since May 2023.

Prior to joining our Company, she held several positions in various publicly listed companies in China: (i) the manager of the general affairs department of Industrial Securities Co., Ltd. (興業證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601377), from October 2012 to December 2016; (ii) the investor relations director/securities affairs manager of Shenzhen SEA STAR Technology Co., Ltd. (深圳市實益達科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002137), from January 2017 to January 2020; and (iii) director of board office and securities affairs representative of Shenzhen Bauing Construction Holdings Group Co., Ltd. (深圳市寶鷹建設控股集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002047), from June 2020 to February 2022.

Ms. Jin obtained a bachelor's degree in finance from Xi'an University of Finance and Economics (西安財經大學) in July 2010, and a master's degree in business administration from Northwestern Polytechnical University (西北工業大學) in the PRC in March 2022. She holds the qualification certificate for independent directors issued by the Shenzhen Stock Exchange in November 2021 and the qualification certificate for secretary of the board of directors issued by the Shenzhen Stock Exchange in April 2012. She also holds the board secretary qualification certificate issued by the Science and Technology Innovation Board of Shanghai Stock Exchange in February 2023.

OTHER INFORMATION IN RELATION TO OUR DIRECTORS AND SENIOR MANAGEMENT

As of the Latest Practicable Date, save as disclosed in "Substantial Shareholders" and "Appendix IV — Statutory and General Information," each of our Directors did not have (i) any interest in the Shares within the meaning of Part XV of the SFO, or (ii) any existing or proposed service contract with our Company or any of its subsidiaries other than contracts expiring or determinable by the relevant member of our Company within one year without payment of compensation (other than statutory compensation).

Save as disclosed herein[(1)], to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there are no material matters relating to their appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his or her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date.

(1) Beijing Shiji Botao Technology Co., Ltd. (北京世紀波濤科技有限公司) ("**Beijing Shiji**") was a company established under the laws of the PRC and was deregistered on May 20, 2024. At the time of the deregistration, Mr. JI Gang, our non-executive Director, served as a director of Beijing Shiji. Mr. Ji confirmed that he was not personally liable for the deregistration, and had not received any notice from any relevant authority disqualifying him from acting as a director, supervisor or senior management member of any private or listed company.

Save as disclosed above, none of our Directors and senior management held any other directorships in any other company listed in Hong Kong or overseas during the three years immediately preceding the date of this document.

None of our Directors and senior management is related to other Directors, senior management or substantial Shareholders of our Company.

JOINT COMPANY SECRETARIES

Ms. JIN Shang (靳尚), has been appointed as one of our joint company secretaries with effect from August 2026. For details of her biography, see "— Senior Management."

Ms. WONG Ka Yin (黃嘉妍), has been appointed as one of our joint company secretaries with effect from August 2026.

Ms. Wong is a manager of Company Secretarial Services of Tricor Services Limited, having over 7 years of experience in compliance and corporate secretarial fields for Hong Kong listed companies.

Ms. Wong obtained a bachelor's degree in business administration from the Hang Seng University of Hong Kong (香港恒生大學) in December 2018 and is a Chartered Secretary, a Chartered Governance Professional and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with Chapter 8A of, and the Corporate Governance Code as set out in the Appendix C1 to, the Listing Rules, as well as the relevant PRC laws and regulations, our Company has formed five Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Corporate Governance Committee and the Strategy Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. CHEN Danmin, Dr. QU Jian and Dr. HO Ho Pui. Ms. CHEN Danmin is the chairperson of the Audit Committee and holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee include (i) proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance, (ii) guiding internal audit work, (iii) examining the financial information and reviewing financial reports and statements of our Company, (iv) assessing the effectiveness of internal control, (v) coordinating the communication among management, internal audit department, related departments and external audit agency, and (vi) dealing with other matters authorized by the Board or involved in relevant laws and regulations.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Ms. CHEN Danmin, Dr. Huang and Dr. QU Jian. Ms. CHEN Danmin serves as the chairperson of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee include (i) formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies, (ii) examining the criteria of performance evaluation of Directors and the senior management of our Company and conducting performance evaluation, (iii) supervising the implementation of the remuneration plan of the Company, (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules, and (v) dealing with other matters authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. HO Ho Pui, Dr. Huang and Ms. CHEN Danmin. Dr. HO Ho Pui serves as the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee include (i) making recommendations to our Board with regards to the size and composition of our Board based on our Company's business operation, asset scale and equity structure, (ii) researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management and making recommendations to our Board, (iii) conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management, (iv) examining our Board candidates, general manager and members of the senior management and making recommendations to our Board, (v) assessing and reviewing the independence of Independent Non-executive Directors, and (vi) dealing with other matters authorized by our Board.

Corporate Governance Committee

We have established a Corporate Governance Committee in compliance with Chapter 8A of the Listing Rules. The Corporate Governance Committee comprises three independent non-executive Directors, namely Ms. CHEN Danmin, Dr. QU Jian and Dr. HO Ho Pui. Ms. CHEN Danmin is the chairperson of the Corporate Governance Committee.

The primary duties of the Corporate Governance Committee include ensuring that the Company is operated and managed in the interest of all Shareholders as a whole and monitoring the Company's compliance with the Listing Rules and the safeguards applicable to its WVR structure. For details of their experience in corporate governance related matters, see the biographies of the independent non-executive Directors in the section headed "— Independent Non-executive Directors" above.

In accordance with Rule 8A.30 of the Listing Rules and the Corporate Governance Code, the work of our corporate governance committee as set out in its terms of reference includes (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board, (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management, (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors, (v) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report, (vi) reviewing and monitoring whether the Company is operated and managed for the benefit of all its Shareholders, (vii) confirming on an annual basis that the beneficiaries of weighted voting rights have been members of the Board throughout the year and that no matters under Rule 8A.17 of the Listing Rules have occurred during the relevant financial year, (viii) confirming on an annual basis whether or not the beneficiaries of weighted voting rights have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the year, (ix) reviewing and monitoring the management of conflicts of interests and making recommendations to the Board on any matter where there is a potential conflict of interest between the Company, a subsidiary of the Company and/or Shareholders of the Company (considered as a group) on one hand and any beneficiary of weighted voting rights on the other, (x) reviewing and monitoring all risks related to the Company's weighted voting rights structure including connected transactions between the Company and/or a subsidiary of the Company on one hand and any beneficiary of weighted voting rights on the other and making recommendations to the Board on any such transaction, (xi) making recommendations to the Board as to the appointment or removal of the Compliance Advisor, (xii) seeking to ensure effective and on-going communication between the Company and its Shareholders particularly with regards to the requirements of Rule 8A.35 of the Listing Rules, (xiii) reporting on the work of the corporate governance committee on at least a half-yearly and annual basis covering all areas of its terms of reference, and (xiv) disclosing on a comply or explain basis its recommendations to the Board in respect of the foregoing matters in such reports.

Pursuant to Rule 8A.32 of the Listing Rules, the Corporate Governance Report prepared by the Company for inclusion in our interim and annual reports after [**REDACTED**] will include a summary of the work of the corporate governance committee for the relevant period.

Strategy Committee

We have established a Strategy Committee. The Strategy Committee consists of three Directors, namely Dr. Huang, Dr. XIAO Zhenzhong and Mr. CHEN Bin. Dr. Huang serves as the chairperson of the Strategy Committee.

The primary duties of the Strategy Committee include researching and providing suggestions on the Company's long-term development strategy, major investment and financing plans, major capital operations and asset management projects, and other major matters affecting the development of the Company, as well as inspecting the implementation of such matters and dealing with other matters authorized by the Board.

ROLE OF OUR INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 8A.26 of the Listing Rules, the role of the independent non-executive Directors of a listed company with WVR structure must include, but is not limited to, the functions described in Code Provisions C.1.2, C.1.5 and C.1.6 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, which generally include (i) participating in Board meetings to bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct, (ii) taking the lead where potential conflicts of interests arise, (iii) serving on the audit, remuneration and appraisal, nomination and corporate governance committees if invited, (iv) scrutinizing the Company's performance in achieving agreed corporate goals and objectives and monitoring performance reporting, (v) giving the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation, (vi) making a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments, and (vii) attending the Shareholders' meeting and developing a balanced understanding of the views of our Shareholders.

CORPORATE GOVERNANCE CODE

We recognize the importance of incorporating elements of good corporate governance in our management structure and internal control procedures so as to achieve effective accountability. Our Company intends to comply with all code provisions in the Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after the [**REDACTED**] apart from code provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairperson of the Board and chief executive should be separate and should not be performed by the same individual.

The roles of chairperson of the Board and general manager of our Company are currently performed by Dr. Huang. In view of Dr. Huang's substantial contribution to our Group since our establishment and his extensive experience, we consider that having Dr. Huang acting as both our chairperson of the Board and general manager will ensure consistent leadership within our Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Dr. Huang continues to act as both our chairperson of the Board and general manager after the [**REDACTED**], and therefore currently do not propose to separate the functions of chairperson of the Board and general manager. While this would constitute a deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (a) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirements under the Listing Rules; (b) Dr. Huang and the other Directors are aware of and undertake to fulfill their fiduciary duties as

Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (c) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether the separation of the roles of chairperson of the Board and general manager is necessary.

BOARD DIVERSITY POLICY

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board and see increasing diversity at the Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of our Company, the Nomination Committee will consider a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. In particular, our Company currently has one female Director in the Board and will continue to work towards enhancing the gender diversity of the Board. Our Directors have a balanced mix of knowledge and skills, and we have three independent non-executive Directors, with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our Board diversity policy. Pursuant to the board diversity policy, after the [**REDACTED**], the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

REMUNERATION

Our Directors and senior management receive remuneration, including basic payments and performance-related payments, including fees, salaries, allowances and bonuses, share-based payment expenses, pension scheme contributions and social welfare. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders' meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the aggregate remuneration paid by us to our Directors amounted to RMB9.1 million, RMB8.3 million, RMB6.4 million and RMB2.5 million, respectively.

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, there were three, one, one, nil Directors among the five highest paid individuals, respectively. The aggregate remuneration paid by us to our five highest paid individuals (excluding Directors) amounted to RMB4.0 million, RMB11.3 million, RMB11.0 million and RMB6.7 million, for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively.

According to existing effective arrangements, the total aggregate remuneration (excluding any possible payment of discretionary bonus) to be paid by us to our Directors for the financial year ending December 31, 2026 is expected to be RMB4.7 million.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group, (ii) no compensation was paid to, or receivable by, our Directors or past Directors or the five highest paid individuals for the loss of office as director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group and (iii) none of our Directors waived any remuneration.

Save as disclosed above and in Appendix I to this document, during the Track Record Period, no other payments have been made or are payable by our Group to our Directors and the five highest paid individuals.

For more details on remuneration paid to our Directors and, on an aggregate basis, the five highest paid individuals of our Group during the Track Record Period, see Notes 8 and 9 to the Accountants' Report as set out in Appendix I to this document; and for details regarding the Share Incentives granted to our Directors and senior management, see "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on September 15, 2026 and (ii) understands his or her obligations as a director of a [**REDACTED**] under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointments.

Rule 8.10 of the Listing Rules

Each of our Directors (other than our independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

COMPLIANCE ADVISOR

We have appointed Maxa Capital Limited as our Compliance Advisor pursuant to Rule 8A.33 of the Listing Rules. Our Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rules 3A.23 and 8A.34 of the Listing Rules, our Compliance Advisor will advise our Company, among others, in the following circumstances:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury Shares and share repurchases;

(c) where we propose to use the [**REDACTED**] from the [**REDACTED**] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document;

(d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [**REDACTED**] or [**REDACTED**] of its [**REDACTED**] securities or any other matters in accordance with Rule 13.10 of the Listing Rules;

(e) the WVR Structure;

(f) transactions in which any beneficiary of weighted voting rights in the Company has an interest; and

(g) where there is a potential conflict of interest between the Company, its subsidiary and/or Shareholders (considered as a group) on one hand and any beneficiary of weighted voting rights in the Company on the other.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

The term of appointment of the Compliance Advisor shall commence on the [**REDACTED**]. Pursuant to Rule 8A.33 of the Listing Rules, the Company is required to engage a compliance advisor on a permanent basis.

OVERVIEW

As of the Latest Practicable Date, Dr. Huang (a) directly held 82,467,848 A Shares (Class A Ordinary Shares) and 22,619,448 A Shares (Class B Ordinary Shares), which represent 19.98% and 5.48% of our total issued share capital and carry 55.68% and 3.05% of the voting rights at the Shareholders' meeting (except for resolutions with respect to the Special Matters); and (b) controlled a total of 32,670,703 A Shares (Class B Ordinary Shares) through our direct Shareholding Platforms, namely Orbbec Zhongxin I, Orbbec Zhongrui, Orbbec Zhongxin II, Orbbec Zhongxin III, Orbbec Zhongcheng and Orbbec Zhongtai, in his capacity as the general partner of these entities, which represent 7.91% of our total issued share capital and carry 4.41% of the voting rights at the Shareholders' meeting (except for resolutions with respect to the Special Matters). Accordingly, Dr. Huang, directly and indirectly through Orbbec Zhongxin I, Orbbec Zhongrui, Orbbec Zhongxin II, Orbbec Zhongxin III, Orbbec Zhongcheng and Orbbec Zhongtai, was able to exercise or control the exercise of (a) 63.14% of the voting rights in on the resolutions other than those with respect to Special Matters in the Shareholders' meeting with each A Share (Class A Ordinary Share) entitling him to exercise five votes and each A Share (Class B Ordinary Share) entitling him to exercise one vote, and (b) 33.54% of the voting rights on the resolutions with respect to the Special Matters with each A Share entitling him to exercise one vote.

Orbbec Xuguang, Orbbec Xiguang, Orbbec Zhuiguang, Orbbec Zhuguang and Orbbec Xiguang II, each a limited partner of Orbbec Zhongxin I, and Orbbec Heguang, Orbbec Chenguang, Orbbec Yaoguang and Orbbec Xingguang, each a limited partner of Orbbec Xiguang II (a limited partner of Orbbec Zhongxin I), are all indirect Shareholding Platforms of our Company managed by Dr. Huang as their respective general partner. Consequently, as of the Latest Practicable Date, Dr. Huang and the aforesaid direct and indirect Shareholding Platforms are considered a group of Shareholders who collectively were entitled to exercise or control the exercise of 63.14% of the voting rights in the Shareholders' meeting (except for resolutions with respect to the Special Matters). Immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Dr. Huang and the direct and indirect Shareholding Platforms, as a group of Shareholders, will collectively be entitled to exercise or control the exercise of [**REDACTED**]% of the voting rights in the Shareholders' meeting (except for resolutions with respect to the Reserved Matters and Special Matters), and are therefore considered our Controlling Shareholders Group after the [**REDACTED**]. For further information of the shareholding and corporate structure of our Group, see "History and Corporate Structure."

Dr. Huang is our founder, the chairperson of our Board, an executive Director and our general manager. For further background of Dr. Huang, see "Directors and Senior Management."

NON-COMPETITION UNDERTAKINGS

In connection with the A-Share Listing, Dr. Huang provided a non-compete undertaking (the "**Undertaking**") to our Company on June 28, 2021, pursuant to which he undertakes that:

(a) as of the date of the Undertaking, he and/or the entities directly or indirectly controlled by him (excluding our Group) have not directly or indirectly engaged in any business that competes with the Group in China or abroad;

(b) he will not, in China or abroad: (i) alone or jointly with any third party, directly or indirectly engage in any business or activity that competes or may compete with the principal business currently or subsequently conducted by the Group; (ii) directly or indirectly invest in, acquire, or hold any shares or equity interest in any enterprise that competes or may compete with the Group; or (iii) provide any business, financial or other assistance to any competing enterprise;

(c) the Undertaking shall become effective from the date of signing and remain valid until: (i) he is no longer the controlling shareholder or actual controller of the Company; (ii) the shares of the Company are terminated from listing on any stock exchange (excluding any suspension of trading); or (iii) when applicable laws and regulations no longer require such undertaking, the relevant portion of the undertaking shall terminate automatically. He shall be liable for all economic losses incurred by the Group due to any breach of this Undertaking.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Each of our Controlling Shareholders has confirmed that he/it does not have any interests in any business (apart from the business of the Group) that competes or is likely to compete, directly or indirectly, with our principal business, which is required to be disclosed under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors believe that we are capable of carrying on our business independently from the Controlling Shareholders and/or their respective close associates after the [**REDACTED**].

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board consists of eight Directors, comprising four executive Directors, one non-executive Director and three independent non-executive Directors, and we also have five senior management members (of which three are executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For more information, see "Directors and Senior Management."

Dr. Huang, one of our Controlling Shareholders, is the chairperson of our Board, an executive Director and general manager. Notwithstanding the roles of Dr. Huang in our Board and/or our senior management team, our Directors believe that our Company is capable of maintaining management independence due to the following reasons:

(a) our daily management and operations are carried out by the executive Directors and the senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(b) save for Dr. Huang, our executive Directors and senior management members do not hold any role as an executive director or member of senior management in any associates of our Controlling Shareholders;

(c) each of our Directors is fully aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and all our Shareholders as a whole and does not allow any conflict between his/her duties as a Director and his/her personal interest to exist;

(d) we have three independent non-executive Directors all of whom are independent of the Controlling Shareholders and have extensive experience in their respective areas of expertise. All our independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules and certain matters of our Company must always be referred to the independent non-executive Directors for review, ensuring the decisions of our Board are made only after due consideration of independent and impartial opinions;

(e) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions and shall abstain from voting at the relevant meeting and shall not be counted towards the quorum; and

(f) as an A-share listed company, we have adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shanghai Stock Exchange to manage conflicts of interest, if any, between our Group and the Controlling Shareholders, which would support our independent management. For details, see "— Corporate Governance Measures."

Based on the above, our Directors believe that our Company has sufficient control mechanisms to ensure that the Directors perform their respective duties properly and safeguard the interests of our Company and our Shareholders as a whole. Our Board together with our senior management team, therefore, are able to perform the managerial role in our Group independently.

Operational Independence

We will continue to operate independently from our Controlling Shareholders after the [**REDACTED**]. We are in possession of all production and operating facilities and technology relating to our Group's business and have obtained relevant requisite qualifications and approvals for conducting all our business.

We have independent access to customers and suppliers and, therefore, are not dependent on our Controlling Shareholders for any significant amount of our revenue, R&D, staffing or marketing and sales activities, and we have sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders. We have an established and complete organizational structure comprising various separate departments, each charged with specific responsibilities, such as staffing, administration, finance, internal audit, R&D, sales and marketing, or company secretarial functions. These departments have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their respective close associates. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders or any of their respective close associates.

Financial Independence

Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit, and internal control functions independent from our Controlling Shareholders and their respective close associates, as well as a sound and independent financial system, and makes independent financial decisions according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their respective close associates.

As of the Latest Practicable Date, save for a no-interest bearing loan of RMB8.01 million provided by Dr. Huang to a subsidiary, which is immaterial to our Group's operation and expected to be settled before [**REDACTED**], there was no outstanding loan, advance, balance of non-trade nature due to or from, or pledge or guarantee provided by our Controlling Shareholders or their respective close associates. We do not expect to rely on our Controlling Shareholders and/or their respective close associates for financing after the [**REDACTED**] as we expect that our working capital will be funded by cash flows generated from operating activities, bank loans as well as the [**REDACTED**] from the [**REDACTED**].

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

We have established a Corporate Governance Committee pursuant to Rule 8A.30 which has adopted terms of reference consistent with Code Provision A.2.1 in Part 2 of Appendix C1 to and Rule 8A.30 of the Listing Rules effective upon [**REDACTED**]. The members of the Corporate Governance Committee are independent non-executive Directors with experience in overseeing corporate governance related functions of private and [**REDACTED**] companies. The primary duties of the Corporate Governance Committee include ensuring that the Company is operated and managed in the interest of all Shareholders as a whole and monitoring the Company's compliance with the Listing Rules and the safeguards applicable to its WVR structure.

We have also adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) our Group has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if any transaction is proposed between our Group and our Controlling Shareholders and their respective associates, we will comply with the requirements of the Articles of Association and the Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent shareholders' approval;

(c) our Board consists of a balanced composition of executive Directors and independent non-executive Directors, with independent non-executive Directors representing over one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(e) we have appointed Maxa Capital Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to directors' duties and corporate governance, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the following persons are expected to have an interest and/or short positions in the Shares or underlying Shares of our Company which would be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at any general meeting of our Company.

				As of the Latest Practicable Date		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Nature of interest(1)	Description of Shares	Number of Shares	Approximate % of interest in Class A/ Class B Ordinary Shares(2)	Approximate % of interest in the total issued share capital(2)	Approximate % of interest in Class A/ Class B Ordinary Shares(2)	Approximate % of interest in the A Shares(2)	Approximate % of interest in the total issued share capital(2)
Dr. Huang	Beneficial owner	A Shares (Class A Ordinary Shares)	82,467,848	100.00%	19.98%	[100.00]%	19.98%	[REDACTED]%
	Beneficial owner	A Shares (Class B Ordinary Shares)	22,619,448	6.85%	5.48%	[REDACTED]%	5.48%	[REDACTED]%
	Interest in controlled corporation(3)	A Shares (Class B Ordinary Shares)	32,670,703	9.89%	7.91%	[REDACTED]%	7.91%	[REDACTED]%
	Interest in treasury Shares(4)	A Shares (Class B Ordinary Shares)	2,131,637	0.65%	0.52%	[REDACTED]%	0.52%	[REDACTED]%
Orbbec Zhongxin I	Beneficial owner(3)	A Shares (Class B Ordinary Shares)	21,622,185	6.54%	5.24%	[REDACTED]%	5.24%	[REDACTED]%
Shanghai Yunxin Venture Capital Co., Ltd. (上海雲鑫創業投資有限公司) ("**Shanghai Yunxin**")	Beneficial owner(5)	A Shares (Class B Ordinary Shares)	36,822,120	11.15%	8.92%	[REDACTED]%	8.92%	[REDACTED]%
Zhou Guangda (周廣大)	Beneficial owner	A Shares (Class B Ordinary Shares)	26,968,320	8.16%	6.53%	[REDACTED]%	6.53%	[REDACTED]%

Notes:

(1) All interests stated are long positions.

(2) As of the Latest Practicable Date, the share capital of the Company comprised only A Shares, which were divided into Class A Ordinary Shares and Class B Ordinary Shares. Upon completion of the [**REDACTED**], the share capital of the Company will comprise both A Shares and H Shares. The A Shares will continue to be divided into Class A Ordinary Shares and Class B Ordinary Shares, and all H Shares to be issued under the [**REDACTED**] will be Class B Ordinary Shares. The calculation is based on (i) the total number of 82,467,848 A Share (Class A Ordinary Shares) and 330,366,884 A Shares (Class B Ordinary Shares) in issue as of the Latest Practicable Date; and (ii) the total number of 82,467,848 A Shares (Class A Ordinary Shares), 330,366,884 A Shares (Class B Ordinary Shares) and [**REDACTED**] H Shares (Class B Ordinary Shares) in issue immediately after the completion of the [**REDACTED**] assuming the [**REDACTED**] is not exercised.

(3) As of the Latest Practicable Date, Orbbec Zhongxin I, Orbbec Zhongrui, Orbbec Zhongxin II, Orbbec Zhongxin III, Orbbec Zhongcheng and Orbbec Zhongtai held 21,622,185, 3,325,105, 2,553,932, 2,553,932, 1,509,840 and 1,105,709 A Shares (Class B Ordinary Shares), respectively. Dr. Huang was the general partner of each of the aforementioned entities and was therefore deemed to be interested in an aggregate of 32,670,703 A Shares (Class B Ordinary Shares) held by the aforementioned entities under the SFO.

None of the limited partners of Orbbec Zhongxin I held one third or more of the partnership interest therein.

(4) As of the Latest Practicable Date, there were 2,131,637 A Shares (Class B Ordinary Shares) repurchased and held in our stock repurchase account. Our Controlling Shareholders Group who controlled more than one-third of the voting power at the Shareholders' meeting would be taken to have an interest in such repurchased A Shares held by our Company.

(5) As of the Latest Practicable Date, Shanghai Yunxin was wholly-owned by Ant Group Co., Ltd. (螞蟻科技集團股份有限公司). Therefore, Ant Group Co., Ltd. was deemed to be interested in the Shares held by Shanghai Yunxin in the Company under the SFO.

Except as disclosed above, our Directors are not aware of any persons who will, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), have any interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the Shareholders' meeting.

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the total issued share capital of our Company was RMB412,834,732, comprising 412,834,732 A Shares (including 82,467,848 Class A Ordinary Shares and 330,366,884 Class B Ordinary Shares) of nominal value of RMB1.00 each, all of which are listed on the Shanghai Stock Exchange.

Description of Shares	Number of Shares	Approximate percentage of total issued share capital of our Company(2)
A Shares (Class A Ordinary Shares)	82,467,848	19.98%
A Shares (Class B Ordinary Shares)	330,366,884(1)	80.02%
Total A Shares	**412,834,732**	**100.0%**

Notes:

(1) Including 2,131,637 A Shares repurchased and held in our stock repurchase account as treasury Shares as of the Latest Practicable Date.

(2) The percentages in the table above represent percentages of total issued share capital and do not reflect voting power. For details of the WVR structure, see "— A-Share Weighted Voting Rights Structure" below.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the **[REDACTED]** assuming the **[REDACTED]** is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Approximate percentage of issued share capital(2)
A Shares (Class A Ordinary Shares) in issue	82,467,848	**[REDACTED]**%
A Shares (Class B Ordinary Shares) in issue	330,366,884(1)	**[REDACTED]**%
H Shares (Class B Ordinary Shares) to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

Notes:

(1)(2) See the notes above.

Immediately following completion of the **[REDACTED]** assuming the **[REDACTED]** is fully exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Approximate percentage of issued share capital[(2)]
A Shares (Class A Ordinary Shares) in issue	82,467,848	[**REDACTED**]%
A Shares (Class B Ordinary Shares) in issue	330,366,884[(1)]	[**REDACTED**]%
H Shares (Class B Ordinary Shares) to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**][(1)]	**100.00%**

Notes:

(1)(2) See the notes above.

OUR SHARES AND RANKING

Our A Shares and H Shares describe the market on which the relevant Shares are [**REDACTED**] and [**REDACTED**], whereas our Class A Ordinary Shares and Class B Ordinary Shares describe the voting-rights class to which the relevant Shares belong. As of the Latest Practicable Date, all of our Shares are A Shares, comprising both Class A Ordinary Shares and Class B Ordinary Shares. All H Shares to be issued pursuant to the [**REDACTED**] will be Class B Ordinary Shares. H Shares and A Shares are all Ordinary Shares in the share capital of our Company.

Our H Shares and A Shares (Class B Ordinary Shares) are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. However, apart from certain qualified domestic institutional investors in Chinese mainland, the qualified investors in Chinese mainland under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (if [**REDACTED**] H Shares are eligible securities for that purpose) and other persons who are entitled to hold our H Shares pursuant to relevant PRC law or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by, or traded between, legal or natural persons in Chinese mainland.

Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between Chinese mainland and Hong Kong. Our A Shares (Class B Ordinary Shares) can be subscribed for and traded by investors in Chinese mainland, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares (Class B Ordinary Shares) are eligible securities under the Northbound Trading Link, they can also be [**REDACTED**] for and [**REDACTED**] by Hong Kong and other overseas [**REDACTED**] pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. If our H Shares are [**REDACTED**] under the Southbound Trading Link, they can also be [**REDACTED**] for and [**REDACTED**] by [**REDACTED**] in Chinese mainland in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares or other forms. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

A-SHARE WEIGHTED VOTING RIGHTS STRUCTURE

The Company has an A-Share weighted voting rights structure. Under our weighted voting rights structure, our share capital comprises Class A Ordinary Shares and Class B Ordinary Shares. As of the Latest Practicable Date, each Class A Ordinary Share entitles the holder to exercise five votes and each Class B Ordinary Share entitles the holder to exercise one vote, other than the Special Matters. Upon the completion of the [**REDACTED**], each Class A Ordinary Share shall entitle the holder to exercise five votes and each Class B Ordinary Share shall entitle the holder to exercise one vote, respectively, on any matters subject to the vote at the Shareholders' meeting, subject to Rule 8A.24 of the Listing Rules, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange, and the Articles of Association that require the Reserved Matters and the Special Matters to be voted on a one vote per share basis.

The Reserved Matters are:

(i) any amendment to the Articles of Association;

(ii) the variation of the rights attached to any class of Shares;

(iii) the appointment or removal of any independent non-executive Director;

(iv) the appointment or removal of the Company's auditors; and

(v) the voluntary winding-up of the Company.

The Special Matters are:

(i) any amendment to the Articles of Association;

(ii) the variation of the number of votes attached to the Class A Shares;

(iii) the appointment or removal of any independent Director;

(iv) the appointment or removal of any Audit Committee member

(v) the appointment or removal of the auditors engaged to issue audit opinions on the Company's periodic reports;

(vi) merger, division, dissolution or change of corporate form of the Company;

(vii) changing the Company's principal business; and

(viii) reviewing the Company's profit distribution plan and loss compensation plan.

In addition, Shareholders holding not less than 10% of the voting rights on a one vote per Share basis are entitled to convene an extraordinary Shareholders' meeting, and Shareholders holding not less than 1% of the voting rights on a one vote per Share basis are entitled to add resolutions to the Shareholders' meeting agenda. See "Appendix III — Summary of Articles of Association" for further details.

Class A Ordinary Shares may be converted into Class B Ordinary Shares on a one-to-one basis, subject to the procedures required under relevant PRC laws and regulations, the Articles of Association, and the securities regulatory rules of the place where the Company's shares are listed. Upon the conversion of all the issued and outstanding Class A Ordinary Shares into Class B Ordinary Shares, the Company's issued share capital will be [**REDACTED**] Shares (all being Class B Ordinary Shares) immediately following the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

The weighted voting rights attached to our Class A Ordinary Shares will cease when the WVR Beneficiary ceases to have beneficial ownership of any of our Class A Ordinary Shares, in accordance with Rule 8A.22 of the Listing Rules. This may occur:

(i) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rules, in particular where the WVR Beneficiary is: (1) deceased; (2) no longer a member of our Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as a director; or (4) deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules.

(ii) when the holders of Class A Ordinary Shares have transferred to another person the beneficial ownership of, or economic interest in, the Class A Ordinary Shares or the control over the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Listing Rules;

(iii) where a vehicle holding Class A Ordinary Shares on behalf of the WVR Beneficiary no longer complies with Rule 8A.18(2) of the Listing Rules; or

(iv) when all of the Class A Ordinary Shares have been converted to Class B Ordinary Shares.

Shareholding Structure of the WVR Beneficiary

The table below sets out the beneficial interests and voting rights that the WVR Beneficiary will hold upon the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):

	Description of Shares	Number of Shares	Approximate percentage of beneficial interests in our total share capital	Approximate percentage of voting rights(1)
Dr. Huang(2) . .	A Shares (Class A Ordinary Shares)	82,467,848	[**REDACTED**]%	[**REDACTED**]%
	A Shares (Class B Ordinary Shares)	55,290,151(3)	[**REDACTED**]%	[**REDACTED**]%

Notes:

(1) On the basis that each Class B Ordinary Share entitles the Shareholder to one vote per Share and each Class A Ordinary Share entitles the Shareholder to five votes per Share (except for the Reserved Matters and the Special Matters).

(2) For details of the shareholding structure of our WVR Beneficiary, see "Relationship with Controlling Shareholders."

(3) Including the Shares held by Orbbec Zhongxin I, Orbbec Zhongrui, Orbbec Zhongxin II, Orbbec Zhongxin III, Orbbec Zhongcheng, and Orbbec Zhongtai, for each of which Dr. Huang serves as the general partner.

Each of the Company and the WVR Beneficiary undertakes that so long as there are any weighted voting rights attached to the Class A Ordinary Shares held by the WVR Beneficiary, the WVR Beneficiary will not transfer any beneficial ownership of, or economic interest in, the Class A Ordinary Shares or the control over the voting rights attached to the Class A Ordinary Shares to another person, whether through any trust, partnership, private company or other arrangement. In the event that there is any change in the beneficial ownership of, or economic interest in, the Class A Ordinary Shares held by the WVR Beneficiary or the control over the voting rights attached to the Class A Ordinary Shares held by the WVR Beneficiary to another person, the Company and the WVR Beneficiary will notify the Stock Exchange pursuant to Rule 8A.19 of the Listing Rules and comply with the relevant statutory obligations including obligations of disclosure of interests under the SFO, and the weighted voting rights attached to the Class A Ordinary Shares held by the WVR Beneficiary shall cease upon such transfer accordingly. The Company will also comply with Rule 8A.30 of the Listing Rules to confirm, on an annual basis, that the WVR Beneficiary has complied with Rule 8A.18 of the Listing Rules.

Contribution of the WVR Beneficiary

Dr. Huang is the founder, chairperson of the Board and general manager of our Company. Dr. Huang founded the Group in 2013 and has since led the Group's overall development strategy, core technology research and development, product planning and business expansion, and has participated in decision-making on all major operational matters of the Group. His principal contributions to the Group's research and development and business growth include: (i) establishing the Group's core technological foundation and full-stack R&D system; (ii) building and leading a multidisciplinary R&D team and management framework; (iii) defining the technology roadmap and promoting multi-technology route development; (iv) driving productization, mass production and commercialization of core technologies; (v) leading the evolution of business strategy and new business deployment; (vi) leading major research projects, industry-academia collaboration and ecosystem development; and (vii) promoting corporate governance, capital development and organizational capability. For further details of Dr. Huang's biographical information, see "Directors and Senior Management."

Our Company is adopting the WVR structure to enable the WVR Beneficiary to exercise voting control over our Company. This will enable our Company to benefit from the continuing vision and leadership of the WVR Beneficiary who will control our Company with a view to its long-term prospects and strategy. Taking into account the WVR Beneficiary's contribution to the Group, it is in the best interests of the Company and its Shareholders as a whole.

Prospective [**REDACTED**] are advised to be aware of the potential risks of [**REDACTED**] in companies with weighted voting rights structures, in particular that interests of the WVR Beneficiary may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiary will be in a position to exercise his higher voting power to influence the affairs of our Company and the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote. Prospective [**REDACTED**] should make the decision to [**REDACTED**] in the Company only after due and careful consideration. For further information about the risks associated with the WVR structure adopted by the Company, see "Risk Factors — Risks Relating to Our Business and Industry."

Save for the weighted voting rights attached to Class A Ordinary Shares, the rights attached to Class A Ordinary Shares and Class B Ordinary Shares are identical. For further information about the rights, privileges and restrictions of the Class A Ordinary Shares and Class B Ordinary Shares, see "Appendix III — Summary of Articles of Association."

Undertaking by the WVR Beneficiary

Pursuant to Rule 8A.43 of the Listing Rules, the WVR Beneficiary is required to give a legally enforceable undertaking to the Company that he will comply with the relevant requirements as set out in Rule 8A.43 of the Listing Rules, which is intended to be for the benefit of and enforceable by the Shareholders.

On [●], Dr. Huang, namely the WVR Beneficiary, made an undertaking to the Company (the "**Undertaking**"), that for so long as he is a WVR Beneficiary:

(a) he shall comply with (and, if the shares to which the weighted voting rights that he is beneficially interested in are attached are held through a limited partnership, trust, private company, or other vehicle, use his best endeavors to procure that such limited partnership, trust, private company or other vehicle complies with) all applicable requirements under Rules 8A.09, 8A.14, 8A.15, 8A.17, 8A.18 and 8A.24 of the Listing Rules from time to time in force (the "**Requirements**"); and

(b) he shall use his best endeavors to procure that the Company complies with all applicable Requirements.

For the avoidance of doubt, the Requirements are subject to Rule 2.04 of the Listing Rules. The WVR Beneficiary acknowledged and agreed that the Shareholders rely on the Undertaking in acquiring and holding their Shares. The WVR Beneficiary acknowledged and agreed that the Undertaking is intended to confer a benefit on the Company and all Shareholders and may be enforced by the Company and/or any Shareholder against the WVR Beneficiary.

The Undertaking shall automatically terminate upon the earlier of (i) the date of delisting of the Company from the Stock Exchange, and (ii) the date on which the WVR Beneficiary ceases to be a beneficiary of weighted voting rights in the Company. For the avoidance of doubt, the termination of the Undertaking shall not affect any rights, remedies, obligations or liabilities of the Company and/or any Shareholder and/or the WVR Beneficiary himself that have accrued up to the date of termination, including the right to claim damages and/or apply for any injunction in respect of any breach of the Undertaking which existed at or before the date of termination.

The Undertaking shall be governed by the laws of Hong Kong and all matters, claims or disputes arising out of the Undertaking shall be subject to the exclusive jurisdiction of the courts of Hong Kong.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the [**REDACTED**] of our A Shares and our H Shares may be different after the [**REDACTED**]. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請「全流通」業務指引》) announced by the CSRC are not applicable to companies dual listed on the stock exchanges in Chinese mainland and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that holders of our A Shares may convert the A Shares held by them into H Shares for [**REDACTED**] and [**REDACTED**] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

We have obtained approval from our holders of A Shares to [**REDACTED**] H Shares and seek the [**REDACTED**] of H Shares on the Hong Kong Stock Exchange. Such approval was obtained by us at the Shareholders' meeting held on September 14, 2026 and is subject to the following major conditions:

(a) *Size of the* [**REDACTED**]. The proposed number of H Shares to be [**REDACTED**] shall not exceed 10% of the total issued share capital enlarged by the H Shares to be issued pursuant to the [**REDACTED**] (before the exercise of the [**REDACTED**]). The number of H Shares to be issued pursuant to the full exercise of the [**REDACTED**] shall not exceed 15% of the total number of H Shares to be [**REDACTED**] initially under the [**REDACTED**].

(b) *Method of* [**REDACTED**]. The method of [**REDACTED**] shall be by way of a [**REDACTED**] for [**REDACTED**] in Hong Kong and an international [**REDACTED**] to institutional [**REDACTED**].

(c) *Target* [**REDACTED**]. The H Shares shall be issued to overseas institutional [**REDACTED**], qualified domestic institutional [**REDACTED**] and other [**REDACTED**] who are approved by mainland Chinese regulatory bodies to invest abroad.

(d) [**REDACTED**] *basis.* The [**REDACTED**] of the H Shares will be determined by the Board and/or its authorized person with the authorization of the Shareholders' meeting, together with the [**REDACTED**], after full consideration of the interests of existing Shareholders, the acceptance of [**REDACTED**] and the risks relating to the [**REDACTED**], with reference to the international practices and the prevailing conditions of domestic and international capital markets and through book-building process and cumulative bidding.

(e) *Validity period.* The [**REDACTED**] and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date on which such matters were approved at the Shareholders' meeting held on September 14, 2026. If the Company has obtained approval or filing from relevant regulatory bodies for the [**REDACTED**] and [**REDACTED**] of the H Shares within such validity period, the validity period of the resolution will automatically be extended to completion of the [**REDACTED**] and [**REDACTED**] of the H Shares.

There are no other approved [**REDACTED**] plans for our Shares except the [**REDACTED**].

SHAREHOLDERS' MEETINGS

For details of the circumstance under which a Shareholders' meeting is required, see "Appendix III — Summary of the Articles of Association — Shareholders and Shareholders' Meeting" to this document.

SHARE INCENTIVE PLANS

As of the Latest Practicable Date, our Company had three Share Incentive Plans in effect, namely the 2022 Share Incentive Plan, the 2024 Share Incentive Plan and the 2026 Share Incentive Plan, see "Appendix IV — Statutory and General Information — C. Share Incentive Plans" to this document for details.

The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in "Appendix I — Accountants' Report," together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those anticipated in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this document.

OVERVIEW

We are the global leader pioneering 3D visual perception solutions. Through years of accumulation of proprietary technology and deep domain expertise, we are building the foundational perception gateway, data infrastructure, and commercialization platform to empower the upcoming era of Physical AI and robotic intelligence. We design, develop, and manufacture a comprehensive suite of 3D vision sensors and a diverse range of consumer-grade and industrial-grade application devices, serving customers across robotics, and other artificial intelligence of things ("**AIoT**"). In 2025, we ranked the first in the global robot 3D visual perception market in terms of revenue, with a market share of 29.0%.

As of June 30, 2026, we have served over 7,000 customers globally, including over 1,000 robotic companies, and collaborated with world-leading AI computing infrastructure providers to participate in their AI ecosystems.

During the Track Record Period, we achieved consistent revenue growth. Our revenue increased by 56.8% from RMB360.0 million in 2023 to RMB564.5 million in 2024, and further increased by 66.7% to RMB940.7 million in 2025. For the six months ended June 30, 2025 and 2026, we generated revenue of RMB435.5 million and RMB437.6 million, respectively. Our revenue was primarily derived from sales of sensors, and system-level devices and solutions during the Track Record Period. Our sensors business has demonstrated strong momentum: after a decline of 6.4% from RMB229.9 million in 2023 to RMB215.2 million in 2024 due to a decline in market demand for biometrics recognition-related sensors, revenue rebounded by 41.2% to RMB303.9 million in 2025, driven by rising market demand from the expanding robotics industry and the successful commercialization of our newly-launched high-end sensor products. For the six months ended June 30, 2025 and 2026, we generated revenue of RMB138.0 million and RMB206.9 million from sensors, respectively, representing a 50.0% increase, primarily due to our expanded customer base among robotics companies and increased market penetration in the robotics industry. Meanwhile, our system-level devices and solutions business grew from RMB118.5 million in 2023 to RMB339.0 million in 2024, primarily due to substantial orders for 3D-scanning and payment terminals, and further to RMB616.9 million in 2025, primarily due to continuous substantial orders for payment terminals, as well as higher sales volume of 3D scanning devices. In addition, our profitability improved substantially during the Track Record Period. Our net loss narrowed from RMB275.5 million in 2023 to RMB62.9 million in 2024, and then turned into a net profit of RMB127.6 million in 2025. For the six months ended June 30, 2025 and 2026, we recorded a net profit of RMB59.7 million and RMB40.8 million, respectively, demonstrating our ability to maintain profitability.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRS Accounting Standards**") issued by the International Accounting Standards Board. For the purpose of preparing our historical financial information, we have consistently adopted all applicable new and revised IFRS Accounting Standards that are effective during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 2.2 to the Accountants' Report set out in Appendix I to this document.

Accounting estimates and assumptions are used in preparation of our historical financial information. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Note 2.1 to the Accountants' Report set out in Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of key factors, including the following:

Growth of Downstream Markets

Our downstream markets primarily fall into three categories: the robotic 3D visual perception market, the embodied intelligence data collection devices market, and the dedicated 3D application devices market. Our revenue growth is materially dependent on the development and adoption of these markets.

Robotic 3D visual perception market. Our sensors enable AI systems and intelligent devices to perceive, understand and interact with the physical world. The transition of AI from the digital world into the physical world is enabling robots to evolve from conventional devices performing repetitive tasks into intelligent agents capable of autonomous mobility, recognition, interaction and task execution. The commercialization of Physical AI requires large volumes of accurate real-world data and reliable perception hardware, increasing demand for visual sensors, perception modules and spatial-reconstruction solutions. Demand for our sensors — including our Gemini, Astra, Femto and Physis series products — is substantially driven by this shift. These sensors support functions including environment perception, spatial understanding, localization, navigation and human-machine interaction. According to Frost & Sullivan, the global robot 3D visual perception market increased from RMB0.2 billion in 2021 to RMB0.6 billion in 2025, representing a CAGR of 33.9%, and is expected to reach RMB11.7 billion by 2030 and RMB152.0 billion by 2035, driven by scaled deployment of embodied intelligence robots and a broader range of application scenarios.

Embodied intelligence data collection devices market. As Physical AI advances from technical verification toward model training and product development, the importance of authentic multi-modal real-world data capturing dynamic physical interactions continues to increase. We address this need through our data collection devices such as EGO, UMI and WristCam, and multi-modal data collection platforms, which capture vision, depth, motion trajectory and interaction feedback to support embodied intelligence model training and skill learning. According to Frost & Sullivan, the global embodied intelligence data collection device market increased from approximately RMB0.1 billion in 2023 to approximately RMB1.7 billion in 2025, representing a CAGR of 406.0%, and is expected to reach approximately RMB56.3 billion by 2030 and approximately RMB404.9 billion by 2035. Robot commercialization, continuous model iteration and increasingly routine real-world data collection are expected to jointly support sustained market growth.

Dedicated 3D application devices market. Dedicated 3D application devices refer to devices primarily used for 3D-related applications and specifically designed for particular application scenarios. Our products include consumer-grade devices such as our 3D scanners and 3D biometrics recognition payment terminals, as well as industrial-grade devices. Dedicated consumer-grade 3D application devices are primarily designed for individual and commercial consumer scenarios, with the collection, recognition and application of 3D information relating to humans, objects and spaces as their core functions. Dedicated industrial-grade 3D application devices are primarily used in industrial production and automation scenarios, with 3D information collection, inspection, measurement and positioning as their core functions. According to Frost & Sullivan, the global dedicated 3D application device market increased from approximately RMB5.4 billion in 2021 to approximately RMB8.1 billion in 2025, representing a CAGR of 10.7%, and is expected to reach approximately RMB13.0 billion by 2030 and RMB19.5 billion by 2035. For details, please see "Industry Overview."

Our Ability to Enrich Our Product and Solution Portfolio

Leveraging our R&D capabilities spanning optical design, chip design, algorithm development, system design, software development, and engineering and mass production, we have established a comprehensive product and solution portfolio. Our sensors, including our Gemini, Astra, Femto and Physis series products, are installed onto customers' devices and robots for applications across AIoT and biometric identification. Our system-level devices and solutions include consumer-grade and industrial-grade 3D scanners, biometrics recognition payment terminals, data collection devices and robotic solutions. Our platform-based R&D model allows mature modules to be reused and adapted to new customer requirements, shortening development cycles from over seven months to approximately three months. Our revenue increased by 56.8% from RMB360.0 million in 2023 to RMB564.5 million in 2024, and further by 66.7% to RMB940.7 million in 2025. For the six months ended June 30, 2025 and 2026, we generated revenue of RMB435.5 million and RMB437.6 million, respectively.

The industries we operate in are characterized by rapid technological development, evolving standards, expanding downstream applications and changing customer requirements. Our ability to maintain and grow revenue depends substantially on continued development and iteration of new products. We intend to continue enriching our portfolio across multiple dimensions: in sensors, we plan to continue developing our Gemini, Astra, Femto and Physis series products, and area-array and multi-line LiDAR products; in system-level devices and solutions, we intend to expand into higher-precision industrial-grade and more compact consumer-grade 3D scanners, and develop data collection devices targeting embodied intelligence and world-model applications including data collection devices such as EGO, UMI, and WristCam, as well as embodied system-level solutions.

To support product and solution development, we have made and expect to continue to make substantial R&D investments. During the Track Record Period, our R&D expenses amounted to RMB300.8 million, RMB204.3 million, RMB202.5 million, RMB91.2 million and RMB111.4 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 59.6%, 52.9%, 54.5%, 53.1% and 54.3% of our total operating expenses for the corresponding periods. There can be no assurance that our R&D efforts will achieve the intended results within the anticipated timeframe, or at all. See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to develop and launch new products and solutions that meet customer requirements and achieve market acceptance in a timely and cost-effective manner, our business, financial condition and results of operations could be materially and adversely affected."

Our Ability to Deepen Relationships with Existing Customers, Expand Our Customer Base and Grow in International Markets

Our revenue growth and profitability are directly affected by our ability to maintain and deepen relationships with existing customers and expand our customer base over time. We have established relationships with customers in the robotics and various intelligent terminal device sectors. Our ability to retain existing customers, obtain additional orders and expand our customer base will continue to affect our revenue growth, operating performance and financial condition.

We historically derived a substantial portion of our revenue from sales in the Chinese Mainland, while building our overseas presence across the U.S., Asia Pacific and Europe. During the Track Record Period, our overseas revenue increased from RMB38.6 million in 2023 to RMB86.7 million in 2025, and from RMB34.3 million for the six months ended June 30, 2025 to RMB67.3 million for the six months ended June 30, 2026. Our future growth depends in part on our ability to deepen our commercial and technical service networks in key international markets and accelerate the replication of our products overseas. Expanded global reach will require continued investment and may expose us to additional foreign currency risk, international taxes and tariffs, and operational challenges. See "Risk Factors — Risks Relating to Our Business and Industry — Our international expansion exposes us to regulatory, economic, political, operational and cultural risks."

Our Ability to Improve Operating Efficiency and Achieve Economies of Scale

Our ability to improve profitability depends in part on whether revenue growth can outpace operating expenses and on our ability to manage costs efficiently as our business expands. Our operating expenses primarily comprise research and development expenses, selling and marketing expenses and general and administrative expenses.

During the Track Record Period, we achieved substantial improvement in operational efficiency through targeted structural optimization within our R&D and administrative teams. Our administrative expenses decreased from RMB134.8 million in 2023 to RMB100.2 million in 2025, and our R&D expenses decreased from RMB300.8 million to RMB202.5 million over the same period. For the six months ended June 30, 2025 and 2026, our administrative expenses increased from RMB47.6 million to RMB56.8 million, and our R&D expenses increased from RMB91.2 million to RMB111.4 million, as we increased remuneration for R&D and administrative teams to retain core talents. Our selling and marketing expenses remained relatively stable at RMB68.8 million, RMB73.4 million, RMB69.1 million, RMB32.9 million and RMB37.1 million, representing 19.1%, 13.0%, 7.3%, 7.6% and 8.5% of revenue in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

Our financial performance is also affected by our ability to scale manufacturing efficiently. Phase I of our intelligent manufacturing base in Shunde, Foshan commenced operations in 2024 and supports million-unit-scale production of visual sensors and related application devices. We are also developing our first overseas manufacturing base in Vietnam to support international delivery, enhance supply-chain resilience, and meet customers' localized sourcing requirements. Our products require precision manufacturing integrating complex optical systems, depth-engine chips, firmware and algorithms. These manufacturing improvements contributed to our profitability improvement during the Track Record Period.

As our business expands, operating expenses are expected to increase. Our results of operations will therefore depend in part on our ability to improve operating efficiency and achieve economies of scale. We seek to do so through disciplined cost management, efficient allocation of R&D resources, improved supply chain coordination and continued development of our internal management systems.

MATERIAL AND SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. The preparation of our consolidated financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future. We continually evaluate these estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and our best assumptions, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates and expectations. Our material accounting policies and significant accounting judgments and estimates are set forth in detail in Note 2.3 to the Accountants' Report set out in Appendix I to this document.

OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Revenue	**360,006**	**100.0**	**564,459**	**100.0**	**940,744**	**100.0**	**435,469**	**100.0**	**437,606**	**100.0**
Cost of sales	(214,132)	(59.5)	(344,751)	(61.1)	(547,537)	(58.2)	(260,079)	(59.7)	(234,844)	(53.7)
Gross profit	**145,874**	**40.5**	**219,708**	**38.9**	**393,207**	**41.8**	**175,390**	**40.3**	**202,762**	**46.3**
Other income and gains	99,131	27.5	115,630	20.5	105,126	11.2	49,124	11.3	45,885	10.5
Selling and marketing expenses	(68,803)	(19.1)	(73,440)	(13.0)	(69,112)	(7.3)	(32,935)	(7.6)	(37,099)	(8.5)
Administrative expenses	(134,833)	(37.5)	(108,854)	(19.3)	(100,247)	(10.7)	(47,619)	(10.9)	(56,785)	(13.0)
Research and development expenses	(300,810)	(83.6)	(204,335)	(36.2)	(202,534)	(21.5)	(91,181)	(20.9)	(111,393)	(25.5)
Reversal of impairment loss/(impairment loss) on financial assets, net	2,231	0.6	(1,265)	(0.2)	(1,276)	(0.1)	618	0.1	(470)	(0.1)
Other expenses	(7,527)	(2.1)	(10,128)	(1.8)	(4,629)	(0.5)	(603)	(0.1)	(2,921)	(0.7)
Finance costs	(4,391)	(1.2)	(3,707)	(0.7)	(2,551)	(0.3)	(1,578)	(0.4)	(708)	(0.2)
Share of profits and losses of associates	261	0.1	971	0.2	843	0.1	641	0.1	28	0.0
Profits/(loss) before tax	**(268,867)**	**(74.7)**	**(65,420)**	**(11.6)**	**118,827**	**12.6**	**51,857**	**11.9**	**39,299**	**9.0**
Income tax (expense) /credit	(6,677)	(1.9)	2,521	0.4	8,794	0.9	7,816	1.8	1,487	0.3
Profit/(loss) for the year/ period	**(275,544)**	**(76.5)**	**(62,899)**	**(11.1)**	**127,621**	**13.6**	**59,673**	**13.7**	**40,786**	**9.3**

NON-IFRS MEASURE

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit/(loss) (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of items.

We believe this measure provides useful information to [**REDACTED**] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit/(loss) (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net profit/(loss) (non-IFRS measure) as net profit/(loss) for the year/period adjusted by adding back share-based payment expenses. The adjustments have been consistently made during the Track Record Period.

The following table reconciles our adjusted net profit/(loss) (non-IFRS measure) for the periods presented with the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net profit/(loss) for the year/period:

	For the year ended December 31,			For the six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Reconciliation of net profit/(loss) to adjusted net profit/(loss) (non-IFRS measure):					
Net profit/(loss)	(275,544)	(62,899)	127,621	59,673	40,786
Add:					
– Share-based payment expenses[1]	67,426	34,181	15,555	11,050	8,083
Adjusted net profit/(loss) (non-IFRS measure)	**(208,118)**	**(28,718)**	**143,176**	**70,723**	**48,869**

Notes:

(1) Share-based payment expenses are non-cash in nature, before tax, and represent the arrangement under which we receive services from employees as consideration for our equity instruments. Share-based payment expenses are not expected to result in future cash payments.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS

Revenue

Revenue by Product Segment

During the Track Record Period, we primarily generated revenue from (i) sensors, which are primarily sophisticated hardware devices capable of capturing spatial information, depth data, and environmental geometry, and are installed into customers' devices, (ii) system-level devices and solutions, which are complete, ready-to-deploy products primarily including payment terminals, consumer and industrial-grade 3D scanners, and other integrated devices, and (iii) services and others, which primarily consists of our robotics OEM services and R&D services in relation to 3D visual perception technology. We recognize revenue when control of goods or services transfers to our customers, at the amount we expect to receive in exchange. The following table sets forth the breakdown of our revenue by business segment, in absolute amounts and as percentages of total revenue, for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Sensors	229,867	63.9	215,170	38.1	303,889	32.3	138,004	31.7	206,946	47.3
System-level devices and solutions	118,513	32.9	339,037	60.1	616,897	65.6	289,664	66.5	202,547	46.3
Services and others	11,626	3.2	10,252	1.8	19,958	2.1	7,801	1.8	28,113	6.4
Total	**360,006**	**100.0**	**564,459**	**100.0**	**940,744**	**100.0**	**435,469**	**100.0**	**437,606**	**100.0**

The following table sets forth sales volume and average selling prices of our major categories of products during the Track Record Period.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	Sales volume (in thousands)	*Average selling price (RMB per unit)*	*Sales volume (in thousands)*	*Average selling price (RMB per unit)*	*Sales volume (in thousands)*	*Average selling price (RMB per unit)*	*Sales volume (in thousands)*	*Average selling price (RMB per unit)*	*Sales volume (in thousands)*	*Average selling price (RMB per unit)*
Sensors	846	272	838	257	945	322	348	397	545	380
System-level devices and solutions	70	1,702	303	1,120	1,290	478	540	537	213	950

The sales volume of sensors remained relatively stable at approximately 846 thousand units in 2023 and 838 thousand units in 2024, while the average selling price decreased from RMB272 per unit in 2023 to RMB257 per unit in 2024, primarily due to higher proportion of lower-priced sensors for payment terminals in our sales mix. In 2025, our sales volume and average selling price of sensors increased to 945 thousand units and RMB322 per unit, respectively, primarily attributable to rising market demand from the expanding robotics industry and the successful commercialization of our newly-launched high-end sensor products, which carry higher average selling prices. For the six months ended June 30, 2026, the sales volume of sensors increased to 545 thousand units from 348 thousand units for the six months ended June 30, 2025, primarily driven by the growth of our customer base among robotics companies, while the average selling price slightly decreased from RMB397 per unit to RMB380 per unit, primarily due to variations in product mix.

The sales volume of system-level devices and solutions increased from 70 thousand units in 2023 to 303 thousand units in 2024, primarily driven by substantial orders for 3D-scanning and payment terminals, while the average selling price decreased from RMB1,702 per unit to RMB1,120 per unit over the same period, primarily due to higher proportion of lower-priced payment terminals in our sales mix. In 2025, sales volume further surged to 1,290 thousand units, primarily due to continuous substantial orders for payment terminals as well as higher sales volume of 3D scanning devices, while the average selling price further decreased to RMB478 per unit, primarily due to the higher proportion of lower-priced payment terminals in our sales mix. For the six months ended June 30, 2026, the sales volume of system-level devices and solutions decreased to 213 thousand units from 540 thousand units for the six months ended June 30, 2025, primarily due to a decline in domestic market demand for the implementation of payment terminals, while the average selling price increased from RMB537 per unit to RMB950 per unit, primarily attributable to a shift in our product mix from lower-priced payment terminals toward higher-priced products, such as 3D scanning devices.

Revenue by Geographical Location

We primarily generated revenue from our domestic sales, while overseas sales have achieved consistent growth during the Track Record Period. The following table sets forth the breakdown of our revenue by geographical location, in absolute amounts and as percentages of total revenue, for the years/periods indicated. The geographic location of customers is based on the location at which the goods are delivered. Our revenue from overseas sales continued to increase during the Track Record Period as we deepen our commercial and technical service networks in key international markets and accelerate the overseas launch of our products.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Chinese Mainland	321,406	89.3	504,197	89.3	854,022	90.8	401,127	92.1	370,319	84.6
Other countries or regions[(1)]	38,600	10.7	60,262	10.7	86,722	9.2	34,342	7.9	67,287	15.4
Total	**360,006**	**100.0**	**564,459**	**100.0**	**940,744**	**100.0**	**435,469**	**100.0**	**437,606**	**100.0**

Note:

(1) Primarily include the U.S., Asia Pacific and Europe.

Revenue by Sales Channel

During the Track Record Period, we primarily marketed our products through direct sales. Our revenue generated from sales via the distribution model increased from RMB4.8 million in 2023 to RMB16.4 million in 2024, and further to RMB37.9 million in 2025, primarily due to our investment in channel development and the engagement of globally-leading sensor distributors. For the six months ended June 30, 2025 and 2026, our sales from the distribution model increased from RMB14.2 million to RMB34.3 million, primarily attributable to a series of new product launches that drove our distributors to purchase more product lines. The table below sets out a breakdown of our revenue in both absolute amount and percentage of our total revenue by sales channel for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Direct Sales	355,247	98.7	548,065	97.1	902,880	96.0	421,309	96.7	403,336	92.2
Distribution	4,759	1.3	16,394	2.9	37,864	4.0	14,160	3.3	34,270	7.8
Total	**360,006**	**100.0**	**564,459**	**100.0**	**940,744**	**100.0**	**435,469**	**100.0**	**437,606**	**100.0**

Cost of Sales

During the Track Record Period, our cost of sales mainly consisted of (i) material costs, (ii) manufacturing expenses and (iii) direct labor costs. The following table sets forth the breakdown of our cost of sales by nature, in absolute amounts and as percentages of total cost of sales, for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)						*(unaudited)*			
Material costs	170,752	79.7	298,298	86.5	463,505	84.7	218,772	84.1	204,127	87.0
Manufacturing expenses	35,498	16.6	38,578	11.2	60,811	11.1	31,628	12.2	17,952	7.6
Direct labor costs	7,882	3.7	7,875	2.3	23,221	4.2	9,679	3.7	12,765	5.4
Total	**214,132**	**100.0**	**344,751**	**100.0**	**547,537**	**100.0**	**260,079**	**100.0**	**234,844**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit margin represents our gross profit as a percentage of our revenue. The following table sets forth our gross profit and gross profit margin by business segment, for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands, except for percentages)						*(unaudited)*			
Sensors	89,030	38.7	89,146	41.4	157,559	51.8	72,700	52.7	114,887	55.5
System-level devices and solutions	55,443	46.8	125,771	37.1	224,680	36.4	98,959	34.2	83,572	41.3
Services and others	1,401	12.1	4,791	46.7	10,968	55.0	3,731	47.8	4,303	15.3
Total	**145,874**	**40.5**	**219,708**	**38.9**	**393,207**	**41.8**	**175,390**	**40.3**	**202,762**	**46.3**

Other Income and Gains

Our other income and gains primarily consisted of (i) interest income, primarily representing interests from certificates of deposit and, (ii) investment income, primarily representing gains from wealth management products and structured deposit, (iii) government grants in form of project subsidies and software VAT refunds, most of which are non-recurring in nature, (iv) net foreign exchange gains, (v) gains on disposal of non-current assets, (vi) net fair value gains on financial assets at FVTPL. The following table sets forth the breakdown of our other income and gains for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Other income										
Interest income	25,365	25.6	39,924	34.5	10,378	9.9	5,220	10.6	16,053	35.0
Investment income	28,768	29.0	36,072	31.2	35,508	33.8	17,892	36.4	13,912	30.3
Government grants	42,066	42.4	37,245	32.2	55,671	53.0	25,475	51.9	14,845	32.4
Others	20	0.0	1,892	1.6	938	0.8	67	0.1	4	0.0
Total other income	**96,219**	**97.0**	**115,133**	**99.5**	**102,495**	**97.5**	**48,654**	**99.0**	**44,814**	**97.7**
Gains										
Foreign exchange gains, net	944	1.0	208	0.2	–	–	–	–	–	–
Gains on disposal of property, plant and equipment	224	0.2	200	0.2	109	0.1	–	–	–	–
Gains on lease termination	1,744	1.8	–	–	–	–	–	–	34	0.1
Fair value gains on financial assets at FVTPL, net	–	–	89	0.1	2,522	2.4	470	1.0	1,037	2.2
Total gains	**2,912**	**3.0**	**497**	**0.5**	**2,631**	**2.5**	**470**	**1.0**	**1,071**	**2.3**
Total	**99,131**	**100.0**	**115,630**	**100.0**	**105,126**	**100.0**	**49,124**	**100.0**	**45,885**	**100.0**

Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of (i) employee expenses for employees involved in selling and marketing functions, (ii) advertising and promotion expenses, primarily including expenses in connection with advertising, exhibitions and marketing channels, (iii) business and travel expenses, primarily relating to travel and business entertainment incurred for our sales activities, (iv) share-based payment expenses arising from the grant of share awards to our sales team, and (v) depreciation and amortization. The following table sets forth the breakdown of our selling and marketing expenses, in absolute amounts and as percentages of total selling and marketing expenses, for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)						*(unaudited)*			
Employee expenses	40,605	59.0	49,739	67.7	49,301	71.3	24,198	73.5	28,143	75.9
Advertising and promotion expenses	9,488	13.8	6,735	9.2	9,341	13.5	3,322	10.1	4,246	11.4
Business and travel expenses	6,351	9.2	3,651	5.0	4,159	6.0	1,817	5.5	1,933	5.2
Share-based payment expenses	7,595	11.0	7,240	9.9	2,518	3.6	1,920	5.8	1,453	3.9
Depreciation and amortization	2,547	3.7	2,628	3.6	1,915	2.8	987	3.0	720	1.9
Others[1]	2,217	3.3	3,447	4.6	1,878	2.8	691	2.1	604	1.7
Total	**68,803**	**100.0**	**73,440**	**100.0**	**69,112**	**100.0**	**32,935**	**100.0**	**37,099**	**100.0**

Note:

(1) Primarily in connection with expenses incurred for our sales activities, including office-related expenses, freight and handling charges, communication fees.

Administrative Expenses

Our administrative expenses primarily consisted of (i) employee expenses for employees performing administrative functions, (ii) depreciation and amortization, (iii) share-based payment expenses arising from the grant of share awards to our senior management and administration personnel, (iv) professional service fees in connection with A shares regulatory compliance requirements, (v) tax and surcharge, primarily including VAT surcharges, (vi) business and travel expenses, primarily in connection with travel and business events incurred for administrative activities, and (vii) rental and property management fees within one year. The following table sets forth the breakdown of our general and administrative expenses, in absolute amounts and as percentages of total general and administrative expenses, for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Employee expenses	81,088	60.1	65,208	59.9	51,585	51.5	26,525	55.7	29,220	51.5
Depreciation and amortization	12,303	9.1	15,422	14.2	16,659	16.6	6,781	14.2	9,063	16.0
Share-based payment expenses	18,111	13.4	8,245	7.6	5,243	5.2	4,207	8.8	4,103	7.2
Professional services fees	3,222	2.4	2,712	2.4	5,077	5.1	2,482	5.2	4,178	7.3
Tax and surcharge	2,422	1.8	3,340	3.1	7,391	7.4	2,360	5.0	3,137	5.5
Business and travel expenses	4,433	3.3	3,546	3.3	2,686	2.7	1,103	2.3	1,647	2.9
Rental and property management fees	4,607	3.4	3,853	3.5	4,750	4.7	1,896	4.0	1,599	2.8
Others[1]	8,647	6.5	6,528	6.0	6,856	6.8	2,265	4.8	3,838	6.8
Total	**134,833**	**100.0**	**108,854**	**100.0**	**100,247**	**100.0**	**47,619**	**100.0**	**56,785**	**100.0**

Note:

(1) Other administrative expenses, including office supplies, freight and handling charges and communication fees.

Research and Development Expenses

Our research and development expenses primarily consisted of (i) employee expenses for our R&D employees, (ii) depreciation and amortization, (iii) raw material expenses in relation to our consumables used in our routine R&D activities, (iv) share-based payment expenses representing the grant of share awards to our R&D employees, (v) professional services fees primarily relating to testing and certification, outsourced technical development and design services, and IP application. The following table sets forth the breakdown of our research and development expenses, in absolute amounts and as percentages of total research and development expenses, for the years/periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Employee expenses	195,740	65.1	137,029	67.1	156,041	77.0	67,048	73.5	89,759	80.6
Depreciation and amortization	33,565	11.2	24,255	11.9	19,197	9.5	11,058	12.1	7,865	7.1
Raw material expenses	12,825	4.3	11,360	5.6	11,080	5.5	4,565	5.0	7,306	6.6
Share-based payment expenses	41,027	13.6	18,304	9.0	7,699	3.8	4,857	5.3	2,494	2.2
Professional services fees	10,011	3.3	6,197	3.0	3,635	1.8	1,339	1.5	1,773	1.6
Others[1]	7,642	2.5	7,190	3.4	4,882	2.4	2,314	2.6	2,196	1.9
Total	**300,810**	**100.0**	**204,335**	**100.0**	**202,534**	**100.0**	**91,181**	**100.0**	**111,393**	**100.0**

Note:

(1) Other R&D expenses, including office supplies, freight and handling charges, communication fees and rental and property management fees.

Reversal of Impairment Loss/(Impairment Loss) on Financial Assets, Net

In 2023, we recorded reversal of impairment loss on financial assets of RMB2.2 million. In 2024 and 2025, we recorded impairment loss on financial assets of RMB1.3 million and RMB1.3 million, respectively. For the six months ended June 30, 2025 and 2026, we recorded a reversal of impairment loss on financial assets of RMB0.6 million, and impairment loss on financial assets of RMB0.5 million, respectively.

Other Expenses

Our other expenses primarily consisted of gains or losses arising from changes in fair value, foreign exchange losses and expenses arising outside the ordinary course of business. We recorded other expenses of RMB7.5 million, RMB10.1 million, RMB4.6 million, RMB0.6 million and RMB2.9 million in 2023, 2024 and 2025, and for the six months ended June 30, 2025 and 2026, respectively.

Finance Costs

Our finance costs primarily represented interest expenses on bank borrowings and lease liabilities. The following table sets forth the breakdown of our finance costs for the years/periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2023	2024	2025	2025	2026
			(RMB in thousands)		
				(unaudited)	
Interest on interest-bearing bank borrowings	2,584	3,000	2,512	1,555	645
Interest on lease liabilities	1,807	707	39	23	63
Total	**4,391**	**3,707**	**2,551**	**1,578**	**708**

Share of profits and losses of associates

Our share of profits and losses of associates primarily reflected our investments in Shanghai Green Leaf (上海綠葉) and Hangzhou Shanyi (杭州山易). Shanghai Green Leaf is a media and educational services company, in which we hold a 49% equity interest as a strategic investment to promote educational solutions. Hangzhou Shanyi (杭州山易) is a company specializing in intelligent lawn mower design, core component research and development, and sales, in which we hold a 34% equity interest as a strategic investment to strengthen our downstream business collaboration. Shanghai Yuemian (上海閱面), a 21.11%-owned associate, focuses on visual recognition software and hardware solutions. We recorded share of profits of associates of RMB0.3 million, RMB1.0 million, RMB0.8 million, RMB0.6 million and RMB28 thousand in 2023, 2024 and 2025, and for the six months ended June 30, 2025 and 2026, respectively.

Income Tax (Expense)/Credit

Our income tax (expense)/credit primarily consisted of current income tax and deferred income tax. In 2023, we recorded income tax expense of RMB6.7 million. In 2024 and 2025, and for the six months ended June 30, 2025 and 2026, we recorded income tax credit of RMB2.5 million, RMB8.8 million, RMB7.8 million and RMB1.5 million, respectively. We are subject to varying tax rates in different jurisdictions. For details of the applicable tax rates in the jurisdictions in which we are domiciled and operate, see Note 10 to the Accountants' Report set out in Appendix I to this document.

Chinese Mainland

In accordance with the Enterprise Income Tax Law ("**EIT Law**"), foreign-invested enterprises ("**FIEs**") and domestic companies established in Chinese Mainland are subject to enterprise income tax ("**EIT**") at a rate of 25%. In addition, certain of our subsidiaries benefit from a preferential tax rate of 15% under the EIT Law as they qualify as "High and New Technology Enterprises" under the relevant regulations.

Hong Kong

Our subsidiary in Hong Kong is subject to Hong Kong profits tax at a rate of 8.25% on the first HK$2.0 million of assessable profits and 16.5% on assessable profit above that amount during the Track Record Period.

U.S.

Our subsidiary in the U.S. is subject to a state income tax rate of 6% and a total income tax rate of 27% during the Track Record Period.

Singapore

Our subsidiaries in Singapore are subject to Singapore tax rate of 4.25% on the first $100,000 of assessable profits, 8.25% on $100,000 to $290,000 of assessable profits and 17% on the remaining assessable profits.

During the Track Record Period and up to the Latest Practicable Date, we had paid all relevant taxes when due and there were no matters in dispute and unresolved with the relevant tax authorities.

Loss/Profit for the Year/Period

As a result of the foregoing, our net loss amounted to RMB275.5 million and RMB62.9 million in 2023 and 2024. Our net profit amounted to RMB127.6 million, RMB59.7 million and RMB40.8 million in 2025 and for the six months ended June 30, 2025 and 2026, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six months ended June 30, 2026 Compared to Six months ended June 30, 2025

Revenue

Our revenue increased slightly from RMB435.5 million for the six months ended June 30, 2025 to RMB437.6 million for the six months ended June 30, 2026, primarily because the increase in revenue from sensors and services and others more than offset the decrease in revenue from system-level devices and solutions. Specifically,

(i) our revenue from sensors increased by 50.0% from RMB138.0 million for the six months ended June 30, 2025 to RMB206.9 million for the six months ended June 30, 2026, primarily due to higher sales volume driven by our expanded customer base among robotics companies and increased market penetration in the robotics industry;

(ii) our revenue from system-level devices and solutions decreased by 30.1% from RMB289.7 million for the six months ended June 30, 2025 to RMB202.5 million for the six months ended June 30, 2026, primarily due to a reduction in orders for payment terminals, as a decline in domestic market demand for the implementation of payment terminals; and

(iii) our revenue from services and others increased from RMB7.8 million for the six months ended June 30, 2025 to RMB28.1 million for the six months ended June 30, 2026, primarily due to higher revenue generated from robotics OEM services.

Cost of Sales

Our cost of sales decreased by 9.7% from RMB260.1 million for the six months ended June 30, 2025 to RMB234.8 million for the six months ended June 30, 2026, primarily due to lower related cost for payment terminals as orders for such products reduced.

Gross Profit and Gross Profit Margin

Our overall gross profit margin increased from 40.3% for the six months ended June 30, 2025 to 46.3% for the six months ended June 30, 2026, primarily driven by a shift in our sales mix, as revenue contribution from higher-margin sensors increased. Specifically,

(i) the gross profit margin of sensors increased from 52.7% to 55.5% over the same periods, primarily due to higher sales volume of our high-margin products amid the growth of the robotics industry;

(ii) the gross profit margin of system-level devices and solutions increased from 34.2% to 41.3% over the same periods, primarily attributable to a higher proportion of 3D scanning devices, which carry higher margins, and a decrease in lower-margin payment terminals in our sales mix; and

(iii) the gross profit margin of services and others decreased from 47.8% to 15.3% over the same periods, primarily attributable to a shift in revenue mix toward robotics OEM services, which carry a lower gross profit margin compared to other revenues.

Other Income and Gains

Our other income and gains decreased by 6.6% from RMB49.1 million for the six months ended June 30, 2025 to RMB45.9 million for the six months ended June 30, 2026, primarily due to one-off government grant recognized in the first half of 2025 that was not received in the corresponding period of 2026, and lower investment income; partially offset by higher interest income.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 12.6% from RMB32.9 million for the six months ended June 30, 2025 to RMB37.1 million for the six months ended June 30, 2026, primarily due to the expansion of our overseas and domestic sales teams to support our growing business operations.

Administrative Expenses

Our administrative expenses increased by 19.2% from RMB47.6 million for the six months ended June 30, 2025 to RMB56.8 million for the six months ended June 30, 2026, primarily due to the expansion of our administrative team to support our growing business operations as well as increased depreciation and amortization expenses in connection with administrative office buildings.

Research and Development Expenses

Our research and development expenses increased by 22.2% from RMB91.2 million for the six months ended June 30, 2025 to RMB111.4 million for the six months ended June 30, 2026, primarily due to the expansion of our R&D team, as well as higher raw material costs incurred in research activities.

Reversal of Impairment Loss/(Impairment Loss) on Financial Assets, net

Our reversal of impairment loss on financial assets was RMB0.6 million for the six months ended June 30, 2025, and our impairment loss on financial assets were RMB0.5 million for the six months ended June 30, 2026, primarily due to an increase in the trade receivables base in line with our revenue growth, which led to higher expected credit loss provisions under the expected credit loss model.

Other Expenses

Our other expenses increased from RMB0.6 million for the six months ended June 30, 2025 to RMB2.9 million for the six months ended June 30, 2026, primarily due to the appreciation of the Renminbi against the US dollar.

Finance Costs

Our finance costs decreased from RMB1.6 million for the six months ended June 30, 2025 to RMB0.7 million for the six months ended June 30, 2026, primarily due to lower borrowing balances and reduced interest rates in the first half of 2026.

Share of Profits of Associates

Our share of profits of associates decreased from RMB0.6 million for the six months ended June 30, 2025 to RMB28 thousand for the six months ended June 30, 2026, primarily due to the weaker operating performance of Hangzhou Shanyi.

Income Tax Credit

Our income tax credit decreased from RMB7.8 million for the six months ended June 30, 2025 to RMB1.5 million for the six months ended June 30, 2026, primarily due to a higher amount of previously unrecognized deductible temporary differences and tax losses recognized in the first half of 2025, as a result of improved profitability expectations at that time, compared to a lower amount recognized in the corresponding period of 2026.

Profit for the Period

As a result of the foregoing, our profit for the period decreased by 31.7% from RMB59.7 million for the six months ended June 30, 2025 to RMB40.8 million for the six months ended June 30, 2026.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 66.7% from RMB564.5 million for the year ended December 31, 2024 to RMB940.7 million for the year ended December 31, 2025, primarily deriving from the increase in system-level devices and solutions. Specifically,

(i) our revenue from sensors increased by 41.2% from RMB215.2 million for the year ended December 31, 2024 to RMB303.9 million for the year ended December 31, 2025, primarily due to rising market demand from the expanding robotics industry and the successful commercialization of our newly-launched high-end sensor products;

(ii) our revenue from system-level devices and solutions increased by 82.0% from RMB339.0 million for the year ended December 31, 2024 to RMB616.9 million for the year ended December 31, 2025, primarily due to continuous substantial orders for payment terminals, as well as higher sales volume of 3D scanning devices; and

(iii) our revenue from services and others increased by 94.2% from RMB10.3 million for the year ended December 31, 2024 to RMB20.0 million for the year ended December 31, 2025, primarily due to higher revenue generated from our R&D services.

Cost of Sales

Our cost of sales increased by 58.8% from RMB344.8 million for the year ended December 31, 2024 to RMB547.5 million for the year ended December 31, 2025, which was in line with our revenue growth.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 79.0% from RMB219.7 million for the year ended December 31, 2024 to RMB393.2 million for the year ended December 31, 2025. Our overall gross profit margin increased from 38.9% for the year ended December 31, 2024 to 41.8% for the year ended December 31, 2025, specifically,

(i) the gross profit margin of sensors increased from 41.4% in 2024 to 51.8% in 2025, primarily due to our newly-launched high-end sensor products with higher gross profit margin and higher sales volumes resulting from increased market demand for such products;

(ii) the gross profit margin of system-level devices and solutions decreased from 37.1% in 2024 to 36.4% in 2025, primarily attributable to higher sales volume of payment terminals with relatively low gross profit margin; and

(iii) the gross profit margin of services and others increased from 46.7% in 2024 to 55.0% in 2025, primarily due to a higher proportion of revenue from R&D services, which carry a higher gross profit margin.

Other Income and Gains

Our other income and gains decreased by 9.1% from RMB115.6 million for the year ended December 31, 2024 to RMB105.1 million for the year ended December 31, 2025, primarily due to the interest income recognized upon the redemption of certificates of deposit, partially offset by higher government grants arising from increased software value-added tax refunds.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 5.9% from RMB73.4 million for the year ended December 31, 2024 to RMB69.1 million for the year ended December 31, 2025, primarily due to lower share-based payments.

Administrative Expenses

Our administrative expenses decreased by 7.9% from RMB108.9 million for the year ended December 31, 2024 to RMB100.2 million for the year ended December 31, 2025, primarily due to the completion of workforce optimization, which resulted in one-off severance payments in 2024, and a leaner administrative team in 2025 following such optimization, as well as lower share-based payments.

Research and Development Expenses

Our research and development expenses decreased by 0.9% from RMB204.3 million for the year ended December 31, 2024 to RMB202.5 million for the year ended December 31, 2025, primarily due to lower share-based payments.

Impairment Loss on Financial Assets, net

Our net impairment loss on financial assets remained stable at RMB1.3 million for the year ended December 31, 2024 and 2025.

Other Expenses

Our other expenses decreased from RMB10.1 million for the year ended December 31, 2024 to RMB4.6 million for the year ended December 31, 2025, primarily due to a one-off asset disposal loss recorded in 2024 relating to the relocation of our production base, with no such loss incurred in 2025.

Finance Costs

Our finance costs decreased from RMB3.7 million for the year ended December 31, 2024 to RMB2.6 million for the year ended December 31, 2025, primarily due to lower borrowing balances and reduced interest rates in 2025.

Share of Profits and Losses of Associates

Our share of profits of associates decreased from RMB1.0 million for the year ended December 31, 2024 to RMB0.8 million for the year ended December 31, 2025, primarily due to the weaker operating performance of Hangzhou Shanyi.

Income Tax Credit

Our income tax credit increased from RMB2.5 million for the year ended December 31, 2024 to RMB8.8 million for the year ended December 31, 2025, primarily due to the recognition of a higher amount of deferred tax assets for deductible temporary differences and tax losses carried forward, reflecting improved profitability expectations following the turnaround from net loss in 2024 to net profit in 2025.

Loss/Profit for the Year

As a result of the foregoing, we recorded a net loss of RMB62.9 million for the year ended December 31, 2024, and a net profit of RMB127.6 million for the year ended December 31, 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 56.8% from RMB360.0 million for the year ended December 31, 2023 to RMB564.5 million for the year ended December 31, 2024, primarily reflecting the increase in system-level devices and solutions. Specifically,

(i) our revenue from sensors decreased by 6.4% from RMB229.9 million for the year ended December 31, 2023 to RMB215.2 million for the year ended December 31, 2024, primarily due to a decline in market demand for biometrics recognition-related sensors for payment terminals;

(ii) our revenue from system-level devices and solutions increased from RMB118.5 million for the year ended December 31, 2023 to RMB339.0 million for the year ended December 31, 2024, primarily due to substantial orders for 3D-scanning and NFC payment terminals; and

(iii) our revenue from services and others remained relatively stable at RMB10.3 million for the year ended December 31, 2024, compared to RMB11.6 million for the year ended December 31, 2023.

Cost of Sales

Our cost of sales increased by 61.0% from RMB214.1 million for the year ended December 31, 2023 to RMB344.8 million for the year ended December 31, 2024, which was in line with our revenue growth.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 50.6% from RMB145.9 million for the year ended December 31, 2023 to RMB219.7 million for the year ended December 31, 2024. Our overall gross profit margin decreased from 40.5% for the year ended December 31, 2023 to 38.9% for the year ended December 31, 2024, primarily due to an unfavorable shift in product mix caused by higher sales of lower-margin payment terminals. Specifically,

(i) the gross profit margin of sensors increased from 38.7% to 41.4% from 2023 to 2024, primarily due to an increase in the proportion of higher-margin products in our sales mix;

(ii) the gross profit margin of system-level devices and solutions decreased from 46.8% to 37.1% from 2023 to 2024, primarily attributable to the large-volume orders for payment terminals with relatively lower gross profit margin; and

(iii) the gross profit margin of services and others increased from 12.1% in 2023 to 46.7% in 2024, primarily due to higher revenue from higher-margin R&D services.

Other Income and Gains

Our other income and gains increased by 16.6% from RMB99.1 million for the year ended December 31, 2023 to RMB115.6 million for the year ended December 31, 2024, primarily due to higher interest income from certificates of deposit held as part of our cash management strategy.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 6.7% from RMB68.8 million for the year ended December 31, 2023 to RMB73.4 million for the year ended December 31, 2024, primarily due to an increase in our employee expenses arising from the expansion of our overseas sales team.

Administrative Expenses

Our administrative expenses decreased by 19.3% from RMB134.8 million for the year ended December 31, 2023 to RMB108.9 million for the year ended December 31, 2024, primarily due to the reduced size of our administrative team following the workforce optimization, as well as lower share-based payments.

Research and Development Expenses

Our research and development expenses decreased by 32.1% from RMB300.8 million for the year ended December 31, 2023 to RMB204.3 million for the year ended December 31, 2024, primarily due to the reduced size of our R&D team following the workforce optimization, as well as lower share-based payments.

Reversal of Impairment Loss/(Impairment Loss) on Financial Assets, net

We recorded reversal of impairment loss on financial assets of RMB2.2 million for the year ended December 31, 2023, and impairment loss on financial assets of RMB1.3 million for the year ended December 31, 2024, primarily due to an increase in trade receivables base as a result of our revenue growth, which gave rise to higher impairment provision for such receivables.

Other Expenses

Our other expenses increased by 34.6% from RMB7.5 million for the year ended December 31, 2023 to RMB10.1 million for the year ended December 31, 2024, primarily due to (i) higher other operating expenses from the early write-off of long-term prepaid decoration works in connection with the relocation of our production facility to our Shunde manufacturing base, and (ii) higher impairment losses on long-term prepayments following the termination of certain R&D projects in 2024.

Finance Costs

Our finance costs decreased by 15.6% from RMB4.4 million for the year ended December 31, 2023 to RMB3.7 million for the year ended December 31, 2024, primarily due to the reduction in interest on lease liabilities following the expiry of certain leases as we relocated our production base to owned premises.

Share of Profits of Associates

Our share of profits of associates increased from RMB0.3 million for the year ended December 31, 2023 to RMB1.0 million for the year ended December 31, 2024, primarily due to the strong operating performance of Shanghai Green Leaf.

Income Tax (Expense)/Credit

Our income tax shifted from a tax expense of RMB6.7 million for the year ended December 31, 2023 to a tax credit of RMB2.5 million for the year ended December 31, 2024, primarily due to the recognition of deferred tax assets arising from temporary differences related to deferred income and share-based payment expenses in 2024, which more than offset the write-down of previously recognized deferred tax assets for tax losses.

Loss for the Year

As a result of the foregoing, our net loss for the year decreased by 77.2% from RMB275.5 million for the year ended December 31, 2023 to RMB62.9 million for the year ended December 31, 2024.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth a breakdown of our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(unaudited)
Non-current Assets				
Property, plant and equipment	297,311	410,105	471,746	472,839
Other intangible assets	24,529	12,480	7,058	4,641
Right-of-use assets	125,566	103,637	98,541	142,786
Investment in associate	15,654	16,626	18,489	18,517
Equity investments designated at fair value through other comprehensive income	169,992	94,345	99,804	101,084
Goodwill	3,217	3,217	3,217	3,217
Prepayment, other receivables and other assets	662,805	1,082,174	1,064,410	736,278
Time deposits	–	–	–	123,092
Deferred tax assets	162,943	176,947	190,372	200,569
Total non-current assets	**1,462,017**	**1,899,531**	**1,953,637**	**1,803,023**
Current Assets				
Inventories	159,040	219,943	185,634	256,176
Trade and bills receivables	83,173	154,275	137,128	129,521
Prepayments, other receivables and other assets	93,688	103,755	112,413	506,969
Financial assets at fair value through profit or loss ("**FVTPL**")	388,419	345,000	310,145	163,969
Debt investments at fair value through other comprehensive income ("**FVOCI**")	–	–	84,130	37,245
Time deposits	306,752	348,730	359,801	311,250
Restricted cash	1,320	8,232	2,763	1,942
Cash and cash equivalents	889,809	249,525	267,171	1,220,986
Total current assets	**1,922,201**	**1,429,460**	**1,459,185**	**2,628,058**
Current Liabilities				
Trade and bills payables, other payables and accruals	153,285	217,451	230,791	261,201
Contract liabilities	24,858	15,878	18,306	24,925
Lease liabilities	13,798	1,943	532	2,773
Interest-bearing bank borrowings	147,511	167,961	127,261	90,689
Total current liabilities	**339,452**	**403,233**	**376,890**	**379,588**
Net current assets	**1,582,749**	**1,026,227**	**1,082,295**	**2,248,470**
Total assets less current liabilities	**3,044,766**	**2,925,758**	**3,035,932**	**4,051,493**

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(unaudited)*
Non-current liabilities				
Deferred income	20,947	50,622	41,466	39,293
Lease liabilities	13,277	856	297	2,016
Deferred tax liabilities	16	–	1	–
Total non-current liabilities	**34,240**	**51,478**	**41,764**	**41,309**
Net assets	**3,010,526**	**2,874,280**	**2,994,168**	**4,010,184**

Property, Plant and Equipment

Our property, plant and equipment consisted of (i) buildings, (ii) machinery and equipment, (iii) electronic equipment and others, (iv) construction in progress, (v) motor vehicles, (vi) leasehold improvements. The following table sets forth details of our property, plant and equipment as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(unaudited)*
Buildings	249,441	307,742	438,602	438,070
Machinery and equipment	24,035	17,477	19,340	19,497
Electronic equipment and others	12,385	10,751	12,142	12,837
Construction in progress	3,667	72,214	235	1,244
Motor vehicles	440	1,612	1,365	1,191
Leasehold improvements	7,343	309	62	–
Total	**297,311**	**410,105**	**471,746**	**472,839**

Our property, plant and equipment increased from RMB297.3 million as of December 31, 2023 to RMB410.1 million as of December 31, 2024, and further increased to RMB471.7 million as of December 31, 2025, primarily due to ongoing investment in construction and expansion of our production base in Shunde. Our property, plant and equipment increased slightly to RMB472.8 million as of June 30, 2026, primarily attributable to an increase in electronic equipment and other assets, arising from additions of office computers and production moulds.

Other Intangible Assets

Our intangible assets consisted of software and license rights. Our intangible assets decreased from RMB24.5 million as of December 31, 2023 to RMB12.5 million as of December 31, 2024 and further decreased to RMB7.1 million as of December 31, 2025, primarily due to the expiry of amortization for certain IP licenses in 2024 and the write-off of project-specific R&D assets upon the termination of certain R&D projects. Our intangible assets then decreased to RMB4.6 million as of June 30, 2026, primarily due to the amortization of the software and IP licenses.

Right-of-use Assets

Our right-of-use assets consisted of leasehold land and buildings for office operations and production base. Our right-of-use assets decreased from RMB125.6 million as of December 31, 2023 to RMB103.6 million as of December 31, 2024, and further decreased to RMB98.5 million as of December 31, 2025, primarily due to (i) the termination of existing office leases upon relocation of our office to an owned building in 2024, and (ii) the termination of certain leases upon the relocation of our production base to Shunde. Our right-of-use assets then increased to RMB142.8 million as of June 30, 2026, mainly attributable to the acquisition of leasehold land for our production base in Vietnam.

Investments in Associates

Investments in associates mainly related to our investment in Shanghai Green Leaf and Hangzhou Shanyi. Our investments in associates increased from RMB15.7 million as of December 31,2023 to RMB16.6 million as of December 31, 2024, primarily due to our new investment in Hangzhou Shanyi, and further increased to RMB18.5 million as of December 31, 2025. Our investments in associates then remained relatively stable at RMB18.5 million as of June 30, 2026.

Equity Investments designated at Fair Value through Other Comprehensive Income ("FVOCI")

Our equity investments designated at FVOCI represented our non-current investments in unlisted companies. Our equity investments at FVOCI decreased from RMB170.0 million as of December 31, 2023 to RMB94.3 million as of December 31, 2024, primarily due to the full write-down of the fair value of our investment in Ningbo Feixin (寧波飛芯), a company specializing in solid-state lidar and 3D ToF receiver array chips, from RMB77.0 million to nil as a result of operational abnormalities at the investee, and then increased to RMB99.8 million as of December 31, 2025, primarily attributable to an increase in the fair value of our investment in Wuxi Weishi (無錫微視), a MEMS chip developer, arising from a higher valuation in its equity financing round. Our equity investments designated at FVOCI then further increased to RMB101.1 million as of June 30, 2026, primarily driven by fair value adjustments in respect of our investments in Wuxi Weishi and Shenzhen Yifang (深圳異方), a developer of intelligent cargo measurement and logistics automation solutions.

Deferred Tax Assets

We recognized deferred tax assets for deductible temporary differences and the carry forward of unused tax credits and unused tax losses to the extent that it was probable that taxable profits would be available against which they could be utilized. Our deferred tax assets increased from RMB162.9 million as of December 31, 2023 to RMB176.9 million as of December 31, 2024, and further increased to RMB190.4 million as of December 31, 2025, primarily due to higher deferred income and tax losses carried forward arising from 2023 and 2024 net losses. As of June 30, 2026, our deferred tax assets increased to RMB200.6 million, mainly due to higher expected future tax deductions for stock options, driven by a widening expected exercise-date share-price spread.

Goodwill

Our goodwill represented the excess investment in XTOP 3D Technology (Xi'an) Co., Ltd. Our goodwill remained stable at RMB3.2 million as of December 31, 2023, 2024, 2025 and June 30, 2026.

Inventories

Our inventories consisted of (i) raw materials, (ii) finished goods, (iii) goods in transit, representing goods delivered to customers which have not yet been accepted by customers and for which revenue-recognition criteria have not been satisfied, (iv) work in progress, and (v) contract fulfilment costs. The following table sets forth details of our inventories as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(unaudited)*
Raw materials	111,763	152,298	126,485	173,262
Finished goods	40,980	52,091	39,632	60,341
Goods in transit	2,839	4,686	6,708	1,072
Work in progress	3,206	10,616	11,860	21,372
Contract fulfilment costs	252	252	949	129
Total	**159,040**	**219,943**	**185,634**	**256,176**

Our inventories increased from RMB159.0 million as of December 31, 2023 to RMB219.9 million as of December 31, 2024, primarily due to higher inventory stocking levels in response to the rapid growth of our business, and then decreased to RMB185.6 million as of December 31, 2025, primarily due to improved inventory management leading to a lower inventory balance notwithstanding continued revenue growth. Our inventories then increased to RMB256.2 million as of June 30, 2026, primarily due to higher inventory stocking level of memory materials and chips in response to price fluctuations of such raw materials.

The following is an aging analysis of our inventories as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(unaudited)*
Within 1 year	111,109	177,666	155,047	231,995
1 year to 2 years	34,073	14,866	11,449	7,181
Over 2 years	13,858	27,411	19,138	17,000
Total	**159,040**	**219,943**	**185,634**	**256,176**

The following table sets forth our inventory turnover days for the years/periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2023	2024	2025	2026
Inventory turnover days [(1)]	265	201	135	170

Note:

(1) Calculated as the average of the beginning and ending balance of inventories for the year/period divided by the cost of revenue for that year/period and multiplied by 365 days for the year ended December 31, 2023, 2024 and 2025, and 181 days for the six months ended June 30, 2026.

Our inventory turnover days decreased from 265 days in 2023 to 201 days in 2024 and then decreased to 135 days in 2025, mainly due to improved inventory management and accelerated sales of system-level devices and solutions. For the six months ended June 30, 2026, our inventory turnover days increased to 170 days, mainly due to strategic stockpiling of memory materials and chips.

As of July 31, 2026, RMB76.6 million, or 25.5 % of our inventories as of June 30, 2026 had been subsequently sold or utilized.

Trade and Bills Receivables

Our trade and bills receivables consisted of trade receivables and bills receivables. During the Track Record Period, we generally granted our customers a credit period of 0 to 120 days.

The following table sets forth details of our trade and bills receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Bills receivables[1]:				
Third parties	21,471	45,232	641	1,538
Less: impairment of bills receivables	(70)	(29)	–	(77)
Bills receivables, net	21,401	45,203	641	1,461
Trade receivables:				
Third parties	68,726	95,794	138,016	130,653
Due from related parties	45	23,858	7,945	6,278
Less: impairment of trade receivables	(6,999)	(10,580)	(9,474)	(8,871)
Trade receivables, net	61,772	109,072	136,487	128,060
Total trade and bills receivables	**83,173**	**154,275**	**137,128**	**129,521**

Note:

(1) Bills receivables are with a maturity period of within six months.

Our trade and bills receivables increased from RMB83.2 million as of December 31, 2023 to RMB154.3 million as of December 31, 2024, primarily attributable to the expansion of our receivables balance in line with revenue growth, and then decreased to RMB137.1 million as of December 31, 2025, mainly due to the endorsement and discounting of bills receivable, partially offset by higher trade receivables. For the six months ended June 30, 2026, our trade and bills receivables further decreased to RMB129.5 million, primarily due to higher cash collections, which reduced our outstanding trade receivables.

The following is an aging analysis of our trade receivables based on revenue recognition date and net of loss allowance as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Within 1 year	60,359	107,385	135,650	126,717
1 year to 2 years	926	1,272	837	1,137
2 years to 3 years	487	415	–	206
Total	**61,772**	**109,072**	**136,487**	**128,060**

The following table sets forth our trade and bills receivables turnover days for the years/periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2023	2024	2025	2026
Trade and bills receivables turnover days[(1)]	88	77	57	55

Note:

(1) Calculated as the average of the beginning and ending balance of trade and bills receivables for the year/period divided by revenue for that year/period and multiplied by 365 days for the year ended December 31, 2023, 2024 and 2025, and by 181 days for the six months ended June 30, 2025 and 2026.

Our trade and bills receivables turnover days decreased from 88 days in 2023 to 77 days in 2024, 57 days in 2025 and 55 days for the six months ended June 30, 2026, primarily attributable to enhanced collection efforts and our strengthened bargaining power with customers leading to more favorable payment terms.

As of July 31, 2026, RMB71.2 million, or 51.4%, of our trade and bills receivables as of June 30,2026 had been subsequently settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets comprised (i) value-added tax recoverable, (ii) prepaid income tax, (iii) deferred expenses, (iv) prepayments, (v) other receivables, (vi) prepayments for other intangible assets, primarily representing electronic design automation software license fees and design fees in connection with our R&D project, (vii) prepayments for other non-current assets and (viii) certificates of deposits. The following table sets out a breakdown of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(unaudited)*
Current				
Value-added tax recoverable	72,706	88,498	89,085	91,214
Prepaid income tax	–	–	100	3
Deferred expenses	563	825	415	310
Prepayments	16,191	10,446	20,171	33,418
Certificates of deposits	–	–	–	354,507
Materials held on behalf of customers	–	–	–	8,492
Other receivables	8,030	5,223	3,470	7,068
Amount receivable from a customer for purchasing designated key material on the customer's behalf	–	–	–	13,767
Impairment of other receivables	(3,802)	(1,237)	(828)	(1,810)
Other receivables, net	4,228	3,986	2,642	19,025
	93,688	**103,755**	**112,413**	**506,969**
Non-current				
Prepayments for other intangible assets	237	–	–	62
Prepayments for other non-current assets	22,095	6,706	3,203	22,014
Certificates of deposits	624,647	1,059,086	1,051,699	707,994
Deferred mould cost	15,826	16,382	9,508	6,208
	662,805	**1,082,174**	**1,064,410**	**736,278**
Total	**756,493**	**1,185,929**	**1,176,823**	**1,243,247**

Our prepayments, other receivables and other assets increased from RMB756.5 million as of December 31, 2023 to RMB1,185.9 million as of December 31, 2024, primarily due to higher investments in certificates of deposits in 2024 as part of our cash management strategy, and then decreased slightly to RMB1,176.8 million as of December 31, 2025, mainly due to a decrease in deferred mould costs primarily resulting from the impairment and amortization of photomasks. As of June 30, 2026, our prepayments and other receivables increased to RMB1,243.2 million, primarily attributable to increased receivables for raw materials procured on behalf of customers under our OEM service arrangements, prepayments for the construction of our Vietnam factory and strategic prepayments for imported memory materials.

As of July 31, 2026, RMB11.2 million, or 0.9%, of our prepayments and other receivables as of June 30, 2026 had been subsequently settled.

Financial assets at fair value through profit or loss ("FVTPL")

Our financial assets at FVTPL comprised structured deposits and wealth management products. Our financial assets at FVTPL decreased from RMB388.4 million as of December 31, 2023 to RMB345.0 million as of December 31, 2024, and further decreased to RMB310.1 million as of December 31, 2025. As of June 30, 2026, our financial assets at FVTPL decreased to RMB164.0 million. During the Track Record Period, the decrease of our financial assets at FVTPL was primarily driven by redemptions of certificates of deposit.

Debt investments at fair value through other comprehensive income ("FVOCI")

Our debt investments at FVOCI comprised bank acceptance bills classified as receivables financing. We recorded debt investments at FVOCI of nil, nil, RMB84.1 million and RMB37.2 million as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively. The decrease from RMB84.1 million as of December 31, 2025 to RMB37.2 million as of June 30, 2026, was primarily attributable to the discounting of bank acceptance bills for cash collection for the six months ended June 30, 2026.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consisted of cash and bank balances, excluding restricted cash and time deposits with original maturities exceeding three months. Our cash and cash equivalents decreased from RMB889.8 million as of December 31, 2023 to RMB249.5 million as of December 31, 2024, primarily due to (i) significant payments to acquire certificates of deposit; (ii) capital expenditures on the construction of our production base in Foshan and Shunde, and then increased slightly to RMB267.2 million as of December 31, 2025, primarily due to the redemption of our structured deposit partially offset by cash used for share repurchases. As of June 30, 2026, our cash and cash equivalents further increased to RMB1,221.0 million, mainly due to proceeds received from the private placement.

The following table sets forth details of our cash and cash equivalents as of the dates indicated.

	As of December 31,			As of June, 30
	2023	2024	2025	2026
	(RMB in thousands)			*(unaudited)*
Cash and bank balances	1,197,881	606,487	629,735	1,657,270
Less:				
Restricted cash	1,320	8,232	2,763	1,942
Time deposits with original maturity over three months:	306,752	348,730	359,801	434,342
– non-current	–	–	–	123,092
– current	306,752	348,730	359,801	311,250
Cash and cash equivalents	**889,809**	**249,525**	**267,171**	**1,220,986**

Trade and Bills Payables, Other Payables and Accruals

Our trade and bills payables, other payables and accruals primarily consisted of (i) bill payables, (ii) payroll payable, (iii) other tax payables, (iv) value-added tax payable, (v) payables for purchase of materials on behalf of a customer, (vi) restricted stock exercise funds paid by employees, (vii) other payables and (viii) due to related parties, representing loan from our shareholder that are non-commercial in nature.

The following table sets forth details of our trade and bills payables, other payables and accruals as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(unaudited)
Trade and bills payables	50,035	140,689	104,466	107,745
Payables for property plant and equipment	48,211	11,800	45,681	42,935
Payroll payable	44,879	45,067	61,932	44,935
Other tax payables	3,093	2,733	3,691	3,367
Value-added tax payable	6,067	7,532	4,594	6,305
Payables for purchase of materials on behalf of a customer	–	–	–	26,047
Share options exercise price paid by employees	–	–	–	19,446
Other payables	1,000	1,620	2,417	2,411
Due to related parties	–	8,010	8,010	8,010
Total	**153,285**	**217,451**	**230,791**	**261,201**

Our trade and bills payables, other payables and accruals increased from RMB153.3 million as of December 31, 2023 to RMB217.5 million as of December 31, 2024, primarily due to our growing revenue base, resulting in higher purchase volumes, and further to RMB230.8 million as of December 31, 2025, primarily attributable to the increase in payables to related parties for our business expansion in 2024 and the expansion of our overall headcount in 2025, partially offset by a change in our settlement mix, as certain outstanding amounts due to major suppliers were settled by bank acceptance bills. As of June 30, 2026, our trade and bills payables, other payables and accruals increased to RMB261.2 million, primarily due to an increase in payables for purchase of designated raw materials on behalf of a customer under our robotics OEM services, partially offset by a decrease in payroll payable following the payment of year-end bonuses in the first quarter of 2026.

The following is an aging analysis of our trade and bills payables based on the invoice date or bank note date as of dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(unaudited)
Within 1 year	48,846	138,769	101,942	105,299
Over 1 year	1,189	1,920	2,524	2,446
Total	**50,035**	**140,689**	**104,466**	**107,745**

The following table sets forth our trade and bills payables turnover days for the years/periods indicated.

	For the year ended December 31,			For the six months ended, June 30,
	2023	2024	2025	2026
Trade and bills payables turnover days[(1)]	77	101	82	82

Note:

(1) Calculated as the average of the beginning and ending balance of trade and bills payables for the year/period divided by the cost of revenue for that year/period and multiplied by 365 days for the year ended December 31, 2023, 2024 and 2025, and 181 days for the six months ended June 30, 2026.

Our trade and bills payables turnover days increased from 77 days in 2023 to 101 days in 2024, primarily attributable to extended payment terms negotiated with major suppliers as our procurement scale expanded. Our trade and bills payables turnover days then decreased from 101 days in 2024 to 82 days in 2025, primarily due to our increased purchase from chip and memory material suppliers, which carry shorter credit periods compared to our other suppliers. For the six months ended June 30, 2026, our trade and bills payables turnover days remained stable at 82 days.

As of July 31, 2026, RMB45.5 million, or 42.2%, of our trade and bills payables as of June 30, 2026 had been subsequently settled.

Contract Liabilities

Our contract liabilities mainly represented advance payments received from customers for the sale of our products. Our contract liabilities decreased from RMB24.9 million as of December 31, 2023 to RMB15.9 million as of December 31, 2024, primarily due to the delivery and acceptance of certain industrial projects and solutions during 2024, resulting in the recognition of advance payments as revenue, and then increased to RMB18.3 million as of December 31, 2025, primarily due to higher advance payments received from customers in connection with new product orders. As of June 30, 2026, our contract liabilities increased to RMB24.9 million, primarily due to an increase in advance payments received from customers for products pending delivery.

As of July 31, 2026, RMB4.0 million, or 15.9%, of our contract liabilities as of June 30, 2026, had been recognized as revenue.

Deferred Income

Deferred income represented government grants with relevant conditions not yet fulfilled. Our deferred income increased from RMB20.9 million as of December 31, 2023 to RMB50.6 million as of December 31, 2024, primarily attributable to the receipt of a new industrial investment project subsidy of approximately RMB33.8 million in 2024, and then decreased to RMB41.5 million as of December 31, 2025, primarily due to the amortization of existing government grants into other income exceeding the amount of new grants received during the year. As of June 30, 2026, our deferred income decreased to RMB39.3 million, mainly due to the amortization of existing government grants into other income continuing to exceed new grants received during the period.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash during the Track Record Period were to fund our operations, capital expenditure and general capital needs. Historically, we have financed our operations and other capital requirements primarily through cash generated from our business operations, bank borrowings and equity contributions from our shareholders, and we plan to continue to do so.

Our anticipated cash needs primarily include costs associated with research and development activities, manufacturing activities, production capacity expansion, potential acquisitions and daily operations. We expect to fund our future working capital and other cash requirements with cash generated from our operations, the [**REDACTED**] from [**REDACTED**] and, when necessary, bank and other borrowings.

As of July 31, 2026, the most recent practicable date for determining our indebtedness, we had cash and cash equivalent of RMB1,207.8 million. As of the same date, we had unutilized banking facilities of RMB842.4 million.

Net Current Assets

The following table sets forth a summary of our net current assets as of the dates indicated.

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				
				(unaudited)	
Current Assets					
Inventories	159,040	219,943	185,634	256,176	280,817
Trade and bills receivables	83,173	154,275	137,128	129,521	148,103
Prepayments, other receivables and other assets	93,688	103,755	112,413	506,969	499,966
Financial assets at FVTPL	388,419	345,000	310,145	163,969	153,954
Debt investments at FVOCI	–	–	84,130	37,245	33,848
Time deposits	306,752	348,730	359,801	311,250	285,709
Restricted cash	1,320	8,232	2,763	1,942	2,778
Cash and cash equivalents	889,809	249,525	267,171	1,220,986	1,207,800
Total current assets	**1,922,201**	**1,429,460**	**1,459,185**	**2,628,058**	**2,612,975**
Current Liabilities					
Trade and bills payables, other payables and accruals	153,285	217,451	230,791	261,201	262,079
Contract liabilities	24,858	15,878	18,306	24,925	24,968
Lease liabilities	13,798	1,943	532	2,773	3,459
Interest-bearing bank borrowings	147,511	167,961	127,261	90,689	33,727
Total current liabilities	**339,452**	**403,233**	**376,890**	**379,588**	**324,233**
Net current assets	**1,582,749**	**1,026,227**	**1,082,295**	**2,248,470**	**2,288,742**

We had net current assets of RMB1,582.7 million, RMB1,026.2 million, RMB1,082.3 million, RMB2,248.5 million, and RMB2,288.7 million as of December 31, 2023, 2024, 2025, June 30, 2026 and July 31, 2026, respectively.

Our net current assets decreased from RMB1,582.7 million as of December 31, 2023 to RMB1,026.2 million as of December 31, 2024, primarily attributable to a decrease in current assets, primarily reflecting a decrease of RMB640.3 million in cash and cash equivalents, which was partially offset by (i) an increase of RMB60.9 million in inventories, (ii) an increase of RMB71.1 million in trade and bills receivables. In addition, our current liabilities increased, primarily representing an increase of RMB64.2 million in trade and bills payables, other payables and accruals which further contributed to the decrease in net current assets.

Our net current assets increased from RMB1,026.2 million as of December 31, 2024 to RMB1,082.3 million as of December 31, 2025, primarily attributable to (i) an increase in current assets, primarily representing an increase of RMB84.1 million in debt investments at FVOCI, which was partially offset by (a) a decrease of RMB34.9 million in financial assets at fair value through profit or loss, (b) a decrease of RMB34.3 million in inventories, and (ii) a decrease in current liabilities, primarily reflecting a decrease of RMB40.7 million in interest-bearing bank borrowings, which was partially offset by an increase of RMB13.3 million in trade and bills payables, other payables and accruals.

Our net current assets increased from RMB1,082.3 million as of December 31, 2025 to RMB2,248.5 million as of June 30, 2026, primarily attributable to an increase in current assets, primarily including (i) an increase of RMB953.8 million in cash and cash equivalents, (ii) an increase of RMB394.6 million in prepayments, other receivables and other assets, which was partially offset by a decrease of RMB146.2 million in financial assets at FVTPL.

Our net current assets increased from RMB2,248.5 million as of June 30, 2026 to RMB2,288.7 million as of July 31, 2026, primarily attributable to a decrease in our current liabilities, mainly as a result of a decrease of RMB57.0 million in interest-bearing bank borrowings.

Our Directors are of the view that we have sufficient working capital to meet our present needs and for the next 12 months from the date of this document, taking into account the financial resources available to us, including our cash and cash equivalents on hand, internally generated funds and the estimated [**REDACTED**] from the [**REDACTED**].

Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated cash flow statements for the years/periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			*(unaudited)*	
Net cash flows (used in) /from operating activities	(159,761)	(86,341)	82,725	84,362	13,912
Net cash flows (used in)/ from investing activities	(94,597)	(593,620)	14,905	(29,366)	2,905
Net cash flows from/(used in) financing activities	137,292	39,456	(78,096)	(44,913)	939,815
Net (decrease)/increase in cash and cash equivalents	**(117,066)**	**(640,505)**	**19,534**	**10,083**	**956,632**
Cash and cash equivalents at the beginning of the year/period	1,005,862	889,809	249,525	249,525	267,171
Cash and cash equivalents at the end of the year/period	**889,809**	**249,525**	**267,171**	**259,412**	**1,220,986**

Net Cash Generated froml(Used in) Operating Activities

Our net cash generated from operating activities was RMB13.9 million for the six months ended June 30, 2026, primarily due to our profit before tax of RMB39.3 million, as adjusted by (i) non-cash and non-operating items, primarily comprising interest income of RMB16.1 million, depreciation of property, plant and equipment of RMB15.1 million, and investment income from certificates of deposits of RMB12.6 million, and (ii) changes in working capital that negatively affected our cash flows which primarily included an increase in inventories of RMB80.2 million, an increase in prepayments, and other receivables and other assets of RMB30.8 million; partially offset by changes in working capital that positively affected our cash flows, which primarily included an increase in trade and bills payables, other payables and accruals of RMB89.8 million.

Our net cash generated from operating activities was RMB82.7 million in 2025, primarily due to our profit before tax of RMB118.8 million, as adjusted by (i) non-cash and non-operating items, primarily comprising depreciation of property, plant and equipment of RMB28.8 million, investment income from certificates of deposits of RMB26.9 million, a write-down of inventories to net realizable value of RMB18.4 million and equity-settled share-based payment expenses of RMB15.6 million, and (ii) changes in working capital that negatively affected our cash flows, which primarily included an increase in trade and bills receivables of RMB242.1 million; partially offset by changes in working capital that positively affected our cash flows, which primarily included an increase in trade and bills payables, other payables and accruals of RMB161.2 million and a decrease in inventories of RMB15.9 million.

Our net cash used in operating activities was RMB86.3 million in 2024, primarily due to our loss before tax of RMB65.4 million, as adjusted by (i) non-cash and non-operating items, primarily comprising interest income of RMB39.9 million, equity-settled share-based payment expenses of RMB34.2 million, depreciation of property, plant and equipment of RMB30.4 million and investment income from certificates of deposits of RMB24.8 million, and (ii) changes in working capital that negatively affected our cash flows, which primarily included an increase in trade and bills receivables of RMB143.7 million and an increase in inventories of RMB77.0 million; partially offset by changes in working capital that positively affected our cash flows, which primarily included an increase in trade and bills payables, other payables and accruals of RMB124.1 million and an increase in deferred income of RMB50.0 million.

Our net cash used in operating activities was RMB159.8 million in 2023, primarily due to our loss before tax of RMB268.9 million, as adjusted by (i) non-cash and non-operating items, primarily comprising equity-settled share-based payment expenses of RMB67.4 million, depreciation of property, plant and equipment of RMB30.6 million, interest income of RMB25.4 million, government grants of RMB24.6 million and depreciation of right-of-use assets of RMB21.9 million, and (ii) changes in working capital that positively affected our cash flows, which primarily included an increase in trade and bills payables, other payables and accruals of RMB13.1 million, an increase in deferred income of RMB20.5 million and an increase in contract liabilities of RMB11.5 million; partially offset by changes in working capital that negatively affected our cash flows, which primarily included an increase in inventories of RMB15.0 million and an increase in prepayments, other receivables and other assets of RMB6.9 million.

Net Cash Generated froml(Used in) Investing Activities

Our net cash generated from investing activities was RMB2.9 million for the six months ended June 30, 2026, primarily due to proceeds from disposals of financial assets at FVTPL of RMB838.5 million, and proceeds from maturity of certificates of deposits of RMB307.6 million; partially offset by payment for acquisition of financial assets at fair value through profit or loss of RMB689.9 million and payment for acquisition of certificates of deposits of RMB305.9 million.

Our net cash generated from investing activities was RMB14.9 million in 2025, primarily due to proceeds from disposals of financial assets at fair value through profit or loss of RMB1,704.9 million and proceeds from maturity of certificates of deposits of RMB254.6 million; partially offset by payments for acquisition of financial assets at fair value through profit or loss of RMB1,658.9 million, payments for acquisition of certificates of deposits of RMB220.3 million and purchases of items of property, plant and equipment and other intangible assets of RMB63.1 million.

Our net cash used in investing activities was RMB593.6 million in 2024, primarily due to payments for acquisition of financial assets at fair value through profit or loss of RMB1,611.1 million, payments for acquisition of certificates of deposits of RMB464.0 million, placement of time deposits of RMB343.4 million and purchases of items of property, plant and equipment and other intangible assets of RMB199.9 million; partially offset by proceeds from disposals of financial assets at fair value through profit or loss of RMB1,665.9 million and proceeds from maturity of time deposits of RMB307.3 million.

Our net cash used in investing activities was RMB94.6 million in 2023, primarily due to payments for acquisition of financial assets at fair value through profit or loss of RMB1,227.0 million, payments for acquisition of certificates of deposits of RMB584.0 million, placement of time deposits of RMB300.0 million and purchases of items of property, plant and equipment and other intangible assets of RMB129.6 million; partially offset by proceeds from disposals of financial assets at fair value through profit or loss of RMB1,424.9 million, proceeds from maturity of time deposits of RMB711.3 million and proceeds from maturity of certificates of deposits of RMB51.9 million.

Net Cash Generated froml(Used in) Financing Activities

Our net cash generated from financing activities was RMB939.8 million for the six months ended June 30, 2026, primarily due to capital contribution from shareholders of RMB975.0 million, partially offset by repayment of bank borrowings of RMB68.9 million.

Our net cash used in financing activities was RMB78.1 million in 2025, primarily due to repayments of bank borrowings of RMB259.3 million and payment for repurchase of own shares of RMB48.1 million, partially offset by new bank borrowings of RMB218.1 million.

Our net cash generated from financing activities was RMB39.5 million in 2024, primarily due to new bank borrowings of RMB167.5 million, partially offset by repayments of bank borrowings of RMB80.0 million and payment for repurchase of own shares of RMB33.8 million.

Our net cash generated from financing activities was RMB137.3 million in 2023, primarily due to new bank borrowings of RMB148.6 million, partially offset by principal portion of lease payments of RMB19.0 million.

INDEBTEDNESS

As of December 31, 2023, 2024, 2025, June 30, 2026 and July 31, 2026, the most recent practicable date for determining our indebtedness, except as disclosed in the table below, we did not have any other material indebtedness.

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
			(RMB in thousands)		
				(unaudited)	
Current					
Interest-bearing bank borrowings	147,511	167,961	127,261	90,689	33,727
Lease liabilities	13,798	1,943	532	2,773	3,459
	161,309	169,904	127,793	93,462	37,186
Non-current					
Lease liabilities	13,277	856	297	2,016	1,315
	13,277	856	297	2,016	1,315
Total	**174,586**	**170,760**	**128,090**	**95,478**	**38,501**

Bank Borrowings

As of December 31, 2023, 2024, 2025, June 30, 2026 and July 31, 2026, we had total borrowings of RMB147.5 million, RMB168.0 million, RMB127.3 million, RMB90.7 million and RMB33.7 million, respectively. During the Track Record Period, our borrowings came from commercial banks and financial institutions bearing effective interest rates in the range of 2.11% to 2.80% per annum. The interest rates on our borrowings were generally in line with prevailing market rates.

Our loan agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. We also undertake financial covenants that require us to meet certain financial ratio requirements in our loan agreements. Our Directors confirm that there has not been any material default on our part in the payment of borrowings, or breaches of covenants during the Track Record Period and up to the date of this document. During the same period, we have not experienced any difficulties in obtaining bank loans and others borrowings, default in payment of bank loans and other borrowings or breach of covenants.

Lease Liabilities

During the Track Record Period, our lease liabilities were primarily in relation to our lease of land use right and buildings for our manufacturing base and office premises. As of December 31, 2023, 2024, 2025, June 30, 2026 and July 31, 2026, our total lease liabilities amounted to RMB27.1 million, RMB2.8 million, RMB0.8 million, RMB4.8 million and RMB4.8 million, respectively.

CAPITAL EXPENDITURE

Our capital expenditure during the Track Record Period were related to payment for purchases of items of property, plant and equipment, other intangible assets and other assets. We recorded capital expenditure of RMB176.0 million, RMB202.8 million, RMB63.1 million, and RMB77.4 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, and June 30, 2026, we did not have any material contingent liabilities. Our Directors confirmed that there had not been any material change in the contingent liabilities of our Company since June 30, 2026 and up to the Latest Practicable Date.

CAPITAL COMMITMENTS

We did not have any material contracted capital commitments during the Track Record Period.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time, primarily including (i) sales of products and services to related parties of RMB1.8 million, RMB44.9 million, RMB252.6 million and RMB53.0 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, (ii) purchases of products and services from related parties of RMB12.0 million, RMB18.6 million, RMB9.1 million and RMB5.0 million in the same periods, respectively, and (iii) compensation of key management personnel of RMB12.5 million, RMB11.3 million, RMB8.0 million and RMB3.4 million in the same periods, respectively. As of December 31, 2023, 2024, 2025 and June 30, 2026, our outstanding balances of amounts due from related parties of trade nature was RMB45 thousand, RMB22.7 million, RMB7.6 million and RMB6.0 million, respectively, and our outstanding balance of amounts due to related parties of trade nature was RMB7.8 million, RMB2.1 million, RMB87 thousand and RMB123 thousand, respectively. As of December 31, 2023, 2024, 2025 and June 30, 2026, our outstanding balance of amounts due to a related party of borrowings nature was nil, RMB8.0 million, RMB8.0 million and RMB8.0 million, respectively. We expect to settle the outstanding amounts due to the related party of borrowing nature prior to the [**REDACTED**]. For details, see Note 37 to the Accountants' Report in Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Note 37 to the Accountants' Report in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the years indicated.

	As of/For the year ended December 31,			As of/For the six months ended June 30,
	2023	2024	2025	2026
Gross profit margin[1] *(%)*	40.5	38.9	41.8	46.3
Current ratio[2]	5.66	3.54	3.87	6.92
Adjusted net profit/(loss) margin (non-IFRS measure)[3] *(%)*	(57.8)	(5.1)	15.2	11.2

Notes:

(1) Gross profit margin equals gross profit divided by revenue for the year/period.

(2) Current ratio equals current assets divided by current liabilities as of the end of the year/period.

(3) Adjusted net profit/(loss) margin (non-IFRS measure) represents adjusted net profit/(loss) for the year/period (non-IFRS measure) divided by revenue for the same year/period and multiplied by 100%.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to a variety of market risks, including market risk, credit risk and liquidity risk. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details, see Note 40 in the Accountants' Report set out in Appendix I of this document.

DIVIDENDS

During the Track Record Period, we did not declare or pay any dividends. The declaration and payment of any dividends in the future will be determined by our Board of Directors and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. Currently, we do not have a dividend policy or predetermined dividend payout ratio in place. As confirmed by our PRC Legal Advisors, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. In addition, our shareholders may, by resolution, elect to allocate a portion of our after-tax profit to a discretionary common reserve fund. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, (ii) we have allocated sufficient profit to our statutory common reserve fund as described above, and (iii) any discretionary allocation has been made as resolved by our shareholders.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we did not have retained profits available for distribution to our Shareholders.

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), representing approximately [**REDACTED**]% of the estimated [**REDACTED**] from the [**REDACTED**] assuming no Shares are issued pursuant to the [**REDACTED**]. The [**REDACTED**] expenses consist of (i) [**REDACTED**]-related expenses, including [**REDACTED**], of approximately HK$[**REDACTED**], and (ii) non-[**REDACTED**]-related expenses of approximately HK$[**REDACTED**], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK$[**REDACTED**], and (b) other fees and expenses of approximately HK$[**REDACTED**]. During the Track Record Period, the [**REDACTED**] expenses charged to our consolidated statements of profit or loss were [**REDACTED**]. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The unaudited [**REDACTED**] statement of adjusted consolidated net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the [**REDACTED**] on the consolidated net tangible assets attributable to owners of the parent as of June 30, 2026 as if the [**REDACTED**] had taken place on that date.

The unaudited [**REDACTED**] statement of adjusted consolidated net tangible assets of our Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not provide a true picture of the consolidated net tangible assets attributable to owners of our Company had the [**REDACTED**] been completed as of June 30, 2026 or at any future date. For details, see Appendix II to this document.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our business, financial condition and results of operations since June 30, 2026, which is the end date of the periods reported on in the Accountants' Report in Appendix I to this document, and there is no event since June 30, 2026 which would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

USE OF [REDACTED]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and estimated expenses in connection with the [**REDACTED**] payable by us, and assuming that the [**REDACTED**] is not exercised and based on an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document.

In line with our strategies, we plan to use the [**REDACTED**] from the [**REDACTED**] for the purposes set forth below:

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to enhancing our research and development and product innovation capabilities, to continuously strengthen our full-stack R&D platform and core technology systems for Physical AI and to advance the ongoing research and development, iteration, engineering and commercialization of our products and solutions. In particular,

  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for recruiting and retaining high-caliber R&D talent globally and for further expanding and strengthening our R&D team, with a focus on addressing the talent requirements for the development of our full-stack R&D platform and core technology systems, supporting the continued advancement of our various R&D initiatives. To support our research and development projects and plans, we target to place strong emphasis on recruiting and retaining technology specialists and senior engineers with extensive experience in optics, chips, algorithms, software, hardware, system integration, calibration and testing.

  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for continuously strengthening our core technology innovation capabilities across our full-stack R&D platform and core technology systems, mainly including: (i) the continued development, verification and iteration of our proprietary depth-engine chips, photosensitive chips and other key perception components, encompassing tape-out, packaging and testing, engineering verification, reliability testing, EDA tools and chip IP licensing, (ii) the continued iteration of our optical systems and sensing systems, including the design and prototyping of emission and reception modules, lenses, optical filters and other optical components, (iii) the continued upgrade of our SDKs and developer toolchains, and the advancement of compatibility and adaptation with robotic operating systems and edge computing platforms, and (iv) the expansion and upgrading of our optics, reliability, environmental testing and electromagnetic compatibility laboratories and related equipment, as well as the procurement and/or leasing of computing servers to support the training, verification and iteration of AI algorithms.

  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for the iteration of existing products and the research and development, engineering and commercialization of new products and solutions, including procurement of R&D consumables and components, product prototyping and tooling iteration, data collection and processing required for product development, outsourced and commissioned development for reference designs and system-level devices and solutions, and product testing and certification, in order to enhance product performance and adaptability across different application scenarios, shorten the engineering and mass-production introduction cycles, and facilitate the scaled commercial deployment of our products and solutions.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to the construction, upgrade and expansion of our existing production facilities, to continuously enhance our production efficiency, capacity, flexible manufacturing capabilities, product quality and scaled delivery capabilities. In particular,(i) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for production capacity expansion, and (ii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for the flexibility and automation upgrade of our existing production lines, including the procurement or upgrade of necessary automated production and testing equipment, intelligent logistics equipment and related software, to enhance our multi-category mixed-line production and rapid changeover capabilities.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to expanding our global market coverage, enhancing customer service capabilities and deepening Physical AI industry ecosystem collaboration.

  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for sales and service team development in key global markets, to drive the growth of our overseas sales, increase the speed of our response to customer demands, and enhance customer satisfaction and long-term partnership stickiness. We plan to continue to strengthen our commercial and technical service networks in key markets and accelerate the scaled replication of our sensor products and introduction of system-level devices and solutions across global markets.

  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for Physical AI industry ecosystem collaboration, developer community building, global certification and market access, and strengthening our global marketing and brand positioning.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be allocated to strategic investments and/or acquisitions across the Physical AI value chain centered on our core technologies, with a focus on investment and acquisition opportunities that are strategically synergistic with our core technologies and products or that support our forward-looking positioning in emerging technologies within the Physical AI domain. We intend to leverage strategic investments and/or acquisitions to generate synergies in technology, intellectual property, products and solutions, supply chain, customer base and long-term growth opportunities, and to continuously strengthen our long-term competitive advantages across the global Physical AI value chain. As of the Latest Practicable Date, we had not identified any specific acquisition targets, nor had we entered into any binding agreement in respect of any potential acquisition.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**] will be used for working capital and other general corporate purposes.

If the [**REDACTED**] is exercised in full, the [**REDACTED**] of the [**REDACTED**] would increase to approximately HK$[**REDACTED**] (based on the [**REDACTED**] of HK$[**REDACTED**] per Share). We intend to apply the additional [**REDACTED**] to the above uses in the proportion stated above.

To the extent that our [**REDACTED**] are not sufficient to fund the purposes set out above, we intend to finance the remaining portions through a variety of means, including operating cash flows, bank loans and other borrowings. If the [**REDACTED**] of the [**REDACTED**] are not immediately applied to the above purposes, we will deposit the unutilized [**REDACTED**] into short-term interest-bearing accounts with licensed commercial banks or other authorized financial institutions, as defined under the Securities and Futures Ordinance or other applicable laws and regulations, until they are used for the intended purposes. We will publish an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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The following is the text of a report, prepared for the purpose of incorporation in this document, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

"[To insert the firm's letterhead]"

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ORBBEC INC. AND Goldman Sachs (Asia) L.L.C. AND Haitong International Capital Limited

Introduction

We report on the historical financial information of Orbbec Inc. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[●] to I-[●], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[●] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "**Document**") in connection with the initial [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim financial information

We have reviewed the interim financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six months ended 30 June 2025 and 2026, and the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2026 and other explanatory information (the "**Interim Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Six months ended 30 June	
	Notes	**2023**	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
REVENUE	*5*	360,006	564,459	940,744	435,469	437,606
Cost of sales		(214,132)	(344,751)	(547,537)	(260,079)	(234,844)
Gross profit		145,874	219,708	393,207	175,390	202,762
Other income and gains	*5*	99,131	115,630	105,126	49,124	45,885
Selling and marketing expenses		(68,803)	(73,440)	(69,112)	(32,935)	(37,099)
Administrative expenses		(134,833)	(108,854)	(100,247)	(47,619)	(56,785)
Research and development expenses		(300,810)	(204,335)	(202,534)	(91,181)	(111,393)
Reversal of impairment loss/(impairment loss) on financial assets, net		2,231	(1,265)	(1,276)	618	(470)
Other expenses		(7,527)	(10,128)	(4,629)	(603)	(2,921)
Finance costs	*7*	(4,391)	(3,707)	(2,551)	(1,578)	(708)
Share of profits and losses of associates	*17*	261	971	843	641	28
(LOSS)/PROFIT BEFORE TAX	*6*	(268,867)	(65,420)	118,827	51,857	39,299
Income tax (expense)/credit	*10*	(6,677)	2,521	8,794	7,816	1,487
(LOSS)/ PROFIT FOR THE YEAR/PERIOD		(275,544)	(62,899)	127,621	59,673	40,786

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
OTHER COMPREHENSIVE INCOME						
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:						
Exchange realignment		218	(195)	683	–	(1,177)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:						
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		(3,512)	(65,064)	4,640	–	1,087
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX		(3,294)	(65,259)	5,323	–	(90)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		(278,838)	(128,158)	132,944	59,673	40,696
Profit attributable to:						
Owners of the parent		(275,885)	(62,907)	127,910	60,190	41,641
Non-controlling interests		341	8	(289)	(517)	(855)
		(275,544)	(62,899)	127,621	59,673	40,786
Total comprehensive income attributable to:						
Owners of the parent		(279,179)	(128,166)	133,233	60,190	41,551
Non-controlling interests		341	8	(289)	(517)	(855)
		(278,838)	(128,158)	132,944	59,673	40,696
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*12*					
Basic *(RMB per share)*		(0.69)	(0.16)	0.32	0.15	0.10
Diluted *(RMB per share)*		(0.69)	(0.16)	0.32	0.15	0.10

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025	As at 30 June 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	297,311	410,105	471,746	472,839
Other intangible assets	*14*	24,529	12,480	7,058	4,641
Right-of-use assets	*15*	125,566	103,637	98,541	142,786
Investments in associates	*17*	15,654	16,626	18,489	18,517
Equity investments designated at fair value through other comprehensive income	*18*	169,992	94,345	99,804	101,084
Goodwill	*19*	3,217	3,217	3,217	3,217
Prepayments, other receivables and other assets	*22*	662,805	1,082,174	1,064,410	736,278
Time deposits	*25*	–	–	–	123,092
Deferred tax assets	*31*	162,943	176,947	190,372	200,569
Total non-current assets		1,462,017	1,899,531	1,953,637	1,803,023
CURRENT ASSETS					
Inventories	*20*	159,040	219,943	185,634	256,176
Trade and bills receivables	*21*	83,173	154,275	137,128	129,521
Prepayments, other receivables and other assets	*22*	93,688	103,755	112,413	506,969
Financial assets at fair value through profit or loss ("**FVTPL**")	*23*	388,419	345,000	310,145	163,969
Debt investments at fair value through other comprehensive income ("**FVOCI**")	*24*	–	–	84,130	37,245
Time deposits	*25*	306,752	348,730	359,801	311,250
Restricted cash	*25*	1,320	8,232	2,763	1,942
Cash and cash equivalents	*25*	889,809	249,525	267,171	1,220,986
Total current assets		1,922,201	1,429,460	1,459,185	2,628,058

		As at 31 December			As at 30 June
	Notes	**2023**	**2024**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
CURRENT LIABILITIES					
Trade and bills payables, other payables and accruals	*26*	153,285	217,451	230,791	261,201
Contract liabilities	*27*	24,858	15,878	18,306	24,925
Lease liabilities	*15*	13,798	1,943	532	2,773
Interest-bearing bank borrowings	*28*	147,511	167,961	127,261	90,689
Total current liabilities		339,452	403,233	376,890	379,588
NET CURRENT ASSETS		1,582,749	1,026,227	1,082,295	2,248,470
TOTAL ASSETS LESS CURRENT LIABILITIES		3,044,766	2,925,758	3,035,932	4,051,493
NON-CURRENT LIABILITIES					
Deferred income	*29*	20,947	50,622	41,466	39,293
Lease liabilities	*15*	13,277	856	297	2,016
Deferred tax liabilities	*30*	16	–	1	–
Total non-current liabilities		34,240	51,478	41,764	41,309
Net assets		3,010,526	2,874,280	2,994,168	4,010,184
EQUITY					
Equity attributable to owners of the parent					
Share capital	*31*	400,001	400,001	401,144	411,247
Treasury shares	*31*	–	(33,844)	(81,913)	(95,803)
Reserves	*32*	2,615,776	2,501,146	2,657,575	3,678,233
		3,015,777	2,867,303	2,976,806	3,993,677
Non-controlling interests		(5,251)	6,977	17,362	16,507
Total equity		3,010,526	2,874,280	2,994,168	4,010,184

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent								
	Share capital	Treasury Shares	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000 *(note 31)*	*RMB'000* *(note 31)*	*RMB'000* *(note 32)*	*RMB'000* *(note 32)*	*RMB'000* *(note 32)*	*RMB'000* *(note 32)*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	400,001	–	4,072,373	71,263	(590)	(1,312,033)	3,231,014	(9,076)	3,221,938
Loss for the year	–	–	–	–	–	(275,885)	(275,885)	341	(275,544)
Other comprehensive income for the year:									
Exchange realignment	–	–	–	–	218	–	218	–	218
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	(3,512)	–	–	(3,512)	–	(3,512)
Total comprehensive loss for the year	–	–	–	(3,512)	218	(275,885)	(279,179)	341	(278,838)
Equity-settled share-based compensation expenses	–	–	63,942	–	–	–	63,942	3,484	67,426
At 31 December 2023	400,001	–	4,136,315*	67,751*	(372)*	(1,587,918)*	3,015,777	(5,251)	3,010,526

Year ended 31 December 2024

	Attributable to owners of the parent								
	Share capital	Treasury Shares	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000 *(note 31)*	*RMB'000* *(note 31)*	*RMB'000* *(note 32)*	*RMB'000* *(note 32)*	*RMB'000* *(note 32)*	*RMB'000* *(note 32)*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	400,001	–	4,136,315	67,751	(372)	(1,587,918)	3,015,777	(5,251)	3,010,526
Loss for the year	–	–	–	–	–	(62,907)	(62,907)	8	(62,899)
Other comprehensive income for the year:									
Exchange realignment	–	–	–	–	(195)	–	(195)	–	(195)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	(65,064)	–	–	(65,064)	–	(65,064)
Total comprehensive loss for the year	–	–	–	(65,064)	(195)	(62,907)	(128,166)	8	(128,158)
Equity-settled share-based compensation expenses	–	–	33,155	–	–	–	33,155	1,026	34,181
Shares repurchased	–	(33,844)	–	–	–	–	(33,844)	–	(33,844)
Acquisition of non-controlling interests	–	–	(19,619)	–	–	–	(19,619)	11,194	(8,425)
At 31 December 2024	400,001	(33,844)	4,149,851*	2,687*	(567)*	(1,650,825)*	2,867,303	6,977	2,874,280

Year ended 31 December 2025

	Attributable to owners of the parent								
	Share capital	Treasury Shares	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000 (*note 31*)	*RMB'000* (*note 31*)	*RMB'000* (*note 32*)	*RMB'000* (*note 32*)	*RMB'000* (*note 32*)	*RMB'000* (*note 32*)	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	400,001	(33,844)	4,149,851	2,687	(567)	(1,650,825)	2,867,303	6,977	2,874,280
Profit for the year	–	–	–	–	–	127,910	127,910	(289)	127,621
Other comprehensive income for the year:									
Exchange realignment	–	–	–	–	683	–	683	–	683
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	4,640	–	–	4,640	–	4,640
Total comprehensive income for the year	–	–	–	4,640	683	127,910	133,233	(289)	132,944
Exercise of Restricted Shares units	1,143	–	12,860	–	–	–	14,003	–	14,003
Equity-settled share-based compensation expenses	–	–	21,196	–	–	–	21,196	(186)	21,010
Shares repurchased	–	(48,069)	–	–	–	–	(48,069)	–	(48,069)
Acquisition of non-controlling interests	–	–	(10,860)	–	–	–	(10,860)	10,860	–
At 31 December 2025	401,144	(81,913)	4,173,047*	7,327*	116*	(1,522,915)*	2,976,806	17,362	2,994,168

Six months ended 30 June 2025 (Unaudited)

	Attributable to owners of the parent								
	Share capital	Treasury Shares	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000 (note 31)	*RMB'000* (note 31)	*RMB'000* (note 32)	*RMB'000* (note 32)	*RMB'000* (note 32)	*RMB'000* (note 32)	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	400,001	(33,844)	4,149,851	2,687	(567)	(1,650,825)	2,867,303	6,977	2,874,280
Profit for the period (unaudited)	–	–	–	–	–	60,190	60,190	(517)	59,673
Other comprehensive income for the period:									
Exchange realignment (unaudited)	–	–	–	–	–	–	–	–	–
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax (unaudited)	–	–	–	–	–	–	–	–	–
Total comprehensive income for the period (unaudited)	–	–	–	–	–	60,190	60,190	(517)	59,673
Exercise of Restricted Shares units (unaudited)	1,099	–	12,361	–	–	–	13,460	–	13,460
Equity-settled share-based compensation expenses (unaudited)	–	–	11,162	–	–	–	11,162	(112)	11,050
Shares repurchased (unaudited)	–	(20,038)	–	–	–	–	(20,038)	–	(20,038)
At 30 June 2025 (unaudited)	401,100	(53,882)	4,173,374	2,687	(567)	(1,590,635)	2,932,077	6,348	2,938,425

Six months ended 30 June 2026 (Unaudited)

	Attributable to owners of the parent								
	Share capital	Treasury Shares	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000 *(note 31)*	*RMB'000* *(note 31)*	*RMB'000* *(note 32)*	*RMB'000* *(note 32)*	*RMB'000* *(note 32)*	*RMB'000* *(note 32)*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	401,144	(81,913)	4,173,047	7,327	116	(1,522,915)	2,976,806	17,362	2,994,168
Profit for the year (unaudited)	–	–	–	–	–	41,641	41,641	(855)	40,786
Other comprehensive income for the year:									
Exchange realignment (unaudited)	–	–	–	–	(1,177)	–	(1,177)	–	(1,177)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax (unaudited)	–	–	–	1,087	–	–	1,087	–	1,087
Total comprehensive income for the year (unaudited)	–	–	–	1,087	(1,177)	41,641	41,551	(855)	40,696
Exercise of Restricted Shares units (unaudited)	–	3,388	(2,193)	–	–	–	1,195	–	1,195
Equity-settled share-based compensation expenses (unaudited)	–	–	16,969	–	–	–	16,969	–	16,969
Capital contribution by shareholders (unaudited)	10,103	–	964,331	–	–	–	974,434	–	974,434
Shares repurchased (unaudited)	–	(17,278)	–	–	–	–	(17,278)	–	(17,278)
At 30 June 2026 (unaudited)	411,247	(95,803)	5,152,154	8,414	(1,061)	(1,481,274)	3,993,677	16,507	4,010,184

* These reserve accounts comprised the consolidated reserves of RMB2,615,776,000, RMB2,501,146,000 and RMB2,657,575,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025.

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 December			Six months ended 30 June	
	Notes	**2023**	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		(268,867)	(65,420)	118,827	51,857	39,299
Adjustments for:						
Finance costs	*7*	4,391	3,707	2,551	1,578	708
Interest income	*5*	(25,365)	(39,924)	(10,378)	(5,220)	(16,053)
Share of profits and losses of associates		(261)	(971)	(843)	(641)	(28)
(Reversal of impairment)/impairment of trade and bills receivables	*21*	(679)	3,851	1,680	(543)	(519)
Impairment of prepayments, other receivables and other assets	*22*	(1,552)	(2,586)	(404)	(75)	989
Write-down of inventories to net realisable value	*20*	7,654	16,127	18,420	4,337	9,692
Depreciation of property, plant and equipment	*13*	30,561	30,399	28,791	13,495	15,132
Depreciation of right-of-use assets	*15(a)*	21,879	13,389	5,077	2,541	2,975
Amortisation of other intangible assets	*14*	15,981	12,598	9,090	4,866	2,472
Investment income from financial asset at fair value through profit or loss		(19,153)	(11,277)	(8,584)	(4,230)	(1,355)
Investment income from certificates of deposits		(9,615)	(24,795)	(26,924)	(13,662)	(12,557)
(Gains)/losses on disposal of items of property, plant and equipment and other assets	*6*	(1,296)	4,139	471	174	(32)
Fair value losses/(gains) on financial assets measured at FVPL	*6*	6,537	(89)	(2,522)	(470)	(1,037)
Government grants		(24,602)	(21,440)	(17,107)	(8,329)	(6,607)
Equity-settled share-based payment expense	*33*	67,426	34,181	15,555	11,050	8,083
		(196,961)	(48,111)	133,700	56,728	41,162

		Year ended 31 December			Six months ended 30 June	
	Notes	**2023**	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
(Increase)/decrease in inventories		(14,951)	(77,032)	15,908	5,051	(80,234)
Decrease/(increase) in trade and bills receivables		6,656	(143,712)	(242,094)	(43,464)	(18,256)
(Increase)/decrease in prepayments, other receivables and other assets		(6,860)	14,174	(1,266)	(3,683)	(30,760)
Increase in trade and bills payables, other payables and accruals		13,072	124,114	161,183	69,180	89,789
Increase/(decrease) in contract liabilities		11,533	(8,980)	2,427	(2,410)	6,620
Increase in deferred income		20,501	50,000	6,782	1,325	4,435
(Increase)/decrease in restricted cash		(597)	(6,912)	5,469	1,304	821
Cash (used in)/from operation		(167,607)	(96,459)	82,109	84,031	13,577
Interest received		7,846	10,134	711	426	256
Income tax (paid)/received		–	(16)	(95)	(95)	79
Net cash flows (used in)/from operating activities		(159,761)	(86,341)	82,725	84,362	13,912

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from disposal of items of property,plant and equipment and other intangible assets		4,411	1,072	206	–	–
Proceeds from maturity of time deposits		711,250	307,253	23,900	23,894	–
Proceeds from disposals of financial assets at fair value through profit or loss		1,424,910	1,665,885	1,704,867	777,090	838,467
Proceeds from maturity of certificates of deposits		51,850	54,356	254,569	254,569	307,615
Payment for acquisition of financial assets at fair value through profit or loss		(1,227,000)	(1,611,100)	(1,658,939)	(857,930)	(689,900)
Purchases of items of property, plant and equipment, other intangible assets and deferred mould cost		(129,601)	(199,943)	(63,116)	(46,989)	(35,553)
Purchases of items of leasehold land		(46,391)	(2,881)	–	–	(41,864)
Placement of time deposits		(300,000)	(343,362)	(25,304)	–	(70,000)
Payment for acquisition of certificates of deposits		(584,026)	(464,000)	(220,258)	(180,000)	(305,860)
Investment in equity investment at fair value through other comprehensive income		–	(900)	–	–	–
Purchase of interests in an associate		–	–	(1,020)	–	–
Net cash flows (used in)/from investing activities		(94,597)	(593,620)	14,905	(29,366)	2,905

		Year ended 31 December			Six months ended 30 June	
	Notes	**2023**	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from subscription of Restricted Shares		–	–	14,003	13,460	20,641
Capital contribution from non-controlling interests		10,000	–	–	–	–
Capital contribution from shareholders		–	–	–	–	975,000
New bank borrowings		148,643	167,498	218,094	131,151	32,193
Borrowings from non-controlling interests		–	8,210	–	–	–
Repayment of bank borrowings		–	(80,000)	(259,311)	(167,871)	(68,897)
Lease payments		(19,016)	(11,324)	(821)	(408)	(1,166)
Interest paid		(2,335)	(2,659)	(1,992)	(1,207)	(678)
Payment for repurchase of own shares		–	(33,844)	(48,069)	(20,038)	(17,278)
Acquisition of non-controlling interests		–	(8,425)	–	–	–
Net cash flows from/(used in) financing activities		137,292	39,456	(78,096)	(44,913)	939,815
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(117,066)	(640,505)	19,534	10,083	956,632
Cash and cash equivalents at beginning of year/period		1,005,862	889,809	249,525	249,525	267,171
Exchange realignment, net		1,013	221	(1,888)	(196)	(2,817)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		889,809	249,525	267,171	259,412	1,220,986
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	*25*	891,129	257,757	269,934	266,340	1,222,928
Less: restricted cash	*25*	1,320	8,232	2,763	6,928	1,942
Cash and bank balances as stated in the consolidated statements of financial position and statements of cash flows		889,809	249,525	267,171	259,412	1,220,986

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 June
	Notes	**2023**	**2024**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	273,893	253,476	242,311	238,330
Other intangible assets	*14*	13,554	6,646	4,960	3,858
Right-of-use assets	*15*	54,425	55,220	53,068	51,992
Investments in subsidiaries	*16*	675,833	781,537	694,155	767,140
Investments in associates	*17*	13,972	14,606	16,111	16,085
Equity investments designated at fair value through other comprehensive income	*18*	169,992	94,345	99,804	101,084
Prepayments, other receivables and other assets	*22*	659,894	1,076,033	1,063,177	716,550
Time deposits	*25*	–	–	–	123,092
Deferred tax assets	*31*	163,364	168,343	182,315	193,645
Total non-current assets		2,024,927	2,450,206	2,355,901	2,211,776
CURRENT ASSETS					
Inventories	*20*	112,081	141,503	141,956	209,265
Trade and bills receivables	*21*	126,495	175,138	201,646	202,481
Prepayments, other receivables and other assets	*22*	259,250	237,243	263,027	689,826
Financial assets at FVTPL	*23*	380,000	315,000	261,345	140,185
Debt investments at FVOCI	*24*	–	–	83,611	34,581
Time deposits	*25*	306,752	277,693	286,944	237,490
Restricted cash	*25*	1,317	2,229	–	–
Cash and cash equivalents	*25*	699,354	135,864	146,068	1,039,295
Total current assets		1,885,249	1,284,670	1,384,597	2,553,123
CURRENT LIABILITIES					
Trade and bills payables, other payables and accruals	*26*	159,020	116,139	171,407	184,494
Contract liabilities	*27*	5,398	4,186	4,971	8,721
Interest-bearing bank borrowings	*28*	147,511	161,165	98,363	58,334
Total current liabilities		311,929	281,490	274,741	251,549
NET CURRENT ASSETS		1,573,320	1,003,180	1,109,856	2,301,574
TOTAL ASSETS LESS CURRENT LIABILITIES		3,598,247	3,453,386	3,465,757	4,513,350

		As at 31 December			As at 30 June
	Notes	**2023**	**2024**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
NON-CURRENT LIABILITIES					
Deferred income	*29*	4,634	42,309	38,164	36,578
Total non-current liabilities		4,634	42,309	38,164	36,578
Net assets		3,593,613	3,411,077	3,427,593	4,476,772
EQUITY					
Share capital	*31*	400,001	400,001	401,144	411,247
Treasury shares	*31*	–	(33,844)	(81,913)	(95,803)
Reserves	*32*	3,193,612	3,044,920	3,108,362	4,161,328
Total equity		3,593,613	3,411,077	3,427,593	4,476,772

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Orbbec Inc. (the "**Company**") is a company established under the laws of the People's Republic of China (the "**PRC**") with limited liability on 18 January 2013 and converted into a joint stock company with limited liability on 27 October 2020. With the approval of the China Securities Regulatory Commission, the Company's A shares was listed on the Shanghai Stock Exchange STAR Market (stock code: 688322. SH) on 7 July 2022. The registered office address of the Company is Room 2001, Aobi Technology Building, No. 88 Gaoxin North 1st Road, Songpingshan Community, Xili Street, Nanshan District, Shenzhen, Guangdong, PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the design, research and development ("**R&D**"), manufacturing, and sales of visual perception sensors, system-level devices, provision of services and others.

As of the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Aocheng Information Technology (Shanghai) Co., Ltd. (奧誠信息科技(上海)有限公司)* *(note(a)) (note(d))*	PRC/ Chinese mainland, 27 June 2014	RMB60,000,000	100%	–	Chip-related R&D
Orbbec 3D Technology International,Inc. *(note(e))*	The United States, 1 October 2014	60,000 Shares	100%	–	Sales platform for the European and US markets
Xintuo 3D Technology (shenzhen) Co.,Ltd. (新拓三維技術(深圳)有限公司)* *(note(a)) (note(b)) (note(d))*	PRC/ Chinese mainland, 15 January 2018	RMB25,000,000	–	60%	R&D and sales of 3D inspection equipment and software for industrial applications
Xi'an Obituojiang Technology Co., Ltd. (西安奧比拓疆科技有限公司)* *(note(e))*	PRC/ Chinese mainland, 27 February 2018	RMB50,000,000	100%	–	R&D
Shenzhen Malio Technology Co., Ltd. (深圳螞里奧技術有限公司)* *(note(a)) (note(b))(note(d))*	PRC/ Chinese mainland, 13 April 2018	RMB20,000,000	100%	–	R&D and sales of products related to payment and identification services
ORBBEC INTERNATIONAL LIMITED *(note(e))*	Hong Kong, 7 January 2019	USD1,400,000	100%	–	Sales
Shenzhen Opix Optotech Co.,Ltd (深圳奧辰光電科技有限公司)* *(note(e))*	PRC/ Chinese mainland, 8 March 2019	RMB10,526,316	48%	–	R&D
Oradar Technology Co., Ltd. (深圳奧鋭達科技有限公司)* *(note(d))*	PRC/ Chinese mainland, 11 April 2019	RMB140,000,000	100%	–	R&D and sales
Shanghai Aoshida Intelligent Technology Co., Ltd. (上海奧視達智能科技有限公司)* *(note(c))*	PRC/ Chinese mainland, 3 June 2019	RMB75,000,000	97%	–	R&D and sales
Shenzhen Aorisheng Technology Co., Ltd. (深圳市奧日升技術有限公司)* *(note(e))*	PRC/ Chinese mainland, 2 December 2019	RMB31,000,000	100%	–	Manufacturing center
Shenzhen Qianhai Yuandian Enterprise Management Co., Ltd. (深圳市遠點企業管理有限公司)* *(note(e))*	PRC/ Chinese mainland, 25 December 2019	RMB10,000,000	100%	–	Investment
Joyful Vision Limited *(note(e))*	The Independent State of Samoa, 9 December 2019	USD1	–	100%	Investment
Shanghai Jiachen Intelligent Technology Co., Ltd. (上海迦辰智能科技有限公司)* *(note(e))*	PRC/ Chinese mainland, 20 August 2020	RMB10,000,000	–	97%	System Integration
Shenzhen Oxin Technology Co., Ltd. (深圳奧芯微視科技有限公司)* *(note(a))*	PRC/ Chinese mainland, 26 November 2020	RMB59,000,000	100%	–	R&D

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
XTOP 3D Technology (Xi'an) Co., Ltd. (新拓三維技術(西安)有限公司)* *(note(a)) (note(b)) (note(d))*	PRC/ Chinese mainland, 31 March 2023	RMB25,000,000	60%	–	R&D and sales
Orbbec (Guangdong, Shunde) Technology Co., Ltd. (奥比中光(廣東順德)科技有限公司)* *(note(a)) (note(b)) (note(d))*	PRC/ Chinese mainland, 12 September 2023	RMB100,000,000	100%	–	Manufacturing center
ROBOT VISION MANUFACTURING COMPANY PTE.LTD. *(note(e))*	Singapore, 13 November 2025	SGD300,000	–	100%	Investment
RVMC VIETNAM COMPANY LIMITED	VIETNAM, 2 March 2026	VND219,240,000,000	100%	–	Manufacturing and sales
Obi Zhongguang (Hangzhou) Technology Co., Ltd. (奥比中光(杭州)科技有限公司) *	PRC/ Chinese mainland, 26 March 2026	RMB300,000	100%	–	R&D

* The English names of all group companies registered in the PRC represent the best efforts made by the directors of the Company to translate the Chinese names of these companies as they do not have official English names.

Notes:

(a) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared under China Accounting Standards of Business Enterprises("CASBE") were audited by Shenzhen Jiadaxin Accountants Firm (深圳嘉達信會計師事務所(普通合夥)), certified public accountants registered in the PRC.

(b) The statutory financial statements of this entity for the year ended 31 December 2024 prepared under CASBE were audited by Shenzhen Jiadaxin Accountants Firm (深圳嘉達信會計師事務所(普通合夥)), certified public accountants registered in the PRC.

(c) The statutory financial statements of this entity for the year ended 31 December 2024 prepared under CASBE were audited by Pan-China Certified Public Accounts LLP (天健會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(d) The statutory financial statements of this entity for the year ended 31 December 2025 prepared under CASBE were audited by Pan-China Certified Public Accounts LLP (天健會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(e) As at the date of this report, no audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). All IFRSs effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information and the Interim Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods and in the periods covered by the Interim Financial Information.

Basis of consolidation

The Historical Financial Information includes the financial information of the Group for the Relevant Periods and in the period covered by the Interim Financial Information. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial information of the subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
Amendments to IAS 28	*Amendments to the Fair Value Option for Investments in Associates and Joint Ventures in IAS 28*[4]

1 Effective for annual/reporting periods beginning on or after 1 January 2027
2 No mandatory effective date yet determined but available for adoption
3 Effective for annual periods beginning on or after 1 January 2029
4 The amendments are applied when an entity first applies IFRS 18

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies but are likely to have a significant impact on the Group's financial performance and financial position in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its bank acceptance bills, unlisted equity investments, structured deposits and wealth management products at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3.17% to 9.5%
Machinery and equipment	19% to 31.67%
Motor vehicles	19% to 31.67%
Electronic equipment and others	19% to 31.67%
Leasehold improvements	Shorter of lease term or estimated useful life

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over the following estimated useful lives:

Software	3 to 10 years
License	2 to 5 years

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 5 years
Leasehold land	30 to 50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of premises and employee dormitory (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining far value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to the profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case,such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the end of each of the Relevant Periods with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below:

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 Financial assets that are credit-impaired at the end of each of the Relevant Periods (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each of the Relevant Periods. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, loans and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Treasury shares

Own equity instruments which are reacquired and held by the Company (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the related asset.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) *Sale of products*

The Group manufactures and sells 3D vision perception solutions, including sensor products and system-level devices. Revenue is recognised at the point in time when control of the products is transferred to the customer in accordance with the contract term, for domestic sales in Chinese mainland, generally upon customers' acceptance when the products are shipped to customers or their designated locations; for cross-border sales, generally upon customers' confirmation on the acceptance in bill of lading, in accordance with the mutually agreed international commerce term in the contract with customer.

(b) *Provision of services and solutions*

Services primarily consists of robotics OEM sales and R&D services. Solutions mainly are intelligent education solutions for primary and secondary schools. Revenue from the provision of services and solutions is recognized at the point in time when the services and solutions are rendered and accepted by the customers.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Group operates Restricted Share Incentive Plans for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value of Restricted Share granted is determined by using a Black-Scholes model. Further details are included in note 33 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled share-based award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding Restricted Shares is reflected as additional share dilution in the computation of earnings per share. More details are disclosed in note 12 to the Historical Financial Information.

Other employee benefits

Pension scheme

The employees of the Company and the Group' subsidiaries which mainly operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Company and the Group' subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund and other social insurances

The Company and the Group's subsidiaries which mainly operate in Chinese mainland have participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's liability in respect of these funds is limited to the contributions payable in each of the Relevant Periods.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their profit or losses are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of each of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Business models

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods used to evaluate and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

Development expenses

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Determining the amounts of development costs to be capitalised requires the use of judgements and estimation.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised as well as the tax rate that is expected to apply to the period when taxable profits is settled, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

In 2023, 2024 and 2025, and for the six months ended 30 June 2026,the Group has tax losses of RMB1,056,784,000, RMB1,224,066,000, RMB1,225,529,000, and RMB1,284,719,000 carried forward. These losses related to parent company and subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The parent company and subsidiaries have neither sufficient taxable temporary difference nor sufficient tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB207,511,000,RMB237,100,000,RMB233,324,000, RMB246,964,000. Further details are given in note 30 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Share-based payment

The fair value of the Restricted Shares to employees is determined by Black-Scholes Model at the date they are granted. Significant estimates on assumptions, including the expected volatility, risk-free interest rate and expected life of Restricted Shares, are made by the management of the Group. Further details are included in note 33 to the Historical Financial Information.

Provision for expected credit losses on trade and other receivables

The Group makes allowances on trade and other receivables based on assumptions about risk of default and expected loss rates. The Group uses estimations in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each of the Relevant Periods.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables are disclosed in notes 21 and 22 to the Historical Financial Information.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes a provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at the end of each of the Relevant Periods and makes a provision against obsolete and slow-moving items. Management reassesses the estimation at the end of each of the Relevant Periods. The provision against obsolete and slow-moving inventories requires the use of estimates. Where the expectation is different from the original estimate, such difference will have an impact on the carrying value of inventories and the write-down of inventory amount in the year in which such estimates have been changed. Details of the Group's inventory provision during the Relevant Periods is disclosed in note 20 to the Historical Financial Information.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique and discounted cash flow method as detailed in note 39 to the Historical Financial Information. The market-based valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3 during the Relevant Periods and 30 June 2026. The discounted cash flow method is adopted with a fixed discount rate, which is a significant unobservable input, the Group classifies the fair value of these investments as Level 3 during the Relevant Periods and 30 June 2026. Further details are included in note 18 and note 39 to the Historical Financial Information.

Impairment of investments in associates

The Group determined whether there are indicators of impairment for investments in associates at the end of each of the Relevant Periods. Indicators of impairment included but not limited to serious deterioration of financial condition of the associate, adverse changes in the industry market environment and other circumstances indicated that the associate are unable to generate economic benefits for the Group. When such an indicator exists, the Group tested its investments in associates for impairment by comparing the estimated recoverable amounts with the carrying amounts. An impairment exists when the carrying value of investments in associates exceeds their respective recoverable amount.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's standalone credit rating).

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segment based on the information reviewed by the Company's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment.

Management monitors the results of the Company's operating segment separately for the purpose of making decisions about resource allocation and performance assessment, focuses on the operating results of the Company as a whole as the Company's resources are integrated and no discrete operating segment information is available. Accordingly, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

Revenues are attributed to geographical areas based on locations of the customers. Revenues by geographical segment based on locations of the customers for the Relevant Periods are presented as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Chinese mainland	321,406	504,197	854,022	401,127	370,319
Other countries or regions*	38,600	60,262	86,722	34,342	67,287
Total	360,006	564,459	940,744	435,469	437,606

* Primarily include the United States, Asia-Pacific and Europe.

(b) Non-current assets

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Chinese mainland	502,382	567,536	610,644	604,676
Other countries or regions*	2,054	1,616	1,119	65,608
Total	504,436	569,152	611,763	670,284

* The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Information about external customers from which the revenue amounted to over 10% of the total revenue of the Group is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Customer A	62,437	*	*	*	*
Customer B	*	159,663	281,970	116,908	119,618
Customer C	*	*	252,525	130,881	52,950

* The corresponding revenue of these customers are not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Revenue from contracts with customers					
Sensors	229,867	215,170	303,889	138,004	206,946
System-level devices and solutions	118,513	339,037	616,897	289,664	202,547
Others	10,031	9,723	17,894	7,167	27,337
Subtotal	358,411	563,930	938,680	434,835	436,830
Revenue from other sources					
Gross rental income:					
Other lease payments, including fixed payments	1,595	529	2,064	634	776
Total	360,006	564,459	940,744	435,469	437,606

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Types of goods or services					
Sensors	229,867	215,170	303,889	138,004	206,946
System-level devices and solutions	118,513	339,037	616,897	289,664	202,547
Others	10,031	9,723	17,894	7,167	27,337
Total	358,411	563,930	938,680	434,835	436,830
Timing of revenue recognition					
Goods and services transferred at a point in time	358,411	563,930	938,680	434,835	436,830
Total	358,411	563,930	938,680	434,835	436,830

The following table shows the amounts of revenue recognised in the current reporting periods that were included in the contract liabilities at the beginning of each of the reporting periods:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	6,471	16,384	11,839	11,491	7,897

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sensors and system-level devices

For domestic sales in Chinese mainland, the performance obligation is normally satisfied upon the customer's acceptance. For cross-border sales, the performance obligation is normally satisfied upon customers' acceptance.The payment is generally due within 0 to 120 days from the date of delivery.

Solutions and Others

For solutions and others, the performance obligation is typically satisfied upon customer acceptance. Solutions mainly are intelligent education solutions for primary and secondary schools, others primarily consists of robotics OEM sales and R&D services, of which payment terms and conditions are based on the billing schedule established in the contracts with customers. Generally, upfront payment is required and will be due within 5 to 10 days after contract signing, and the remaining balance will be due within 5 to 10 days after project acceptance.

The amounts of transaction prices allocated to the remaining performance obligations are generally expected to be recognised as revenue within one year. The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration of more than one year. Thus, management applied the practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied at the end of each of the Relevant Periods.

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Other income					
Interest income	25,365	39,924	10,378	5,220	16,053
Investment income	28,768	36,072	35,508	17,892	13,912
Government grants*	42,066	37,245	55,671	25,475	14,845
Others	20	1,892	938	67	4
Total other income	96,219	115,133	102,495	48,654	44,814
Gains					
Foreign exchange gains, net	944	208	–	–	–
Gains on disposal of property, plant and equipment	224	200	109	–	–
Gains on lease termination	1,744	–	–	–	34
Fair value gains on financial assets at FVTPL, net	–	89	2,522	470	1,037
Total gains	2,912	497	2,631	470	1,071
	99,131	115,630	105,126	49,124	45,885

* The government grants mainly represent subsidies received from the government that are relating to both income and assets.

The government grants related to income were awarded for the Group's contribution to the local economic growth and reimbursed for the Group's R&D expenditures. The grants related to income are recognised in profit or loss upon receipt and there are no unfulfilled conditions or contingencies relating to these grants.

The Group has also received certain government grants related to assets, which were recognised as deferred income upon receipt and released to profit or loss over the expected useful life of the relevant asset, when all attaching conditions and requirements are compliant with.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December 2023	2024	2025	Six months ended 30 June 2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Cost of sales*		214,132	344,751	547,537	260,079	234,844
Research and development costs		300,810	204,335	202,534	91,181	111,393
Depreciation of property, plant and equipment**	*13*	30,561	30,399	28,791	13,495	15,132
Depreciation of right-of-use assets**	*15*	21,879	13,389	5,077	2,541	2,975
Amortisation of other intangible assets**	*14*	15,981	12,598	9,090	4,866	2,472
Gain on disposal of items of property, plant and equipment and other assets***		(224)	(204)	(109)	–	–
Loss on write-off of items of property, plant and equipment and other assets***		672	4,339	580	174	2
(Gain)/loss on early termination of a lease***		(1,744)	4	–	–	(34)
Foreign exchange losses/(gains), net***		(944)	(208)	2,570	496	2,792
Expenses relating to short-term leases	*15*	2,438	2,946	923	671	366
(Reversal of impairment)/impairment of trade and bills receivables	*21*	(679)	3,851	1,680	(543)	(519)
(Reversal of impairment)/impairment of other receivables	*22*	(1,552)	(2,586)	(404)	(75)	989
Impairment of other non-current assets	*22*	–	5,602	–	–	–
Investment (income)/expense on financial assets at fair value through profit or loss***		(19,153)	(11,277)	(8,584)	(4,230)	(1,355)
Investment income on certificates of deposits***		(9,615)	(24,795)	(26,924)	(13,662)	(12,557)
Fair value loss/(gain) on financial assets at fair value through profit or loss***		6,537	(89)	(2,522)	(470)	(1,037)
Auditor's remuneration		896	896	736	–	–
Write-down of inventories to net realisable value*		7,654	16,127	18,420	4,337	9,692
Employee benefit expenses (excluding directors' and supervisors' remuneration *(note 8)*):						
– Wages and salaries		294,410	249,309	275,293	120,455	162,310
– Pension scheme contributions		9,572	8,258	9,454	4,353	5,964
– Share-based payments expenses		66,046	32,971	14,957	10,672	7,991
Total employee benefit expenses		370,028	290,538	299,704	135,480	176,265

* Write-down of inventories to net realisable value are included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

** The depreciation of property, plant and equipment, amortisation of other intangible assets, and depreciation of right-of-use assets are included in "Cost of sales", "Selling and marketing expenses", "Administrative expenses" and "Research and development expenses" in the consolidated statement of profit or loss and other comprehensive income, respectively.

*** The amounts are included in "Other income and gains" and "Other expense" in the consolidated statement of profit or loss and other comprehensive income.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Interest on interest-bearing bank borrowings	2,584	3,000	2,512	1,555	645
Interest on lease liabilities	1,807	707	39	23	63
Total	4,391	3,707	2,551	1,578	708

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration during the Relevant Periods and six months ended 30 June 2025 and 2026, is set out as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Fees	402	400	400	200	200
Other emoluments:					
Salaries, bonuses, allowances and benefits in kind	7,125	6,475	5,156	2,564	2,131
Pension scheme contributions	230	257	196	108	90
Share-based payment expenses	1,380	1,209	598	377	92
Subtotal	8,735	7,941	5,950	3,049	2,313
Total	9,137	8,341	6,350	3,249	2,513

During the Relevant Periods and six months ended 30 June 2025 and 2026, certain directors were granted Restricted Shares awards, in respect of their services to the Group, under the Restricted Shares Incentive Plan of the Group, further details of which are included in the disclosures in note 33 to the Historical Financial Information. The fair value of such Restricted Shares awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and six months ended 30 June 2025 and 2026 is included in the above remuneration disclosures.

(a) Independent non-executive directors

The independent non-executive directors' fees during the Relevant Periods and six months ended 30 June 2025 and 2026 were as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Mr. Fu Yu	100	100	100	50	50
Ms. Xu Xuemiao	100	100	100	50	50
Ms. Chen Danmin	18	100	100	50	50
Mr. Yan Lei	18	100	100	50	50
Ms. Liu Shuting *(a)*	83	–	–	–	–
Mr. Lin Binsheng *(b)*	83	–	–	–	–
Total	402	400	400	200	200

(b) Executive directors and supervisors

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023				
Executive director:				
Mr. Huang Yuanhao *(c)*	1,052	37	–	1,089
Mr. Xiao Zhenzhong	908	37	–	945
Mr. Chen Bin	1,052	37	363	1,452
Mr. Hong Hu *(d)*	865	17	–	882
Mr. Jiang Longye	1,052	37	545	1,634
Mr. Zhou Guangda	–	–	–	–
Mr. Ji Gang	–	–	–	–
Mr. Zhang Dingjun	1,016	37	472	1,525
	5,945	202	1,380	7,527
Supervisor:				
Mr. Wang Xianguan *(e)*	500	14	–	514
Mr. Fu Guanqiang *(f)*	–	–	–	–
Ms. Yang Hui	85	3	–	88
Ms. Chen Jie	44	4	–	48
Ms. Zhan Xiaoqian	551	7	–	558
Ms. Qi Ran *(g)*	–	–	–	–
	1,180	28	–	1,208
	7,125	230	1,380	8,735

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024				
Executive director:				
Mr. Huang Yuanhao *(c)*	1,082	40	–	1,122
Mr. Xiao Zhenzhong	938	40	–	978
Mr. Chen Bin	1,083	40	318	1,441
Mr. Jiang Longye *(h)*	672	40	477	1,189
Mr. Zhou Guangda	–	–	–	–
Mr. Ji Gang	–	–	–	–
Mr. Zhang Dingjun	1,387	40	414	1,841
	5,162	200	1,209	6,571
Supervisor:				
Ms. Yang Hui	679	20	–	699
Ms. Huang Ling *(i)*	108	8	–	116
Ms. Chen Jie	80	10	–	90
Ms. Zhan Xiaoqian *(j)*	251	10	–	261
Ms. Pan Cen	195	9	–	204
	1,313	57	–	1,370
	6,475	257	1,209	7,941

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025				
Executive director:				
Mr. Huang Yuanhao *(c)*	1,089	44	–	1,133
Mr. Xiao Zhenzhong	943	44	–	987
Mr. Chen Bin	1,230	44	260	1,534
Mr. Zhou Guangda	–	–	–	–
Mr. Ji Gang	–	–	–	–
Mr. Zhang Dingjun	1,554	44	338	1,936
	4,816	176	598	5,590
Supervisor:				
Ms. Yang Hui *(k)*	189	8	–	197
Ms. Chen Jie *(l)*	44	6	–	50
Ms. Pan Cen *(m)*	107	6	–	113
	340	20	–	360
	5,156	196	598	5,950

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025 (unaudited)				
Executive director:				
Mr. Huang Yuanhao *(c)*	592	22	–	614
Mr. Xiao Zhenzhong	506	22	–	528
Mr. Chen Bin	592	22	164	778
Mr. Zhou Guangda	–	–	–	–
Mr. Ji Gang	–	–	–	–
Mr. Zhang Dingjun	534	22	213	769
	2,224	88	377	2,689
Supervisor:				
Ms. Yang Hui	189	8	–	197
Ms. Chen Jie	44	6	–	50
Ms. Pan Cen	107	6	–	113
	340	20	–	360
	2,564	108	377	3,049

	Salaries, bonuses, allowances and benefits in kind	**Pension scheme contributions**	**Share-based payment expenses**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2026 (unaudited)				
Executive director:				
Mr. Huang Yuanhao *(c)*	540	22	–	562
Mr. Xiao Zhenzhong	464	22	–	486
Mr. Chen Bin	540	22	40	602
Mr. Zhou Guangda	–	–	–	–
Mr. Ji Gang	–	–	–	–
Mr. Zhang Dingjun	587	24	52	663
	2,131	90	92	2,313

Notes:

(a) Ms. Liu Shuting was appointed as an independent non-executive director of the Company from August 2022 to October 2023.

(b) Mr. Lin Binsheng was appointed as an independent non-executive director of the Company from October 2020 to October 2023.

(c) Mr. Huang Yuanhao, the founder, is chief executive and executive director.

(d) Mr. Hong Hu was appointed as a director of the Company from October 2020 to October 2023.

(e) Mr. Wang Xianguan was appointed as a supervisor of the Company from October 2020 to October 2023.

(f) Mr. Fu Guanqiang was appointed as a supervisor of the Company from October 2020 to October 2023.

(g) Ms. Qi Ran was appointed as a supervisor of the Company from October 2020 to October 2023.

(h) Mr. Jiang Longye was appointed as a director of the Company from October 2020 to August 2024.

(i) Ms. Huang Ling was appointed as a supervisor of the Company from April 2024 to October 2024.

(j) Ms. Zhan Xiaoqian was appointed as a supervisor of the Company from October 2023 to April 2024.

(k) Ms. Yang Hui was appointed as a supervisor of the Company from October 2023 to May 2025.

(l) Ms. Chen Jie was appointed as a supervisor of the Company from October 2023 to May 2025.

(m) Ms. Pan Cen was appointed as a supervisor of the Company from October 2024 to May 2025.

(n) The Group announced in May 2025 that the supervisory board member was removed.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2025 and 2026 included three, one, one, two and nil directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining two, four, four, three and five highest paid employees who are neither a director nor chief executive of the Company during the year ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2025 and 2026:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Salaries, bonuses, allowances and benefits in kind	3,181	10,207	8,022	3,780	4,863
Pension scheme contributions	301	820	831	432	838
Share-based payment expenses	472	276	2,132	1,657	993
	3,954	11,303	10,985	5,869	6,694

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	*(unaudited)*
	Numbers of employees				
nil to HK$1,000,000	–	–	–	–	3
HK$1,000,001 to HK$1,500,000	1	–	1	2	1
HK$1,500,001 to HK$2,000,000	–	2	1	–	–
HK$2,000,001 to HK$2,500,000	1	–	1	–	1
HK$2,500,001 to HK$3,000,000	–	1	–	1	–
HK$3,000,001 to HK$3,500,000	–	–	–	–	–
HK$3,500,001 to HK$4,000,000	–	–	–	–	–
HK$4,000,001 to HK$4,500,000	–	1	1	–	–
	2	4	4	3	5

During the Relevant Periods and six months ended 30 June 2025 and 2026, certain non-director and non-chief executive highest paid employees were granted Restricted Shares awards, in respect of their services to the Group, under the Restricted Shares Incentive Plan of the Group, further details of which are included in the disclosures in note 33 to the Historical Financial Information. The fair value of such Restricted Shares awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information during the Relevant Periods and six months ended 30 June 2025 and 2026 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese mainland

The provision for corporate income tax in Chinese mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008 except for those subject to preferential tax set out below.

The Company was qualified as a "High and New Technology Enterprise" ("**HNTE**") and entitled to a preferential income tax rate of 15% for the years ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2026.

Xintuo 3D Technology (Shenzhen) Co.,Ltd., Shenzhen Malio Technology Co., Ltd. and Aocheng Information Technology (Shanghai) Co., Ltd. were qualified as HNTE and entitled to a preferential income tax rate of 15% during the Relevant Periods and six months ended 30 June 2025 and 2026.

Shanghai Aoshida Intelligent Technology Co., Ltd. was qualified as HNTE and entitled to a preferential income tax rate of 15% in 2024, and was not entitled to the preferential tax rate of 15% in 2025 and six months ended 30 June 2026 as it did not meet certain criteria of HNTE.

XTOP 3D Technology (Xi'an) Co., Ltd. was qualified as HNTE and entitled to a preferential income tax rate of 15% for the years ended 31 December 2025 and six months ended 30 June 2026.

The HNTE qualification is subject to review and approval by the relevant tax authority in the PRC for every three years.

Shenzhen Malio Software Technology Co., Ltd., the Group's subsidiary established in September 2019, was classified as "small and micro businesses" and subject to a preferential income tax rate of 5% for the years ended 31 December 2023, 2024 and six months ended 30 June 2025. Shenzhen Malio Software Technology Co., Ltd. was deregistered in June 2025.

Shenzhen Qianhai Yuandian Enterprise Management Co., Ltd., the Group's subsidiary established in December 2019, was classified as "small and micro businesses" and subject to a preferential income tax rate of 5% for the years ended 31 December 2023, 2024, 2025 and six months ended 30 June 2026.

USA

Under the tax reduction and Employment Act (tcja), which came into effect in 2018, the statutory corporate income tax rate in the USA has been permanently reduced from 35% to 21% and is applicable to all type C corporations (C-Corp). This is the United States benchmark tax rate. In the United States, 44 states and the District of Columbia are subject to state corporate income tax in addition to federal tax. Orbbec 3D Technology International,Inc. has a state tax rate of 6% and a total tax rate of 27%.

Hong Kong

During the Relevant Periods and six months ended 30 June 2025 and 2026, the first HK$2,000,000 of assessable profits of the Group's Hong Kong subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Singapore

During the Relevant Periods and six months ended 30 June 2025 and 2026, the first $100,000 of assessable profits of the Group's Singapore subsidiary are taxed at 4.25%, $100,000 to $290,000 of assessable profits of the Group's Singapore subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 17%.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The income tax charge/(credit) of the Group for the Relevant Periods and six months ended 30 June 2025 and 2026 is analysed as follows:

	Year ended 31 December			**Six months ended 30 June**	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Current income tax	–	17	(6)	98	18
Deferred income tax *(note 30)*	6,677	(2,538)	(8,788)	(7,914)	(1,505)
Total tax charge/(credit)	6,677	(2,521)	(8,794)	(7,816)	(1,487)

A reconciliation of the income tax charge/(credit) applicable to profit before tax at the preferential tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Profit before tax	(268,867)	(65,420)	118,827	51,857	39,299
Tax charge/(credit) at the applicable tax rate of 15%	(40,330)	(9,813)	17,824	7,779	5,895
Entities subject to different income tax rate	(258)	3,885	(3,963)	217	(3,174)
Additional deductible allowance for qualified research and development expenses*	(37,012)	(26,209)	(31,446)	(9,326)	(19,026)
Adjustments in respect of current tax of previous periods	(1,206)	609	(6)	–	–
Expenses not deductible for tax	7,472	4,891	1,235	758	583
Profits and losses attributable to associates	–	–	(1,516)	(95)	(281)
Deductible temporary differences and/or tax losses utilised from previous periods	(1,755)	(2,015)	(1,674)	(1,185)	(214)
Deductible temporary differences and tax losses not recognised	34,239	17,853	21,412	5,549	16,385
Effect arising from recognising in the current year for deductible temporary differences and/or tax losses which were not recognised in prior periods	–	(7,934)	(10,660)	(11,513)	(1,655)
Effect of derecognising deductible temporary differences and tax losses in the current year for which deferred tax assets had been recognised in prior years	45,527	16,212	–	–	–
Income tax charge/(credit) at the Group's effective tax rate	6,677	(2,521)	(8,794)	(7,816)	(1,487)

* Based on Public Notice 2021 No. 13 issued by the State Tax Bureau of the PRC on 31 March 2021, the manufacturing enterprises were eligible for an additional 100% deduction of eligible R&D expenses starting from 1 January 2021. Furthermore, based on Public Notice 2023 No. 7 issued by the State Tax Bureau of the PRC on 26 March 2023, the enterprises were eligible for an additional 100% deduction of eligible R&D expenses from 1 January 2023. The Group has claimed such additional deduction during the Relevant Periods and six months ended 30 June 2025 and 2026.

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods and the six months ended 30 June 2025 and 2026.

12. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue (excluding treasury shares) during the Relevant Periods and six months ended 30 June 2025 and 2026.

The calculation of the diluted earnings per share amounts for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 is based on the profit for the year/period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year/period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Earnings					
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation (RMB'000)	(275,885)	(62,907)	127,910	60,190	41,641
Shares					
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation*	400,001,000	399,145,873	399,031,267	398,674,445	397,943,912
Effect of dilution – weighted average number of ordinary shares:					
Restricted Share awards	–	–	1,701,492	1,749,660	1,678,193
Total	400,001,000	399,145,873	400,732,759	400,424,105	399,622,105

* Treasury shares were excluded in calculating the weighted average number of ordinary shares for the purpose of basic earnings per share.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	–	29,801	91,432	2,858	144,340	20,654	289,085
Accumulated depreciation	–	(17,208)	(55,502)	(2,323)	–	(10,848)	(85,881)
Net carrying amount	–	12,593	35,930	535	144,340	9,806	203,204
At 1 January 2023, net of accumulated depreciation	–	12,593	35,930	535	144,340	9,806	203,204
Additions	–	6,164	9,150	–	112,031	2,119	129,464
Depreciation provided during the year	(3,263)	(5,951)	(16,670)	(95)	–	(4,582)	(30,561)
Transfers	252,704	–	–	–	(252,704)	–	–
Disposal	–	(429)	(4,381)	–	–	–	(4,810)
Exchange realignment	–	8	6	–	–	–	14
At 31 December 2023, net of accumulated depreciation	249,441	12,385	24,035	440	3,667	7,343	297,311
At 31 December 2023:							
Cost	252,704	33,381	89,073	2,858	3,667	22,773	404,456
Accumulated depreciation	(3,263)	(20,996)	(65,038)	(2,418)	–	(15,430)	(107,145)
Net carrying amount	249,441	12,385	24,035	440	3,667	7,343	297,311

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	252,704	33,381	89,073	2,858	3,667	22,773	404,456
Accumulated depreciation	(3,263)	(20,996)	(65,038)	(2,418)	–	(15,430)	(107,145)
Net carrying amount	249,441	12,385	24,035	440	3,667	7,343	297,311
At 1 January 2024, net of accumulated depreciation	249,441	12,385	24,035	440	3,667	7,343	297,311
Additions (c)	(5,588)	1,298	5,151	1,305	146,183	–	148,349
Depreciation provided during the year	(10,206)	(5,929)	(11,247)	(79)	–	(2,938)	(30,399)
Transfers	74,095	3,158	297	–	(77,636)	86	–
Disposal	–	(167)	(764)	(54)	–	(4,182)	(5,167)
Exchange realignment	–	6	5	–	–	–	11
At 31 December 2024, net of accumulated depreciation	307,742	10,751	17,477	1,612	72,214	309	410,105
At 31 December 2024:							
Cost	321,211	36,699	92,084	3,072	72,214	18,677	543,957
Accumulated depreciation	(13,469)	(25,948)	(74,607)	(1,460)	–	(18,368)	(133,852)
Net carrying amount	307,742	10,751	17,477	1,612	72,214	309	410,105

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025:							
Cost	321,211	36,699	92,084	3,072	72,214	18,677	543,957
Accumulated depreciation	(13,469)	(25,948)	(74,607)	(1,460)	–	(18,368)	(133,852)
Net carrying amount	307,742	10,751	17,477	1,612	72,214	309	410,105
At 1 January 2025, net of accumulated depreciation	307,742	10,751	17,477	1,612	72,214	309	410,105
Additions	33,427	6,232	8,484	106	42,423	–	90,672
Depreciation provided during the year	(14,688)	(5,074)	(8,442)	(340)	–	(247)	(28,791)
Transfers	112,121	337	1,944	–	(114,402)	–	–
Disposal	–	(106)	(108)	(13)	–	–	(227)
Exchange realignment	–	2	(15)	–	–	–	(13)
At 31 December 2025, net of accumulated depreciation	438,602	12,142	19,340	1,365	235	62	471,746
At 31 December 2025:							
Cost	466,759	41,253	100,701	2,920	235	18,677	630,545
Accumulated depreciation	(28,157)	(29,111)	(81,361)	(1,555)	–	(18,615)	(158,799)
Net carrying amount	438,602	12,142	19,340	1,365	235	62	471,746

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 30 June 2026 (unaudited)							
At January 1, 2026:							
Cost	466,759	41,253	100,701	2,920	235	18,677	630,545
Accumulated depreciation	(28,157)	(29,111)	(81,361)	(1,555)	–	(18,615)	(158,799)
Net carrying amount	438,602	12,142	19,340	1,365	235	62	471,746
At 1 January 2026, net of accumulated depreciation	438,602	12,142	19,340	1,365	235	62	471,746
Additions	–	3,394	3,517	–	9,715	–	16,626
Depreciation provided during the period	(8,418)	(2,692)	(3,786)	(174)	–	(62)	(15,132)
Transfers	8,272	–	434	–	(8,706)	–	–
Disposal	(386)	(2)	(3)	–	–	–	(391)
Exchange realignment	–	(5)	(5)	–	–	–	(10)
At 30 June 2026, net of accumulated depreciation (unaudited)	438,070	12,837	19,497	1,191	1,244	–	472,839
At 30 June 2026 (unaudited).							
Cost	474,645	44,567	104,602	2,920	1,244	15,976	643,954
Accumulated depreciation	(36,575)	(31,730)	(85,105)	(1,729)	–	(15,976)	(171,115)
Net carrying amount	438,070	12,837	19,497	1,191	1,244	–	472,839

Notes:

(a) As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group had not obtained building ownership certificates for all buildings with a net book value of approximately RMB249,441,000, RMB73,899,000, nil and nil respectively.

(b) As at 31 December 2023, 2024 and 2025 and 30 June 2026, there were no items of the Group's property, plant and equipment that were pledged, and no impairment was provided on the Group's property, plant and equipment during the Relevant Periods and six months ended 30 June 2025 and 2026.

(c) It relates to the adjustment to the provisional estimate of the transferred building in the prior year.

The Company

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	–	15,624	78,044	2,704	144,340	698	241,410
Accumulated depreciation	–	(10,533)	(49,519)	(2,189)	–	(482)	(62,723)
Net carrying amount	–	5,091	28,525	515	144,340	216	178,687
At 1 January 2023, net of accumulated depreciation	–	5,091	28,525	515	144,340	216	178,687
Additions	–	1,364	5,367	–	111,819	62	118,612
Depreciation provided during the year	(3,263)	(2,366)	(13,196)	(83)	–	(216)	(19,124)
Transfers	252,704	–	–	–	(252,704)	–	–
Disposal	–	(414)	(3,868)	–	–	–	(4,282)
At 31 December 2023, net of accumulated depreciation	249,441	3,675	16,828	432	3,455	62	273,893
At 31 December 2023:							
Cost	252,704	14,429	72,966	2,704	3,455	760	347,018
Accumulated depreciation	(3,263)	(10,754)	(56,138)	(2,272)	–	(698)	(73,125)
Net carrying amount	249,441	3,675	16,828	432	3,455	62	273,893

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	252,704	14,429	72,966	2,704	3,455	760	347,018
Accumulated depreciation	(3,263)	(10,754)	(56,138)	(2,272)	–	(698)	(73,125)
Net carrying amount	249,441	3,675	16,828	432	3,455	62	273,893
At 1 January 2024, net of accumulated depreciation	249,441	3,675	16,828	432	3,455	62	273,893
Additions (c)	(5,588)	618	3,199	1,305	212	–	(254)
Depreciation provided during the year	(10,010)	(1,812)	(7,881)	(79)	–	(62)	(19,844)
Transfers	–	3,159	297	–	(3,456)	–	–
Disposal	–	(11)	(254)	(54)	–	–	(319)
At 31 December 2024, net of accumulated depreciation	233,843	5,629	12,189	1,604	211	–	253,476
At 31 December 2024:							
Cost	247,116	18,164	75,342	2,918	211	760	344,511
Accumulated depreciation	(13,273)	(12,535)	(63,153)	(1,314)	–	(760)	(91,035)
Net carrying amount	233,843	5,629	12,189	1,604	211	–	253,476

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025:							
Cost	247,116	18,164	75,342	2,918	211	760	344,511
Accumulated depreciation	(13,273)	(12,535)	(63,153)	(1,314)	–	(760)	(91,035)
Net carrying amount	233,843	5,629	12,189	1,604	211	–	253,476
At 1 January 2025, net of accumulated depreciation	233,843	5,629	12,189	1,604	211	–	253,476
Additions	30	984	2,911	–	1,719	–	5,644
Depreciation provided during the year	(9,464)	(1,646)	(5,243)	(327)	–	–	(16,680)
Transfers	–	–	1,930	–	(1,930)	–	–
Disposal	–	(55)	(61)	(13)	–	–	(129)
At 31 December 2025, net of accumulated depreciation	224,409	4,912	11,726	1,264	–	–	242,311
At 31 December 2025:							
Cost	247,146	18,346	79,013	2,660	–	760	347,925
Accumulated depreciation	(22,737)	(13,434)	(67,287)	(1,396)	–	(760)	(105,614)
Net carrying amount	224,409	4,912	11,726	1,264	–	–	242,311

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 30 June 2026 (unaudited)							
At January 1, 2026:							
Cost	247,146	18,346	79,013	2,660	–	760	347,925
Accumulated depreciation	(22,737)	(13,434)	(67,287)	(1,396)	–	(760)	(105,614)
Net carrying amount	224,409	4,912	11,726	1,264	–	–	242,311
At 1 January 2026, net of accumulated depreciation	224,409	4,912	11,726	1,264	–	–	242,311
Additions	–	2,290	2,123	–	354	–	4,767
Depreciation provided during the period	(4,733)	(963)	(2,415)	(164)	–	–	(8,275)
Transfers	–	–	309	–	(309)	–	–
Disposal	–	–	(473)	–	–	–	(473)
At 30 June 2026, net of accumulated depreciation (unaudited)	219,676	6,239	11,270	1,100	45	–	238,330
At 30 June 2026 (unaudited).							
Cost	247,146	20,610	80,602	2,660	45	–	351,063
Accumulated depreciation	(27,470)	(14,371)	(69,332)	(1,560)	–	–	(112,733)
Net carrying amount	219,676	6,239	11,270	1,100	45	–	238,330

Notes:

(a) As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Company had not obtained building ownership certificates for buildings with a net book value of approximately RMB249,441,000, nil, nil and nil respectively.

(b) As at 31 December 2023, 2024 and 2025 and 30 June 2026, there were no items of the Company's property, plant and equipment that were pledged, and no impairment was provided on the Company's property, plant and equipment during the Relevant Periods and six months ended 30 June 2025 and 2026.

(c) It relates to the adjustment to the provisional estimate of the transferred building in the prior year.

14. OTHER INTANGIBLE ASSETS

The Group

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
At 1 January 2023			
Cost	23,667	53,093	76,760
Accumulated amortisation	(12,904)	(35,932)	(48,836)
Net carrying amount	10,763	17,161	27,924
At 1 January 2023, net of accumulated amortisation	10,763	17,161	27,924
Additions	12,176	403	12,579
Amortisation provided during the year	(6,617)	(9,364)	(15,981)
Exchange realignment	7	–	7
At 31 December 2023, net of accumulated amortisation	16,329	8,200	24,529
At 31 December 2023			
Cost	35,901	53,496	89,397
Accumulated amortisation	(19,572)	(45,296)	(64,868)
Net carrying amount	16,329	8,200	24,529

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
At 1 January 2024			
Cost	35,901	53,496	89,397
Accumulated amortisation	(19,572)	(45,296)	(64,868)
Net carrying amount	16,329	8,200	24,529
At 1 January 2024, net of accumulated amortisation	16,329	8,200	24,529
Additions	571	–	571
Amortisation provided during the year	(7,455)	(5,143)	(12,598)
Disposal	(25)	–	(25)
Exchange realignment	3	–	3
At 31 December 2024, net of accumulated amortisation	9,423	3,057	12,480
At 31 December 2024			
Cost	34,389	33,537	67,926
Accumulated amortisation	(24,966)	(30,480)	(55,446)
Net carrying amount	9,423	3,057	12,480

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025			
Cost	34,389	33,537	67,926
Accumulated amortisation	(24,966)	(30,480)	(55,446)
Net carrying amount	9,423	3,057	12,480
At 1 January 2025, net of accumulated amortisation	9,423	3,057	12,480
Additions	436	3,575	4,011
Amortisation provided during the year	(5,665)	(3,425)	(9,090)
Disposal	(88)	(252)	(340)
Exchange realignment	(3)	–	(3)
At 31 December 2025, net of accumulated amortisation	4,103	2,955	7,058
At 31 December 2025			
Cost	32,385	15,174	47,559
Accumulated amortisation	(28,282)	(12,219)	(40,501)
Net carrying amount	4,103	2,955	7,058

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
30 June 2026 (unaudited)			
At 1 January 2026			
Cost	32,385	15,174	47,559
Accumulated amortisation	(28,282)	(12,219)	(40,501)
Net carrying amount	4,103	2,955	7,058
At 1 January 2026, net of accumulated amortisation	4,103	2,955	7,058
Additions	74	–	74
Amortisation provided during the period	(1,855)	(617)	(2,472)
Disposal	–	(13)	(13)
Exchange realignment	(6)	–	(6)
At 30 June 2026, net of accumulated amortisation (unaudited)	2,316	2,325	4,641
At 30 June 2026 (unaudited)			
Cost	32,343	15,162	47,505
Accumulated amortisation	(30,027)	(12,837)	(42,864)
Net carrying amount	2,316	2,325	4,641

The Company

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
At 1 January 2023			
Cost	17,381	42,566	59,947
Accumulated amortisation	(8,421)	(30,390)	(38,811)
Net carrying amount	8,960	12,176	21,136
At 1 January 2023, net of accumulated amortisation	8,960	12,176	21,136
Additions	4,380	403	4,783
Amortisation provided during the year	(5,068)	(7,297)	(12,365)
At 31 December 2023, net of accumulated amortisation	8,272	5,282	13,554
At 31 December 2023			
Cost	21,761	42,969	64,730
Accumulated amortisation	(13,489)	(37,687)	(51,176)
Net carrying amount	8,272	5,282	13,554

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
At 1 January 2024			
Cost	21,761	42,969	64,730
Accumulated amortisation	(13,489)	(37,687)	(51,176)
Net carrying amount	8,272	5,282	13,554
At 1 January 2024, net of accumulated amortisation	8,272	5,282	13,554
Additions	488	–	488
Amortisation provided during the year	(4,223)	(3,148)	(7,371)
Disposal	(25)	–	(25)
At 31 December 2024, net of accumulated amortisation	4,512	2,134	6,646
At 31 December 2024			
Cost	20,992	27,318	48,310
Accumulated amortisation	(16,480)	(25,184)	(41,664)
Net carrying amount	4,512	2,134	6,646

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025			
Cost	20,992	27,318	48,310
Accumulated amortisation	(16,480)	(25,184)	(41,664)
Net carrying amount	4,512	2,134	6,646
At 1 January 2025, net of accumulated amortisation	4,512	2,134	6,646
Additions	186	3,575	3,761
Amortisation provided during the year	(2,623)	(2,746)	(5,369)
Disposal	(69)	(9)	(78)
At 31 December 2025, net of accumulated amortisation	2,006	2,954	4,960
At 31 December 2025			
Cost	19,232	12,191	31,423
Accumulated amortisation	(17,226)	(9,237)	(26,463)
Net carrying amount	2,006	2,954	4,960

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
30 June 2026 (unaudited)			
At 1 January 2026:			
Cost	19,232	12,191	31,423
Accumulated amortisation	(17,226)	(9,237)	(26,463)
Net carrying amount	2,006	2,954	4,960
At 1 January 2026, net of accumulated amortisation	2,006	2,954	4,960
Additions	74	–	74
Amortisation provided during the period	(547)	(617)	(1,164)
Disposal	–	(12)	(12)
At 30 June 2026, net of accumulated amortisation (unaudited)	1,533	2,325	3,858
At 30 June 2026 (unaudited)			
Cost	19,306	12,177	31,483
Accumulated amortisation	(17,773)	(9,852)	(27,625)
Net carrying amount	1,533	2,325	3,858

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of land and buildings. Leases of buildings generally have lease terms between 2 and 5 years. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 50 years, and no ongoing payments will be made under the terms of these land leases.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods and six months ended June 30 2026 are as follows:

	Leasehold land	Buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	56,466	47,120	103,586
Additions	46,391	13,804	60,195
Depreciation charge	(2,118)	(19,761)	(21,879)
Early termination of a lease	–	(16,362)	(16,362)
Exchange realignment	–	26	26
At 31 December 2023	100,739	24,827	125,566
At 1 January 2024	100,739	24,827	125,566
Additions	2,881	2,028	4,909
Depreciation charge	(3,014)	(10,375)	(13,389)
Early termination of a lease	–	(13,449)	(13,449)
At 31 December 2024	100,606	3,031	103,637
At 1 January 2025	100,606	3,031	103,637
Depreciation charge	(3,080)	(1,997)	(5,077)
Exchange realignment	–	(19)	(19)
At 31 December 2025	97,526	1,015	98,541
At 1 January 2026	97,526	1,015	98,541
Additions	41,864	5,383	47,247
Depreciation charge	(1,696)	(1,279)	(2,975)
Exchange realignment	–	(27)	(27)
At 30 June 2026 (unaudited)	137,694	5,092	142,786

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods and six months ended 30 June 2026 are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Carrying amount at the beginning of the year/period	49,348	27,075	2,799	829
New leases	13,804	2,028	–	5,130
Accretion of interest recognised during the year/period	1,807	707	39	63
Lease termination	(17,692)	(15,688)	–	(34)
Lease payments	(19,016)	(10,293)	(821)	(1,166)
Impact of government grand expenses	(1,223)	(1,115)	(1,168)	–
Exchange realignment	47	85	(20)	(33)
Carrying amount at the end of the year/period	27,075	2,799	829	4,789
Analysed into:				
Current portion	13,798	1,943	532	2,773
Non-current portion	13,277	856	297	2,016
Total	27,075	2,799	829	4,789

The maturity analysis of lease liabilities is disclosed in note 40 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Expenses relating to short-term leases	2,438	2,946	923	366
Interest on lease liabilities	1,807	707	39	63
Depreciation charge of right-of-use assets	21,879	13,389	5,077	2,975
(Gains)/losses on early termination of a lease	(1,744)	4	–	(34)
Impact of government grand	(1,223)	(1,115)	(1,168)	–
Sublease income*	713	165	–	–
Total amount recognised in profit or loss	23,870	16,096	4,871	3,370

* The Group subleased certain of its right-of-use assets to third parties. As the sublease term is less than one year, the sublease was classified as an operating lease. Rental income received was recognized as other business income, resulting a gain from the sublease transaction amounted to RMB713,000, RMB165,000, nil and nil for the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2026, which is included in the consolidated financial statement of profit or loss and other comprehensive income.

(d) The total cash outflow for leases are disclosed in notes 34(c) to the Historical Financial Information.

The Company as a lessee

The Company has lease contracts for various items of land and buildings. Leases of land and buildings generally have lease terms between 2 and 30 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods and six months ended 30 June 2026 are as follows:

	Leasehold land	**Buildings**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	56,466	20,050	76,516
Depreciation charge	(2,041)	(4,800)	(6,841)
Early termination of a lease	–	(15,250)	(15,250)
At 31 December 2023	54,425	–	54,425
At 1 January 2024	54,425	–	54,425
Additions	2,881	–	2,881
Depreciation charge	(2,086)	–	(2,086)
At 31 December 2024	55,220	–	55,220
At 1 January 2025	55,220	–	55,220
Additions	–	–	–
Depreciation charge	(2,152)	–	(2,152)
At 31 December 2025	53,068	–	53,068
At 1 January 2026	53,068	–	53,068
Depreciation charge	(1,076)	–	(1,076)
At 30 June 2026 (unaudited)	51,992	–	51,992

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods and six months ended 30 June 2026 are as follows:

	As at 31 December
	2023
	RMB'000
Carrying amount at the beginning of the year/period	20,550
Accretion of interest recognised during the year/period	519
Early termination of a lease	(16,559)
Lease payments	(4,510)
Carrying amount at the end of the year/period	–
Analysed into:	
Current portion	–
Non-current portion	–
Total	–

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Expenses relating to short-term leases	892	278	31	5
Interest on lease liabilities	519	–	–	–
Depreciation charge of right-of-use assets	6,841	2,086	2,152	1,076
Gains on early termination of leases	(1,308)	–	–	–
Total amount recognised in profit or loss	6,944	2,364	2,183	1,081

16. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Investments in subsidiaries:				
Aocheng Information Technology (Shanghai) Co., Ltd.	145,349	160,596	161,935	162,219
Oradar Technology Co., Ltd.	42,374	153,646	154,325	154,414
Shenzhen Malio Technology Co., Ltd.	117,538	121,245	123,274	123,723
Orbbec (Shunde, Guangdong) Technology Co., Ltd.	47,000	100,102	100,141	100,153
Orbbec 3D Technology International, Inc.	85,439	87,576	89,155	90,357
Shanghai Aoshida Intelligent Technology Co., Ltd.	35,741	35,722	68,847	68,847
Shenzhen Opix Optotech Co., Ltd.	40,047	39,829	39,829	39,829
Shenzhen Aorisheng Technology Co., Ltd.	1,238	31,244	31,265	31,265
Others	161,107	178,148	178,987	249,936
Subtotal	675,833	908,108	947,758	1,020,743
Less: provision for impairment	–	(126,571)	(253,603)	(253,603)
Total	675,833	781,537	694,155	767,140

The management has performed impairment testing for investments in subsidiaries which has impairment indicators as at each of the Relevant Periods. Due to the recoverable amount of investments in subsidiaries being lower than their book value, the impairment provision balance on investments in subsidiaries amounted to nil, RMB126,571,000, RMB253,603,000, and RMB253,603,000 as at 31 December 2023, 2024, 2025 and 30 June 2026, respectively.

17. INVESTMENTS IN ASSOCIATES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Share of net assets	17,115	17,893	19,579	19,607
Impact of the unrealised portion of downstream transactions	(1,461)	(1,267)	(1,090)	(1,090)
Total	15,654	16,626	18,489	18,517

The Group's trade receivable and payable balances with associates are disclosed in notes 37 to the Historical Financial Information.

At 31 December 2023, 2024 and 2025 and 30 June 2026, particulars of the Group's associates are as follows:

Name	Particulars of paid-in capital held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Shanghai Green Leaf Media Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	49.0000%	Media and educational services
Shanghai Readsense Network Technology Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	21.1129%	Visual recognition software and hardware solutions
Hangzhou Shanyi Intelligent Technology Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	34.0000%	Intelligent lawn mower design, core component research and development, and sales

The English name of the particulars of the Group's associates above represents the best effort made by the management of the Company to directly translate the Chinese name as it does not register any official English name.

In the opinion of the directors, no investments in associates are material to the Group and the Company.

The following table illustrates the aggregate financial information of the Group's associates that is not individually material:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Share of the associates' loss for the year/period	261	971	843	28
Share of the associates' total comprehensive loss for the year/period	261	971	843	28
Aggregate carrying amount of the Group's investments in the associate at the end of the year/period	15,654	16,626	18,489	18,517

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Share of net assets	13,972	14,606	16,111	16,085

At 31 December 2023, 2024 and 2025 and 30 June 2026, particulars of the Company's associates are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Shanghai Green Leaf Media Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	40.0000%	Media and educational services
Shanghai Readsense Network Technology Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	21.1129%	Visual recognition software and hardware solutions
Hangzhou Shanyi Intelligent Technology Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	34.0000%	Intelligent lawn mower design, core component research and development, and sales

18. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Unlisted equity investments, at fair value	169,992	94,345	99,804	101,084

The above equity investments were irrevocably designated as financial assets at fair value through other comprehensive income as the Group considers these investments to be strategic in nature. During the year ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, the change in fair value of equity investments recognised in other comprehensive income were approximately RMB(3,512,000), RMB(76,546,000), RMB5,459,000 and RMB1,280,000, respectively.

19. GOODWILL

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Cost	3,217	3,217	3,217	3,217
Accumulated impairment	–	–	–	–
Net carrying amount	3,217	3,217	3,217	3,217

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the XTOP 3D Technology (Xi'an) Co., Ltd. cash-generating units ("**CGU**") for impairment testing.

The recoverable amount of XTOP 3D Technology (Xi'an) Co., Ltd. has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rates applied to the cash flow projections in 2023, 2024, 2025 and the six months ended 30 June 2026 were 18.30%, 16.15%, 16.03% and 15.90%, respectively. The growth rates used to extrapolate the cash flows of XTOP 3D Technology (Xi'an) Co., Ltd. beyond the five-year period in 2023, 2024, 2025 and the six months ended 30 June 2026 were 2%, respectively. In the opinion of the management, there was no impairment required as at the end of each of the reporting period.

20. INVENTORIES

The Group

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Raw materials	111,763	152,298	126,485	173,262
Finished goods	40,980	52,091	39,632	60,341
Goods in transit	2,839	4,686	6,708	1,072
Work in process	3,206	10,616	11,860	21,372
Contract performance cost	252	252	949	129
Total	159,040	219,943	185,634	256,176

The Company

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Raw materials	84,676	89,960	97,448	144,369
Finished goods	23,173	41,239	30,352	45,291
Goods in transit	1,358	612	4,188	–
Work in process	2,622	9,440	9,025	19,605
Contract performance cost	252	252	943	–
Total	112,081	141,503	141,956	209,265

21. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Bills receivables*				
Third parties	21,471	45,232	641	1,538
Less: impairment of bills receivables	(70)	(29)	–	(77)
Bills receivables, net	21,401	45,203	641	1,461
Trade receivables:				
Third parties	68,723	95,794	138,016	130,653
Due from related parties *(note 37)*	48	23,858	7,945	6,278
Less: impairment of trade receivables	(6,999)	(10,580)	(9,474)	(8,871)
Trade receivables, net	61,772	109,072	136,487	128,060
Total trade and bills receivables	83,173	154,275	137,128	129,521

The Company

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Bills receivables*				
Due from subsidiaries	66,044	41,076	–	–
Third parties	4,932	31,479	641	1,538
Less: impairment of bills receivables	(730)	(411)	–	(77)
Bills receivables, net	70,246	72,144	641	1,461
Trade receivables:				
Third parties	23,720	51,325	108,529	99,739
Due from related parties	–	–	395	354
Due from subsidiaries	34,388	54,908	98,726	107,150
Less: impairment of trade receivables	(1,859)	(3,239)	(6,645)	(6,223)
Trade receivables, net	56,249	102,994	201,005	201,020
Total trade and bills receivables	126,495	175,138	201,646	202,481

* Bills receivables are with a maturity period of within six months.

The Group's trade terms with the majority of customers are on credit, except for certain new and oversea customers where payment in advance is normally required. The credit period is generally within 0 to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

As at the end of each of the reporting period, the Group had certain concentrations of credit risk. As at 31 December 2023, 2024 and 2025 and 30 June 2026, 21.2%, 31.1%, 49.8% and 32.6%, respectively, of the Group's trade receivables were due from the Group's largest debtor, and 61.6%, 71.4%, 66.5% and 59.1%, respectively, of the Group's trade receivables were due from the Group's five largest debtors.

Included in the Group's trade receivables are amounts due from the Group's related parties of RMB45,000, RMB22,665,000, RMB7,548,000 and RMB5,964,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, which are repayable on credit terms similar to those offered to the major customers of the Group (note 37).

An ageing analysis of the trade receivables as at the end of each of the reporting period, based on the revenue recognition date and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Within 1 year	60,359	107,385	135,650	126,717
1 year to 2 years	926	1,272	837	1,137
2 years to 3 years	487	415	–	206
Over 3 years	–	–	–	–
Total	61,772	109,072	136,487	128,060

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Within 1 year	43,625	75,824	165,319	163,812
1 year to 2 years	12,624	15,986	14,602	20,265
2 years to 3 years	–	11,184	13,150	8,609
Over 3 years	–	–	7,934	8,334
Total	56,249	102,994	201,005	201,020

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
At beginning of year/period	16,538	6,999	10,580	9,474
Impairment losses, net	(713)	3,892	1,709	(596)
Write-off of allowance for credit losses	(8,874)	(334)	(2,848)	–
Exchange realignment	48	23	33	(7)
At end of year/period	6,999	10,580	9,474	8,871

The Company

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
At beginning of year/period	10,442	1,859	3,239	6,645
Impairment losses, net	280	1,715	3,406	(422)
Write-off of allowance for credit losses	(8,863)	(335)	–	–
Exchange realignment	–	–	–	–
At end of year/period	1,859	3,239	6,645	6,223

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Considering the credit risk characteristics of different customers, the Group assesses the expected credit losses of trade receivables with shared risk characteristics based on their ageing portfolio, adjusted as appropriate to reflect current and forward-looking information. The aging profile is determined based on the revenue recognition date.

For bills receivables, bank acceptance bills are subject to impairment under the general approach and the impairment is considered to be minimal, while commercial acceptance bills are subject to impairment under the simplified approach and the impairment allowance has been provided accordingly.

Set out below is the information about the credit risk exposure on the Group's and the Company's trade receivables using a provision matrix:

The Group

At 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis	2,806	100%	2,806
On a collective basis:			
Within 1 year	63,536	5%	3,177
1 year to 2 years	1,030	10%	103
2 years to 3 years	973	50%	487
Over 3 years	426	100%	426
	68,771	10%	6,999

At 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis	3,477	100%	3,477
On a collective basis:			
Within 1 year	113,036	5%	5,651
1 year to 2 years	1,413	10%	141
2 years to 3 years	830	50%	415
Over 3 years	896	100%	896
	119,652	9%	10,580

At 31 December 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis	1,107	100%	1,107
On a collective basis:			
Within 1 year	142,790	5%	7,140
1 year to 2 years	930	10%	93
2 years to 3 years	–	50%	–
Over 3 years	1,134	100%	1,134
	145,961	6%	9,474

At 30 June 2026 (Unaudited)

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis	1,107	100%	1,107
On a collective basis:			
Within 1 year	133,386	5%	6,669
1 year to 2 years	1,263	10%	126
2 years to 3 years	412	50%	206
Over 3 years	763	100%	763
	136,931	6%	8,871

The Company

At 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis			
Due from subsidiaries	34,388	1%	344
On a collective basis:			
Within 1 year	23,164	5%	1,159
1 year to 2 years	222	10%	22
2 years to 3 years	–	–	–
Over 3 years	334	100%	334
	58,108	3%	1,859

At 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis			
Due from subsidiaries	54,908	1%	549
On a collective basis:			
Within 1 year	50,625	5%	2,531
1 year to 2 years	478	10%	48
2 years to 3 years	222	50%	111
Over 3 years	–	–	–
	106,233	3%	3,239

At 31 December 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis			
Due from subsidiaries	98,726	1%	987
On a collective basis:			
Within 1 year	108,700	5%	5,436
1 year to 2 years	2	10%	–
2 years to 3 years	–	–	–
Over 3 years	222	100%	222
	207,650	3%	6,645

At 30 June 2026 (Unaudited)

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis			
Due from subsidiaries	107,150	1%	1,072
On a collective basis:			
Within 1 year	99,937	5%	4,995
1 year to 2 years	–	–	–
2 years to 3 years	–	–	–
Over 3 years	156	100%	156
	207,243	3%	6,223

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Current				
Value-added tax recoverable	72,706	88,498	89,085	91,214
Prepaid income tax	–	–	100	3
Deferred expenses	563	825	415	310
Prepayments	16,191	10,446	20,171	33,418
Certificates of deposits	–	–	–	354,507
Materials held on behalf of customers*	–	–	–	8,492
Other receivables	8,030	5,223	3,470	7,068
Amount receivable from a customer for purchasing designated key material on behalf of a customer*	–	–	–	13,767
Impairment of other receivables	(3,802)	(1,237)	(828)	(1,810)
Other receivables, net	4,228	3,986	2,642	19,025
	93,688	103,755	112,413	506,969
Non-current				
Prepayments for other intangible assets	237	–	–	62
Prepayments for other non-current assets	22,095	6,706	3,203	22,014
Certificates of deposits	624,647	1,059,086	1,051,699	707,994
Deferred mould cost**	15,826	16,382	9,508	6,208
	662,805	1,082,174	1,064,410	736,278

The Company

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current				
Value-added tax recoverable	66,086	72,598	66,425	78,874
Deferred expenses	264	712	165	197
Prepayments	8,032	6,819	10,880	30,051
Certificates of deposits	–	–	–	354,507
Materials held on behalf of customers*	–	–	–	8,492
Other receivables	2,543	2,891	2,364	3,220
Amount receivable from a customer for purchasing designated key material on behalf of a customer*	–	–	–	13,767
Impairment of other receivables	(571)	(651)	(506)	(1,427)
Other receivables, net	1,972	2,240	1,858	15,560
Due from related parties	–	–	30	–
Impairment of related parties	–	–	(15)	–
Due from related parties, net *(note 37)*	–	–	15	–
Due from subsidiaries	184,743	156,438	185,539	204,187
Impairment of subsidiaries	(1,847)	(1,564)	(1,855)	(2,042)
Due from subsidiaries, net	182,896	154,874	183,684	202,145
	259,250	237,243	263,027	689,826
Non-current				
Prepayments for other intangible assets	–	–	–	–
Prepayments for other non-current assets	21,943	651	1,986	2,348
Certificates of deposits	624,647	1,059,086	1,051,699	707,994
Deferred mould cost**	13,304	16,296	9,492	6,208
	659,894	1,076,033	1,063,177	716,550

* For sale of devices to a customer, the Group involved in manufacturing the devices based on required key materials, whereby the key materials were supplied by a subsidiary of the customer. The Group is obligated to make payments to purchase these designated key materials on behalf of the customer. Amount receivable from a customer for purchasing designated key material on behalf of a customer represents the materials purchased and consumed in the production process on behalf of a customer. As at 30 June 2026, the amount receivable from a customer of RMB13,767,000 represents that amount that should be charged to the customer for the raw material payment the Group settled or obligated to settle on behalf of that customer. Materials held on behalf of the customer of the Group represent the materials purchased and held on behalf of the customer of the Group represents the materials purchased and held on behalf of the customer prior to consumption in the production process. The Group does not have control over these materials and is unable to direct their use.

** As at 31 December 2023, 2024 and 2025 and 30 June 2026, included in the balance of deferred mould cost were impairment allowance of nil, RMB5,602,000, RMB5,602,000 and RMB5,602,000 respectively.

Other receivables are unsecured and non-interest-bearing.

As of 31 December 2023, 2024, 2025 and 30 June 2026, the impairment of the other receivables is estimated by applying the general approach under IFRS 9. The Group consider the historical loss rate and adjusted it to reflect the current situations and forecasts of future economic conditions, as appropriate, in calculating the expected credit loss rate. Other receivables relating to counterparties with significant doubt on collection are assessed individually for impairment allowance.

Certificates of deposits are issued by banks in Chinese mainland and they are classified and measured at amortised cost as they are held within the business model with the objective to collect contractual cashflows. The Group estimated that the expected credit loss rate for the certificates of deposits is minimal due to that they were issued by creditworthy banks with no recent history of default.

The movements in the loss allowance for impairment of other receivables are as follows:

The Group

	Year ended 31 December			Six months ended 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
At beginning of the year/period	5,352	3,802	1,237	828
Impairment losses, net	(1,552)	(2,586)	(404)	989
Exchange realignment	2	21	(5)	(7)
At the end of the year/period	3,802	1,237	828	1,810

The Company

	Year ended 31 December			Six months ended 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
At beginning of the year/period	4,306	2,418	2,215	2,376
Impairment losses, net	(1,888)	(203)	161	1,093
At the end of the year/period	2,418	2,215	2,376	3,469

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Structured deposits	380,000	345,000	281,794	130,170
Wealth management products	8,419	–	28,351	33,799
Total	388,419	345,000	310,145	163,969

The Company

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Structured deposits	380,000	315,000	261,342	130,170
Wealth management products	–	–	3	10,015
Subtotal	380,000	315,000	261,345	140,185

The structured deposits and wealth management products were issued by banks in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

24. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Bank acceptance bills	–	–	84,130	37,245

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Bank acceptance bills	–	–	83,611	34,581

The above bank acceptance bills are issued by reputable banks in Chinese mainland. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cashflows and selling. The fair value as at 31 December 2023, 2024 and 2025 and 30 June 2026 approximates to the carrying value due to the short maturity. Bank acceptance bills is subject to impairment under the general approach and the impairment is considered to be minimal.

25. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND RESTRICTED CASH

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Cash and bank balances	1,197,881	606,487	629,735	1,657,270
Less:				
Restricted cash	1,320	8,232	2,763	1,942
Time deposits with original maturity over three months:	306,752	348,730	359,801	434,342
– non-current	–	–	–	123,092
– current	306,752	348,730	359,801	311,250
Cash and cash equivalents	889,809	249,525	267,171	1,220,986
Denominated in				
RMB	856,897	232,988	214,084	1,125,207
HKD	300	123	37	35
USD	31,522	15,832	52,917	95,100
EUR	–	65	71	67
JPY	–	33	2	2
SGD	1,084	479	–	15
KRW	6	5	5	5
VND	–	–	55	555
	889,809	249,525	267,171	1,220,986

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Cash and bank balances	1,007,423	415,786	433,012	1,399,877
Less:				
Restricted cash	1,317	2,229	–	–
Time deposits with original maturity over three months:	306,752	277,693	286,944	360,582
– non-current	–	–	–	123,092
– current	306,752	277,693	286,944	237,490
Cash and cash equivalents	699,354	135,864	146,068	1,039,295
Denominated in				
RMB	687,858	134,436	130,850	973,066
HKD	7	–	–	–
USD	11,483	1,326	15,085	66,109
EUR	–	65	71	67
JPY	–	32	2	1
KRW	6	5	5	5
VND	–	–	55	47
	699,354	135,864	146,068	1,039,295

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default. As at 31 December 2023, 2024 and 2025 and 30 June 2026 the Group and the Company have assessed the credit risk of cash and cash equivalents, restricted cash to be minimal as they were placed in reputable financial institutions.

The restricted cash primarily comprised performance guarantees, bank acceptance bill guarantees, and e-commerce platform deposits as at end of each reporting period.

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

26. TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Trade and bills payables	50,035	140,689	104,466	107,745
Payables for property and equipment	48,211	11,800	45,681	42,935
Payroll payable	44,879	45,067	61,932	44,935
Other tax payables	3,093	2,733	3,691	3,367
Value-added tax payable	6,067	7,532	4,594	6,305
Payables for purchase of materials on behalf of a customer*	–	–	–	26,047
Restricted Share units exercise price paid by employees	–	–	–	19,446
Other payables	1,000	1,620	2,417	2,411
Due to the controlling shareholder *(note 37)*	–	8,010	8,010	8,010
	153,285	217,451	230,791	261,201

An ageing analysis of the trade and bills payables as at 31 December 2023, 2024 and 2025 and 30 June 2026, based on the time of purchase, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Within 1 year	48,846	138,769	101,942	105,299
Over 1 year	1,189	1,920	2,524	2,446
Total	50,035	140,689	104,466	107,745

The trade payables are non-interest-bearing and are normally settled within 30 to 90 days upon receipt of the time of purchase. The fair value of trade and bills payables as at 31 December 2023, 2024 and 2025 and 30 June 2026 approximated to their carrying amount due to their relatively short maturity terms.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Trade and bills payables	80,375	74,806	120,207	101,981
Payables for property and equipment	45,734	11,678	9,300	8,572
Payroll payable	24,406	24,829	35,796	22,448
Other tax payables	1,534	1,383	2,602	2,578
Value-added tax payable	572	2,164	1,806	1,912
Payables for purchase of materials on behalf of a customer*	–	–	–	26,047
Restricted Share units exercise price paid by employees	–	–	–	19,446
Other payables	587	1,271	1,677	1,452
Due to subsidiaries	5,812	8	19	58
	159,020	116,139	171,407	184,494

Other payables are non-interest-bearing, unsecured and have no fixed terms of settlement.

* As disclosed in note 22 to the Historical Financial Information, the Group is obligated to purchase designated key materials on behalf of a customer for sale of devices. The payables to a supplier for purchase of materials on behalf of a customer represent the payables that the Company obligated to pay to the supplier for purchases of the designated materials.

Included in the Group's trade and bills payables are amounts due to the Group's related parties of RMB7,758,000, RMB2,096,000, RMB87,000 and RMB123,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, which are repayable on credit terms similar to those offered to the major suppliers of the Group (note 37).

An ageing analysis of the trade and bills payables as at 31 December 2023, 2024 and 2025 and 30 June 2026, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Within 1 year	61,834	73,163	109,638	100,387
Over 1 year	18,541	1,643	10,569	1,594
Total	80,375	74,806	120,207	101,981

27. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Advances received from customers:				
From related parties *(note 37)*	85	43	–	–
From others	24,773	15,835	18,306	24,925
	24,858	15,878	18,306	24,925
Analysed into:				
Current liabilities	24,858	15,878	18,306	24,925
	24,858	15,878	18,306	24,925

The Company

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Advances received from customers:				
From related parties	–	–	–	–
From others	5,398	4,186	4,971	8,721
	5,398	4,186	4,971	8,721
Analysed for reporting purposes as:				
Current liabilities	5,398	4,186	4,971	8,721
	5,398	4,186	4,971	8,721

Contract liabilities mainly include advances received to deliver products. The changes in contract liabilities in the Relevant Periods were mainly due to the expansion of business scale.

28. INTEREST-BEARING BANK BORROWINGS

The Group

	31 December 2023			31 December 2024			31 December 2025			30 June 2026 (unaudited)		
	Effective Interest rate (%)	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*
Current												
Bank loans – unsecured	2.80%	2024	80,068	2.11% -2.45%	2025	120,090	2.11%	2026	98,363	2.11%	2026	58,334
Discounted bill receivables	0-2.0%	2024	67,443	1.55%	2025	47,871	1.10% -1.4%	2026	28,898	1.46%	2026	32,355
Total			147,511			167,961			127,261			90,689

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Analysed into:				
Bank borrowings repayable:				
Within one year	147,511	167,961	127,261	90,689
Total	147,511	167,961	127,261	90,689

Notes:

(i) All interest-bearing bank borrowings are denominated in RMB.

(ii) As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group discounted certain bills receivable to a bank in exchange for cash. The Group has retained the substantial risks and rewards, which include default risks relating to such discounted bills, and accordingly, it continued to recognise the full carrying amounts of the bill receivables and the associated cash received as borrowings from the bank, the corresponding discount charges is recorded as interest expense.

The Company

	31 December 2023			31 December 2024			31 December 2025			30 June 2026 (unaudited)		
	Effective Interest rate (%)	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*
Current												
Bank loans – unsecured	2.80%	2024	80,068	2.11% -2.45%	2025	120,090	2.11%	2026	98,363	2.11%	2026	58,334
Discounted bill receivables	0-2.0%	2024	67,443	1.55%	2025	41,075	–	2026	–	–	2026	–
Total			147,511			161,165			98,363			58,334

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Analysed into:				
Bank borrowings repayable:				
Within one year	147,511	161,165	98,363	58,334
Total	147,511	161,165	98,363	58,334

Notes:

(i) All interest-bearing bank borrowings are denominated in RMB.

(ii) As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Company discounted certain bills receivable to a bank in exchange for cash. The Company has retained the substantial risks and rewards, which include default risks relating to such discounted bills, and accordingly, it continued to recognise the full carrying amounts of the bill receivables and the associated cash received as borrowings from the bank, the corresponding discount charges is recorded as interest expense.

29. DEFERRED INCOME

The Group

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Government grants*	20,947	50,622	41,466	39,293
At beginning of the year/period	23,824	20,947	50,622	41,466
Grants received during the year/period	20,502	50,000	6,783	4,435
Released to the profit or loss during the year/period	(23,379)	(20,325)	(15,939)	(6,608)
At the end of the year/period	20,947	50,622	41,466	39,293

The Company

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Government grants*	4,634	42,309	38,164	36,578
At beginning of the year/period	8,406	4,634	42,309	38,164
Grants received during the year/period	5,531	47,781	5,642	4,675
Released to the profit or loss during the year/period	(9,303)	(10,106)	(9,787)	(6,261)
At the end of the year/period	4,634	42,309	38,164	36,578

* The Group's deferred government grants represented government grants received for projects and are credited to consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets or recognised as income on a systematic basis over the periods that the costs, which they are intended to compensate, are expensed.

As at 31 December 2023, 2024, 2025 and 30 June 2026, the government grants received are subject to the fulfilment of conditions relating to these grants.

30. DEFERRED TAX

The movements in deferred tax assets and liabilities are as follows:

Deferred tax assets

The Group

	Impairment of financial assets	Inventory provisions	Losses available for offsetting against future taxable profits	Share-based payment	Deferred income	Impairment of deferred mould cost	Tax deduction difference with accounting depreciation	Fair value adjustments -Financial Assets at Fair Value Through Profit or Loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,522	3,868	175,896	–	1,261	–	–	32	182,579
Deferred tax credited/(charged) to profit or loss	44	(1,569)	(6,294)	1,743	(566)	–	–	(32)	(6,674)
Gross deferred tax assets at 31 December 2023	1,566	2,299	169,602	1,743	695	–	–	–	175,905
At 1 January 2024	1,566	2,299	169,602	1,743	695	–	–	–	175,905
Deferred tax credited /(charged) to profit or loss	(766)	(21)	(5,321)	1,751	5,651	840	2	–	2,136
Gross deferred tax assets at 31 December 2024	800	2,278	164,281	3,494	6,346	840	2	–	178,041
At 1 January 2025	800	2,278	164,281	3,494	6,346	840	2	–	178,041
Deferred tax credited /(charged) to profit or loss	210	1,451	9,102	(1,050)	(621)	–	(2)	–	9,090
Deferred tax credited to capital reserve	–	–	–	5,455	–	–	–	–	5,455
Gross deferred tax assets at 31 December 2025	1,010	3,729	173,383	7,899	5,725	840	–	–	192,586
At January 1, 2026	1,010	3,729	173,383	7,899	5,725	840	–	–	192,586
Deferred tax credited /(charged) to profit or loss	(82)	504	1,022	(109)	(100)	–	–	–	1,235
Deferred tax credited to capital reserve	–	–	–	8,886	–	–	–	–	8,886
Gross deferred tax assets at 30 June 2026 (unaudited)	928	4,233	174,405	16,676	5,625	840	–	–	202,707

The Company

	Impairment of financial assets	Inventory provisions	Losses available for offsetting against future taxable profits	Share-based payment	Deferred income	Impairment of deferred mould cost	Fair value adjustments -Financial Assets at Fair Value Through Profit or Loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,566	3,868	175,896	–	1,261	–	32	182,623
Deferred tax credited /(charged) to profit or loss	152	(1,686)	(6,294)	1,743	(566)	–	(32)	(6,683)
Gross deferred tax assets at 31 December 2023	1,718	2,182	169,602	1,743	695	–	–	175,940
At 1 January 2024	1,718	2,182	169,602	1,743	695	–	–	175,940
Deferred tax credited /(charged) to profit or loss	(1,171)	(46)	(12,934)	1,157	5,651	840	–	(6,503)
Gross deferred tax assets at 31 December 2024	547	2,136	156,668	2,900	6,346	840	–	169,437
At 1 January 2025	547	2,136	156,668	2,900	6,346	840	–	169,437
Deferred tax credited /(charged) to profit or loss	450	1,330	9,309	(931)	(621)	–	–	9,537
Deferred tax credited to capital reserve	–	–	–	5,455	–	–	–	5,455
Gross deferred tax assets at 31 December 2025	997	3,466	165,977	7,424	5,725	840	–	184,429
At January 1, 2026	997	3,466	165,977	7,424	5,725	840	–	184,429
Deferred tax credited /(charged) to profit or loss	(52)	283	2,104	366	(238)	–	–	2,463
Deferred tax credited to capital reserve	–	–	–	8,886	–	–	–	8,886
Gross deferred tax assets at 30 June 2026 (unaudited)	945	3,749	168,081	16,676	5,487	840	–	195,778

Deferred tax liabilities

The Group

	Fair value adjustments – Other Equity Instrument Investments	Fair value adjustments – Financial Assets at Fair Value Through Profit or Loss	Unrealized Internal Profit	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	12,576	13	386	12,975
Deferred tax charged/(credited) to profit or loss	–	3	–	3
Gross deferred tax liabilities as at 31 December 2023	12,576	16	386	12,978
As at 1 January 2024	12,576	16	386	12,978
Deferred tax charged/(credited) to profit or loss	–	(16)	(386)	(402)
Deferred tax charged/(credited) to other reserve	(11,482)	–	–	(11,482)
Gross deferred tax liabilities as at 31 December 2024	1,094	–	–	1,094
As at 1 January 2025	1,094	–	–	1,094
Deferred tax charged/(credited) to profit or loss	–	301	1	302
Deferred tax charged/(credited) to other reserve	819	–	–	819
Gross deferred tax liabilities as at 31 December 2025	1,913	301	1	2,215
At 1 January 2026	1,913	301	1	2,215
Deferred tax charged/(credited) to profit or loss	–	(269)	(1)	(270)
Deferred tax charged/(credited) to other reserve	193	–	–	193
Gross deferred tax liabilities at 30 June 2026 (unaudited)	2,106	32	–	2,138

The Company

	Fair value adjustments – Other Equity Instrument Investments	Fair value adjustments – Financial Assets at Fair Value Through Profit or Loss	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	12,576	–	12,576
Deferred tax charged/(credited) to profit or loss	–	–	–
Gross deferred tax liabilities as at 31 December 2023	12,576	–	12,576
As at 1 January 2024	12,576	–	12,576
Deferred tax charged/(credited) to profit or loss	–	–	–
Deferred tax charged/(credited) to other reserve	(11,482)	–	(11,482)
Gross deferred tax liabilities as at 31 December 2024	1,094	–	1,094
As at 1 January 2025	1,094	–	1,094
Deferred tax charged/(credited) to profit or loss	–	201	201
Deferred tax charged/(credited) to other reserve	819	–	819
Gross deferred tax liabilities as at 31 December 2025	1,913	201	2,114
At 1 January 2026	1,913	201	2,114
Deferred tax charged/(credited) to profit or loss	–	(174)	(174)
Deferred tax charged/(credited) to other reserve	193	–	193
Gross deferred tax liabilities at 30 June 2026 (unaudited)	2,106	27	2,133

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position of the Group and statements of financial position of the Company. The following is an analysis of the deferred tax balances as at 31 December 2023, 2024 and 2025 and 30 June 2026 for financial reporting purposes:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Net deferred tax assets recognised in the consolidated statements of financial position	162,943	176,947	190,372	200,569
Net deferred tax liabilities recognised in the consolidated statements of financial position	(16)	–	(1)	–

The Company

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Net deferred tax assets recognised in the statements of financial position	163,364	168,343	182,315	193,645

During the relevant periods, the Group has not recognised deferred tax assets for deductible tax losses and deductible temporary differences totalling RMB1,144,702,000, RMB1,305,479,000, RMB1,318,614,000 and RMB1,380,890,000 as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively.

The Group has tax losses in Chinese mainland of RMB999,909,000, RMB1,141,545,000, RMB1,139,948,000 and RMB1,198,530,000 in aggregate as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively, that will expire in one to ten years for offsetting against future taxable profits of the Group in which the losses arose.

The Group has accumulated tax losses in the United States of RMB49,097,000, RMB73,861,000, RMB78,632,000 and RMB78,119,000 in aggregate as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits.

The Group has accumulated tax losses in Hong Kong of RMB6,751,000, RMB6,854,000, RMB6,297,000 and RMB6,881,000 in aggregate as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits.

The Group has accumulated tax losses in Singapore of RMB1,027,000, RMB1,806,000, RMB652,000 and nil in aggregate as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits.

The Group has also accumulated tax losses in Vietnam of nil, nil, nil and RMB1,189,000 in aggregate as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in the subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available in the foreseeable future against which the tax losses and deductible temporary differences can be utilised.

31. SHARE CAPITAL AND TREASURY SHARES

The Group and the Company

A summary of movements in the Group and the Company's share capital and treasury shares are as follows:

	Number of shares in issue	Share capital	Treasury shares	Total
	(in thousand)	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023 and 31 December 2023	400,001	400,001	–	400,001
Shares repurchased*	–	–	(33,844)	(33,844)
At 31 December 2024	400,001	400,001	(33,844)	366,157
Exercise of Restricted Shares units**	1,143	1,143	–	1,143
Shares repurchased*	–	–	(48,069)	(48,069)
At 31 December 2025	401,144	401,144	(81,913)	319,231
Capital contribution by shareholders***	10,103	10,103	–	10,103
Exercise of Restricted Shares units**	–	–	3,388	3,388
Shares repurchased*	–	–	(17,278)	(17,278)
At 30 June 2026 (unaudited)	411,247	411,247	(95,803)	315,444
At 1 January 2025	400,001	400,001	(33,844)	366,157
Exercise of Restricted Shares units**	1,099	1,099	–	1,099
Shares repurchased*	–	–	(20,038)	(20,038)
At 30 June 2025 (unaudited)	401,100	401,100	(53,882)	347,218

* During the Relevant Periods and six months ended 30 June 2025 and 2026, the Company repurchased an aggregate of nil, 1,200,971 shares, 742,629 shares, 403,622 shares, and 226,977 shares at a consideration of nil, RMB33,844,000, RMB48,069,000, RMB20,038,000 and RMB17,278,000, respectively. The aforesaid 2,170,577 repurchased shares will be used for Restricted Share Incentive Plan.

** Pursuant to the Restricted Share Incentive Plan, the Company issue 1,143,240 shares to the incentive recipients during the year ended 31 December 2025, and transferred 74,310 Restricted Shares to the incentive recipients with a deduction from the treasury shares of RMB3,388,000 during the and six month ended 30 June 2026.

*** In June 2026, the Company issued 10,103,000 A ordinary shares to certain specific investors with par value of RMB1.00 each at RMB97.00 with net proceeds of approximately RMB974,434,000.

32. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the reporting period are presented in the consolidated statements of changes in equity of the Historical Financial Information.

Capital reserve

The capital reserve of the Group includes:

(i) The share premium arising from the excess of the net proceeds from issuance of shares of the Company over its par value;

(ii) The transfer from treasury shares to capital reserve upon the exercise of Restricted Shares under the Restricted Share Incentive Plan;

(iii) The Restricted Share award compensation reserve due to equity-settled share-based payment transactions, details of which were set out in note 33 to the Historical Financial Information;

(iv) The deferred tax asset arising from the amount of the estimated future tax deduction exceeds the amount of the share-based cumulative remuneration expense;

(v) The difference between cost of acquisition of minority interest of the Group's subsidiaries and the book value of net assets acquired.

Exchange fluctuation reserve

The exchange fluctuation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations entities which functional currency are different from the Group's presentation currency.

Fair value reserve of financial assets at fair value through other comprehensive income

The reserve from fair value reserve of financial assets at fair value through other comprehensive income represents changes in fair value of equity investments at fair value through other comprehensive income, net of tax.

The Company

The amounts of the Company's reserves and the movements therein for the reporting periods are presented as follows:

Year ended 31 December 2023

	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	4,078,020	71,262	(867,974)	3,281,308
Total comprehensive loss for the year	–	–	(155,122)	(155,122)
Equity-settled share-based compensation expenses	67,426	–	–	67,426
Exercise of Restricted Share units	–	–	–	–
At 31 December 2023	4,145,446	71,262	(1,023,096)	3,193,612

Year ended 31 December 2024

	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	4,145,446	71,262	(1,023,096)	3,193,612
Total comprehensive loss for the year	–	(65,064)	(117,809)	(182,873)
Equity-settled share-based compensation expenses	34,181	–	–	34,181
At 31 December 2024	4,179,627	6,198	(1,140,905)	3,044,920

Year ended 31 December 2025

	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	4,179,627	6,198	(1,140,905)	3,044,920
Total comprehensive income for the year	–	4,640	24,932	29,572
Equity-settled share-based compensation expenses	21,010	–	–	21,010
Exercise of Restricted Share units	12,860	–	–	12,860
At 31 December 2025	4,213,497	10,838	(1,115,973)	3,108,362

Six months ended 30 June 2025 (Unaudited)

	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	4,179,627	6,198	(1,140,905)	3,044,920
Total comprehensive income for the period	–	–	72,128	72,128
Equity-settled share-based compensation expenses	11,049	–	–	11,049
Exercise of Restricted Share units	12,361	–	–	12,361
At 30 June 2025 (unaudited)	4,203,037	6,198	(1,068,777)	3,140,458

Six months ended 30 June 2026 (Unaudited)

	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	4,213,497	10,838	(1,115,973)	3,108,362
Total comprehensive income for the period	–	1,087	72,774	73,861
Equity-settled share-based compensation expenses	16,969	–	–	16,969
Capital contribution by shareholders	964,329	–	–	964,329
Exercise of Restricted Share units	(2,193)	–	–	(2,193)
At 30 June 2026 (unaudited)	5,192,602	11,925	(1,043,199)	4,161,328

33. SHARE-BASED PAYMENTS

Historical Share Incentive Plan

The Group historically have approved multiple equity based incentive plans before listed in A Share in 2019, Zhuhai Orbbec Zhongxin Investment Partnership Enterprise (Limited Partnership) (Orbbec Zhongxin) were established and designated as share incentive platform to hold the shares specially awarded to the eligible participants as the ultimate beneficial owners. The Group has no control over the share incentive platform. The units of the share incentive platform were granted and would be vested until 12 months to 42 months after successful listing (together, "**Historical Share Incentive Plan**"). During the Relevant Periods and the six month ended 30 June 2026, nil, 152,439 units, 39,382 units and nil (equivalent to nil, 636,723 shares, 164,495 shares and nil) were granted to eligible participants of the plan, respectively, with the forfeited units utilised.

Restricted Share Incentive Plan

During the Relevant Periods and the six month ended 30 June 2026, the Group has approved Restricted Share Incentive Plan.Eligible employees ("**Participants**") of the Group were granted Type II Restricted Shares ("**Restricted Shares**") to recognize their contributions to the growth and development of the Group, and to motivate them to further promote the development of the Group. Restricted Shares refer to the ordinary shares that Participants could subscribe upon the satisfaction of both the Group's and the individual's performance under the Restricted Share Incentive Plan. Upon the satisfaction of the Group's and the individuals' performance conditions, the Participants have the right to subscribe ordinary shares which were repurchased by the Company through its dedicated repurchase account or newly issued.

On 6 February 2023, 9 October 2023 and 22 November 2024, the Group granted 6,398,000 Restricted Shares, 205,000 Restricted Shares, and 539,300 Restricted Shares of the Company, respectively, to eligible employees at a subscribed price of RMB12.25 per share, RMB12.25 per share and RMB16.12 per share, respectively. The fair value of the Restricted Shares granted on 6 February 2023 were RMB15.83 per share, RMB15.85 per share and RMB16.03 per share. The fair value of the Restricted Shares granted on 9 October 2023 were RMB19.14 per share and RMB19.13 per share, RMB19.27 per share. The fair value of the Restricted Shares granted on 22 November 2024 were RMB16.59 per share, RMB16.65 per share and RMB16.92 per share, respectively, which was determined using the Black-Scholes Model.

The Group accounts for the Restricted Share Incentive Plan as an equity-settled share based payment.

The share-based payment expense recognised are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Restricted Share Incentive Plan	45,701	19,591	6,833	3,399
Historical Share Incentive Plan	21,725	14,590	8,722	4,684
Total amount	67,426	34,181	15,555	8,083

The following table summarises the movement of the Group's Restricted Share Incentive Plan during the Relevant Periods and six months ended 30 June 2026:

	Weighted average exercise price per share*	Number of Restricted Shares
	RMB per share	
At 1 January 2023	–	–
Granted during the year	12.25	6,603,000
Exercised during the year	–	–
Forfeited during the year	12.25	2,329,850
At 31 December 2023	12.25	4,273,150
Granted during the year	16.12	539,300
Exercised during the year	–	–
Forfeited during the year	12.25	881,790
At 31 December 2024	12.78	3,930,660
Granted during the year	–	–
Exercised during the year	12.25	1,143,240
Forfeited during the year	12.67	657,944
At 31 December 2025	13.10	2,129,476
Granted during the period	–	–
Exercised during the period	16.12	74,310
Forfeited during the period	15.95	91,660
At 30 June 2026 (unaudited)	12.85	1,963,506

* The exercise price of the Restricted Share is subject to adjustment in the case of rights or bonus share issues, or other similar changes in the Company's share capital.

The weighted average remaining contractual life for the outstanding Restricted Shares granted as at 31 December 2023, 2024 and 2025 and 30 June 2026 was 4.10 years, 3.28 years, 2.39 years and 1.83 years, respectively.

The following table lists the significant inputs to the fair value model used during the Relevant Periods:

	6 February 2023	9 October 2023	2 November 2024
Expected volatility (%)	15.40%–16.92%	12.76%–14.78%	16.17%–18.16%
Risk-free interest rate (%)	1.50%–2.75%	1.50%–2.75%	1.50%–2.75%

34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group had non-cash additions of right-of-use assets of RMB13,804,000, RMB2,028,000, nil and RMB5,383,000 and non-cash additions of lease liabilities of RMB13,804,000, RMB2,028,000, nil and RMB5,130,000 respectively, in respect of the Group's lease arrangements for buildings and premises.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group had non-cash reductions of trade payables settled by endorsement of bills receivable of RMB283,000, RMB1,664,000, RMB74,631,000 and RMB73,267,000, respectively.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group had non-cash reductions to its bank loans from discounted bill receivables amounted to RMB1,381,000, RMB67,389,000, nil and nil, and its bills receivables amounted to RMB1,381,000, RMB67,389,000, nil and nil respectively.

(b) Changes in liabilities arising from financing activities

	Interest bearing bank borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	–	49,348	49,348
Changes from financing cash flow	146,308	(19,016)	127,292
Changes from non-cash movements	(1,381)	–	(1,381)
New lease	–	13,804	13,804
Interest accretion	2,584	1,807	4,391
Early termination of a lease	–	(17,692)	(17,692)
Impact of government grants	–	(1,223)	(1,223)
Exchange realignment	–	47	47
At 31 December 2023 and 1 January 2024	147,511	27,075	174,586
Changes from financing cash flow	84,839	(10,293)	74,546
Changes from non-cash movements	(67,389)	–	(67,389)
New lease	–	2,028	2,028
Interest accretion	3,000	707	3,707
Early termination of a lease	–	(15,688)	(15,688)
Impact of government grants	–	(1,115)	(1,115)
Exchange realignment	–	85	85
At 31 December 2024 and 1 January 2025	167,961	2,799	170,760
Changes from financing cash flow	(43,209)	(821)	(44,030)
Interest accretion	2,512	39	2,551
Impact of government grants	–	(1,168)	(1,168)
Exchange realignment	(3)	(20)	(23)
At 31 December 2025 and 1 January 2026	127,261	829	128,090
Changes from financing cash flow	(37,382)	(1,166)	(38,548)
New lease	–	5,130	5,130
Interest accretion	645	63	708
Early termination of a lease	–	(34)	(34)
Exchange realignment	165	(33)	132
At 30 June 2026 (unaudited)	90,689	4,789	95,478
At 1 January 2025	167,961	2,799	170,760
Changes from financing cash flow	(37,927)	(408)	(38,336)
Interest accretion	1,555	23	1,578
Exchange realignment	(101)	(9)	(110)
At 30 June 2025 (unaudited)	131,488	2,405	133,893

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Within operating activities	2,438	2,946	923	671	366
Within financing activities	19,016	10,293	821	408	1,166
	21,454	13,239	1,744	1,079	1,532

35. PLEDGE OF ASSETS

At the end of each of the Relevant Periods and six months ended 30 June 2026, the Group's pledge of assets is included in notes 25 and 28 to the Historical Financial Information.

36. COMMITMENTS

The Group had no capital commitments at the end of each of the Relevant Periods and six months ended 30 June 2026.

37. RELATED PARTY TRANSACTIONS

The directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the Relevant Periods and six months ended 30 June 2025 and 2026.

(a) Name and relationships of the related parties

Name	**Relationship**
Shanghai Readsense Network Technology Co., Ltd. (上海阅面网络科技有限公司) ("**Readsense Network Technology**")	Associate of the Group
Shanghai Green Leaf Media Co., Ltd. (上海绿叶传媒有限公司) ("**Green Leaf Media**")	Associate of the Group
Hangzhou Shanyi Intelligent Technology Co., Ltd. (杭州山易智能科技有限公司) ("**Shanyi Intelligent Technology**")	Associate of the Group
Zhuhai Oradar Enterprise Management Partnership (珠海奥锐达企业管理合伙企业) ("**Auruida Enterprise Management**")	Company controlled by Mr. Huang Yuan Hao, the controlling shareholder of the Group
Ant Group	The investor that has significant influence over the Company
Huang Yuan Hao (黃源浩)	The controlling shareholder of the Group

(b) The Group had the following transactions with related parties during the Relevant Periods and the six months ended 30 June 2025 and 2026:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
Sales of products and provision of services to:					
Ant Group	309	44,638	252,525	130,881	52,956
Green Leaf Media	1,471	225	–	–	–
Shanyi Intelligent Technology	–	–	39	–	–
	1,780	44,863	252,564	130,881	52,956
Purchase of products and services from:					
Ant Group	11,982	18,621	8,990	2,887	4,871
Shanyi Intelligent Technology	–	–	133	–	124
Readsense Network Technology	1	2	–	–	–
	11,983	18,623	9,123	2,887	4,995

(c) Outstanding balances with related parties:

The Group

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Trade and bills receivables:				
Ant Group	45	22,665	7,548	5,964
	45	22,665	7,548	5,964
Prepayments, other receivables and other assets				
Ant Group	–	14	48	–
	–	14	48	–
Trade and bills payables				
Ant Group	7,758	2,096	–	–
Shanyi Intelligent Technology	–	–	87	123
	7,758	2,096	87	123
Contract liabilities:				
Ant Group	1	43	–	–
Green Leaf Media	84	–	–	–
	85	43	–	–
Other payables				
Huang Yuan Hao *(a)*	–	8,010	8,010	8,010
	–	8,010	8,010	8,010

As at 31 December 2023, 2024, 2025 and 30 June 2026, except for the balance due to Huang Yuanhao, the remaining balances with related parties are trade in nature.

(a) The amount of RMB8,010,000 constitutes interest-free funding provided by the non-controlling shareholder to Aoshida, repayable within three years, subject to early repayment at Aoshida's discretion.

(d) Compensation of key management personnel of the Group

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Salaries, bonuses, allowances and benefits in kind	9,859	8,913	6,919	3,445	3,093
Pension scheme contributions	382	417	318	168	153
Equity-settled share-based payment expenses	2,215	1,940	807	509	156
	12,456	11,270	8,044	4,122	3,402

Further details of directors' and the chief executive's remuneration are included in note 8 to the Historical Financial Information.

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each Relevant Periods were as follows:

Financial assets

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Financial assets at amortised cost:				
Trade and bills receivables	83,173	154,275	137,128	129,521
Financial assets included in prepayments, other receivables and other assets	628,875	1,063,072	1,054,341	1,081,526
Restricted cash	1,320	8,232	2,763	1,942
Time deposits	306,752	348,730	359,801	434,342
Cash and cash equivalents	889,809	249,525	267,171	1,220,986
Financial assets at FVOCI:				
Debt instruments	–	–	84,130	37,245
Equity investments	169,992	94,345	99,804	101,084
Financial assets at FVTPL:				
Financial assets at fair value through profit or loss	388,419	345,000	310,145	163,969
	2,468,340	2,263,179	2,315,283	3,170,615

Financial liabilities

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Financial liabilities at amortised cost:				
Trade payables	98,246	152,489	150,147	150,680
Financial liabilities included in other payables and accruals	1,000	9,630	10,427	55,914
Interest-bearing bank borrowings	147,511	167,961	127,261	90,689
	246,757	330,080	287,835	297,283

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance team headed by the chief finance controller or his/her designator is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the head of finance. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the head of finance.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of bank acceptance bills measured at fair value through other comprehensive income (Level 2) have been calculated by discounting the expected cash flows from the receivables based on market interest rates of instruments with similar terms and risks.

The fair values of unlisted equity investments designated at fair value through other comprehensive income (Level 3) have been estimated using a market-based valuation model and discounted cash flow model and recent transaction approach. The market-based valuation model requires the management to determine comparable public companies (peers) and apply the appropriate multiples and discount for lack of marketability ("**DLOM**"). The discounted cash flow model is based on the forecast operating cash flows and discount rate of weight average cost of capital ("**WACC**").

The fair values of structured deposits and wealth management products measured at fair value through profit or loss (Level 2) are determined by discounted estimating future cash flows based on expected yield rates.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments at FVOCI	–	–	169,992	169,992
Financial assets at FVTPL	–	388,419	–	388,419
Total	–	388,419	169,992	558,411

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments at FVOCI	–	–	94,345	94,345
Financial assets at FVTPL	–	345,000	–	345,000
Total	–	345,000	94,345	439,345

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments at FVOCI	–	–	99,804	99,804
Debt investments at FVOCI	–	84,130	–	84,130
Financial assets at FVTPL	–	310,145	–	310,145
Total	–	394,275	99,804	494,079

As at 30 June 2026 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments at FVOCI	–	–	101,084	101,084
Debt investments at FVOCI	–	37,245	–	37,245
Financial assets at FVTPL	–	163,969	–	163,969
Total	–	201,214	101,084	302,298

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each Relevant Periods:

As at 31 December 2023

	Valuation technique	**Significant unobservable input**	**Range**	**Sensitivity of fair value to the input**
Unlisted equity investments	Valuation multiple	Average Enterprise value to sales multiple ("**EV/Sales**") multiple of peers	8.23	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB321,000
		Average Price to sales multiple based ("**P/S**") multiple of peers	15.10	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB725,000
		Average Development expenses multiple based multiple of peers	11.72	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB3,829,000
		DLOM	21% to 31%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB2,963,000
	Discounted cash flow model	WACC	14%	0.5% increase/decrease in WACC would result in (decrease)/increase in fair value by RMB(4,263,000)/ RMB4,682,000

As at 31 December 2024

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments . . .	Valuation multiple	Average EV/Sales multiple of peers	6.50	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB176,000
		Average P/S multiple of peers	10.79	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB744,000
		DLOM	18.5% to 30%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB1,097,000
	Discounted cash flow model	WACC	14%	0.5% increase/decrease in WACC would result in (decrease)/increase in fair value by RMB(4,073,000)/ RMB4,459,000

As at 31 December 2025

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments . . .	Valuation multiple	Average EV/Sales multiple of peers	7.65	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB169,000
		DLOM	20.5% to 25%	5% increase/decrease in multiple would result in decrease/increase in fair value by RMB1,015,000
	Discounted cash flow model	WACC	14%	0.5% increase/decrease in WACC would result in (decrease)/increase in fair value by RMB(3,759,000)/ RMB4,105,000

As at 30 June 2026 (Unaudited)

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments . . .	Valuation multiple	Average EV/Sales multiple of peers	8.89	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB241,000
		Average P/S multiple of peers	5.83	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB1,337,000
		DLOM	19% to 24%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB1,292,000
	Discounted cash flow model	WACC	13%	0.5% increase/decrease in WACC would result in (decrease)/increase in fair value by RMB(3,528,000)/ RMB3,877,000

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, trade and bills receivables, equity investments at fair value through other comprehensive income, financial assets at fair value through profit or loss, interest-bearing bank borrowings, and trade payables. The main purpose of these financial instruments is to raise finance for the Group's operations, manage its liquidity and generate returns on surplus funds. The Group has various other financial assets and liabilities such as trade and bills receivables, trade and bills payables and etc., which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by the Company and the Group's subsidiaries in currencies other than their respective functional currencies.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods and six months ended 30 June 2026 to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group's profit before tax.

	Increase/ (decrease) in foreign exchange rate	Decrease/ (increase) in profit before tax
	%	*RMB'000*
Year ended 31 December 2023		
If RMB weakens against the USD	5	1,826
If RMB strengthens against the USD	(5)	(1,826)
Year ended 31 December 2024		
If RMB weakens against the USD	5	2,302
If RMB strengthens against the USD	(5)	(2,302)
Year ended 31 December 2025		
If RMB weakens against the USD	5	6,676
If RMB strengthens against the USD	(5)	(6,676)
Six months ended 30 June 2026 (unaudited)		
If RMB weakens against the USD	5	4,778
If RMB strengthens against the USD	(5)	(4,778)
If RMB weakens against the VND	5	278
If RMB strengthens against the VND	(5)	(278)

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, time deposits with original maturity of over three months, restricted cash, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods and six months ended 30 June 2026.

The amounts presented are gross carrying amounts for financial assets.

At 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	68,771	68,771
Bills receivables*	20,072	–	–	1,399	21,471
Financial assets included in prepayments, other receivables and other assets					
– Normal**	629,401	–	–	–	629,401
– Doubtful**	3,276	–	–	–	3,276
Restricted cash	1,320	–	–	–	1,320
Time deposits	306,752	–	–	–	306,752
Cash and cash equivalents	889,809	–	–	–	889,809
	1,850,630	–	–	70,170	1,920,800

At 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	119,652	119,652
Bills receivables*	44,662	–	–	570	45,232
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,063,411	–	–	–	1,063,411
– Doubtful**	898	–	–	–	898
Restricted cash	8,232	–	–	–	8,232
Time deposits	348,730	–	–	–	348,730
Cash and cash equivalents	249,525	–	–	–	249,525
	1,715,458	–	–	120,222	1,835,680

At 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	145,961	145,961
Bills receivables*	641	–	–	–	641
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,054,683	–	–	–	1,054,683
– Doubtful**	483	–	–	–	483
Financial assets at fair value through other comprehensive income	84,130	–	–	–	84,130
Restricted cash	2,763	–	–	–	2,763
Time deposits	359,801	–	–	–	359,801
Cash and cash equivalents	267,171	–	–	–	267,171
	1,769,672	–	–	145,961	1,915,633

At 30 June 2026 (Unaudited)

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	136,931	136,931
Bills receivables*	1,538	–	–	–	1,538
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,082,811	–	–	–	1,082,811
– Doubtful**	524	–	–	–	524
Restricted cash	1,942	–	–	–	1,942
Time deposits with original maturity of over three months	311,250	–	–	–	311,250
Cash and cash equivalents	1,220,986	–	–	–	1,220,986
	2,619,051	–	–	136,931	2,755,982

* For Trade receivables and commercial acceptance bills at the end of each of the Relevant Periods and six months ended 30 June 2026, the Group applies the simplified approach for impairment, Bank acceptance bills are subject to impairment under the general approach and the impairment is considered to be minimal. information based on the provision matrix is disclosed in note 21 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities.

The maturity profile of the Group's financial liabilities as at the end of each Relevant Periods and six months ended 30 June 2026, based on the contractual undiscounted payments, is as follows:

At 31 December 2023

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	98,246	–	98,246
Financial liabilities included in other payables and accruals	1,000	–	1,000
Lease liabilities	13,706	14,792	28,498
Interest-bearing bank borrowings	148,071	–	148,071
	261,023	14,792	275,815

At 31 December 2024

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	152,489	–	152,489
Financial liabilities included in other payables and accruals	9,630	–	9,630
Lease liabilities	2,060	874	2,934
Interest-bearing bank borrowings	170,913	–	170,913
	335,092	874	335,966

At 31 December 2025

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	150,147	–	150,147
Financial liabilities included in other payables and accruals	10,427	–	10,427
Lease liabilities	551	302	853
Interest-bearing bank borrowings	128,647	–	128,647
	289,772	302	290,074

At 30 June 2026 (Unaudited)

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	150,680	–	150,680
Financial liabilities included in other payables and accruals	55,914	–	55,914
Lease liabilities	2,920	2,066	4,986
Interest-bearing bank borrowings	91,105	–	91,105
	300,619	2,066	302,685

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Total liabilities	373,692	454,711	418,654	420,897
Total assets	3,384,218	3,328,991	3,412,822	4,431,081
Debt-to-asset ratio	11%	14%	12%	9%

41. TRANSFERS OF FINANCIAL ASSETS

(a) Transferred financial assets that are not derecognised in their entirety

At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group endorsed certain bills receivables accepted by banks in Chinese mainland (the "**Endorsed Bills**") with a carrying amount of nil, RMB100,000, RMB545,000 and RMB2,255,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

(b) Transferred financial assets that are derecognised in their entirety

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group endorsed certain bills receivable accepted by banks in Chinese mainland (the "**Derecognised Bills**") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of nil, nil, RMB13,543,000 and RMB93,018,000. The Derecognised Bills had a maturity of one to six months. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

42. EVENTS AFTER THE RELEVANT PERIODS

On 14 September 2026, the shareholders' meeting of the Company approved an equity incentive plan authorising the grant of 1,222,000 share options and 830,800 Restricted Shares to qualified employees, with exercise prices of RMB103.11 and RMB51.56 per share, respectively. In accordance with such approval, the Group effected grants of 1,022,000 share options and 730,800 Restricted Shares to eligible employees on 15 September 2026 at the specified prices.

Except above, there were no other significant events that required additional disclosure or adjustments occurring after 30 June 2026.

43. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This appendix mainly provides investors with an overview of the Articles of Association. As the following information is a summary only, it may not contain all the information that may be important to investors.

SHARE ISSUANCE

The Company shall issue Shares with the principles of openness, fairness, and impartiality. Each Share of the same class shall have equal rights. Each Share of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each Share subscribed for by any subscribers.

The A Shares issued by the Company are deposited collectively at the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited.

The H Shares issued by the Company are maintained with a register of holders by an approved securities registrar in Hong Kong. The Company shall appoint an approved securities registrar to maintain the register of holders of H Shares in Hong Kong, and provide and operate an uncertificated securities registration and transfer system after the H shares become participating securities.

H Shares are issued, transferred and held in uncertificated form. For so long as the H Shares are participating securities, unless otherwise provided by applicable laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed (including the USM Rules):

(I) the H Shares issued by the Company are only issued in uncertificated form, and no Share certificates will be issued for such H Shares;

(II) the Company does not issue Share certificates for the allotment, transfer, statutory succession, consolidation or subdivision of H Shares. Once any H Shares become a participating security, any new unit of such securities issued thereafter may only be in uncertificated form, and no title instruments (including Share certificates) will be issued therefor. For the avoidance of doubt, the Company's H Shares shall not constitute a separate class solely by virtue of being held in certificated or uncertificated form.

H Shares that have become participating securities may be rematerialized under the limited circumstances permitted under the USM Rules. After any rematerialization, the Company shall, as soon as reasonably practicable in accordance with the requirements of the USM Rules, issue the required number of Share certificates without charge to each relevant H Shareholder. Where one H Share is jointly held by two or more persons, only one Share certificate may be issued for such H Share.

The H Shares issued by the Company may, in accordance with the laws and the practice of securities registration and depository of the place where the Company's Shares are listed, are mainly deposited in the trusted companies subordinate to Hong Kong Securities Clearing Company Ltd., or may be held by Shareholders in their own names. The holders of H Shares regard the registration in the register of holders as the evidence for their ownership. To the extent permitted by applicable laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed, the transfer of H Shares shall be conducted through the UNSRT system without the use of written transfer instruments. The approved securities registrars of the Company may charge reasonable paperless fees to the holders and/or transferees of H Shares for the dematerialization of H Shares (not exceeding any applicable cap stipulated in the Code of Conduct for Approved Securities Registrars). Such fees may be charged regardless of whether the dematerialization is initiated by the Company or applied for by the holder or transferee.

Before the [**REDACTED**], the Company's Shares are composed of Shares with special voting rights (hereinafter referred to as "Class A Shares") and ordinary Shares (hereinafter referred to as "Class B Shares"). Shareholders eligible for holding Class A Shares shall be individuals who have made significant contributions to the Company's development or business growth and continue to serve as Directors of the Company, or the shareholding entities actually controlled by such individuals. Shareholders holding Class A Shares shall collectively hold at least 10% of all issued voting shares of the Company in which they have an interest. With the consent of all Shareholders, the Company has only one shareholder, namely Huang Yuanhao, who holds Class A Shares, and a portion of his Shares in the Company are Class A Shares.

The voting rights attached to each Class A Share are 5 times those attached to each Class B Share. Except for the difference in voting rights, Class A Shares and Class B Shares have exactly the same other Shareholder rights (including but not limited to the order of distributing profits or remaining assets). Class A Shares shall not be traded on the secondary market. The title documents or certificates of the Company's listed equity securities must clearly display the warning wording "Company with weighted voting right control" in a prominent position.

Shareholders holding Class B Shares must hold no less than 10% of the qualified voting rights for the resolutions of the Company's Shareholders' meeting.

Shareholders holding Class A Shares shall exercise their rights in accordance with applicable laws and regulations and the Articles of Associations, and shall not abuse special voting rights or use them to prejudice the legitimate rights and interests of minority investors.

Except for the circumstances of proportionate rights issue and conversion of capital reserve into share capital, the Company shall not issue special voting Shares at home or abroad, nor shall it increase the proportion of Class A Shares. If an increase in the proportion of Class A Shares occurs as the result of Share repurchase and other reasons, corresponding measures such as converting a corresponding number of Class A Shares into Class B Shares shall be taken at the same time to ensure that the proportion of Class A Shares is not higher than the original level.

The Company shall not take any action (including issue or repurchase of any class Shares) that results in (I) the total number of votes entitled to be cast by all holders of Class B Shares attending the Shareholders' meeting (for the avoidance of doubt, excluding persons who are also holders of Class A Shares) being less than 10% of the total number of votes entitled to be cast by all Shareholders at the Shareholders' meeting (excluding the voting rights attached to treasury Shares); or (II) an increase in the proportion of Class A Shares in the total number of issued Shares.

The Company shall not further allot, issue or grant Class A Shares, except for those carried out with the prior approval of the Hong Kong Stock Exchange and in accordance with the following: (I) an offer to subscribe for Shares is made to all Shareholders in proportion to their existing shareholdings (excluding fractional entitlements); (II) Shares are issued to all Shareholders on a pro-rata basis by means of scrip dividend; or (III) Share subdivision or other similar capital restructuring;

Provided that, notwithstanding any provisions of the Hong Kong Listing Rules, each Shareholder shall be entitled to subscribe for (in a pro rata offer) or be issued (in an issue of Shares by way of scrip dividends) Shares in the same class as the Shares then held by them, and the proposed allotment or issue will not result in an increase in the proportion of the issued Class A Shares, so that: (I) if, under a pro rata offer, any holder of Class A Shares does not take up any part of the Class A Shares or the rights thereto offered to them, such untaken Shares (or rights) shall only be transferred to another person on the basis that such transferred rights will only entitle the transferee to an equivalent number of Class B Shares; and (II) to the extent that rights to Class B Shares in a pro rata offer are not taken up in their entirety (including, but not limited to, where the pro rata offering is not fully underwritten), the number of Class A Shares that shall be allotted, issued or granted in such pro rata offer shall be reduced proportionately, and where necessary, the holders of Class A Shares shall use their best endeavors to enable the Company to comply with this Article.

In the event the Company reduces the number of Shares in issue (after deducting treasury Shares) (e.g. through a purchase of its own Shares), the holders of Class A Shares shall reduce their weighted voting rights in the Company proportionately (for example through conversion of a portion of their shareholding with those rights into Shares without those rights), if the reduction in the number of Shares in issue (after deducting treasury Shares) would otherwise result in an increase in the proportion of Class A Shares.

The Company shall not change the terms of the Class A Shares to increase the weighted voting rights attached to that class. If the Company wishes to change the terms of the Class A Shares to reduce those rights it may do so but must, in addition to complying with any requirements under law, first obtain the prior approval of the securities regulatory authority of the place where the Company's Shares are listed and, if approval is granted, must announce the change.

Each Class A Share may be converted into one Class B Share by the holder at any time. When the holder of a Class A Share exercises such conversion right, they shall submit a written notice to the Company, notifying the Company that the relevant holder chooses to convert the specified number of Class A Shares into Class B Shares. The conversion of Class A Shares into Class B Shares shall be handled in accordance with the procedures stipulated by relevant laws and regulations, the Articles of Associations and the securities regulatory rules of the place where the Company's Shares are listed.

If any of the following circumstances occurs, the Class A Shares shall be converted into Class B Shares at a ratio of 1:1:

(I) the Shareholder holding Class A Shares no longer meets the qualification and minimum shareholding requirements stipulated in Article 24 hereof, or loses corresponding ability to perform duties, leaves office or deceases;

(II) the Shareholder holding Class A Shares no longer serves a Director of the Company;

(III) the Hong Kong Stock Exchange considers that the Shareholder holding Class A Shares has no capacity to perform the duties of a Director;

(IV) the Hong Kong Stock Exchange considers that the Shareholder holding Class A Shares no longer meets the provisions on Directors set out in the Hong Kong Listing Rules;

(V) the Shareholder holding Class A Shares transfers the corresponding Class A Shares held by them to others, or designate the voting rights attached to the corresponding Class A Shares to others for exercise;

(VI) a change of control of the Company occurs;

(VII) other circumstances required by laws and regulations and relevant normative documents.

If the circumstances mentioned in the preceding paragraph occur, Class A Shares shall be converted into Class B Shares immediately from the date of occurrence of the relevant circumstances. The relevant Shareholders shall notify the Company immediately, and the Company shall promptly disclose to all Shareholders the specific circumstances, time of occurrence, the number of Class A Shares converted into Class B Shares, the remaining number of Class A Shares and other information.

The conversion of Class A Shares into Class B Shares must be carried out by re-designating each Class A Share as one Class B Share at a one-for-one ratio. Such conversion shall take effect immediately after the relevant Class A Shares are re-designated as Class B Shares in the Share register. An issuer with a weighted voting right structure must first apply for approval from the Hong Kong Stock Exchange for the listing of the Shares required to be issued upon the conversion of Shares with weighted voting rights.

If none of the holders of Class A Shares at the time of the initial listing of the Company's Shares on the Hong Kong Stock Exchange hold the beneficial ownership of Class A Shares, all Class A Shares in the Company's authorized share capital must be automatically re-designated as Class B Shares, and the Company shall no longer issue Class A Shares.

The Company or any of its subsidiaries (including the Company's subsidiary undertakings) shall not provide financial assistance to any person for the acquisition of Shares of the Company or its parent company in the form of gift, advance, guarantee, borrowing or otherwise, except for the implementation of the employee stock ownership plan by the Company.

For the benefit of the Company, subject to a resolution of the Shareholders' meeting, or a resolution made by the Board in accordance with the Articles of Associations or the authorization of the Shareholders' meeting, and in compliance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed, and after fulfilling the relevant procedures in accordance with the foregoing provisions, the Company may provide financial assistance for any person to acquire Shares of the Company, provided that the cumulative total amount of financial assistance shall not exceed 10% of the total issued share capital. A resolution of the Board shall be passed by at least two-thirds of all Directors.

Where a violation of the provisions of the preceding two paragraphs causes losses to the Company, the responsible Directors and senior management shall bear the liability for compensation.

INCREASE, DECREASE AND REPURCHASE OF SHARES

In accordance with the needs for operation and development and subject to the provisions of laws and regulations, the securities regulatory rules of the place where the Company's Shares are listed, the Company may increase its capital by the following methods upon resolution by the Shareholders' meeting:

(I) issuing Shares to unspecified persons;

(II) issuing Shares to specific persons;

(III) distribution of bonus Shares to Shareholders;

(IV) increasing the share capital by transferring the reserve fund;

(V) other methods prescribed by laws and administrative regulations and the securities regulatory authority of the place where the Company's Shares are listed

The Board may, in accordance with authorization of the Shareholders' meeting, decide to issue not more than 50% of the Shares in issue within three years. However, if the capital contributions are to be made using non-monetary assets, they shall be subject to a resolution made by the Shareholders' meeting.

Where the Board decides to issue Shares pursuant to the provisions of the preceding paragraph, resulting in a change in the registered capital or the number of Shares in issue of the Company, amendments to item set forth in the Articles of Associations may no longer be subject to voting at the Shareholders' meeting.

Where the Articles of Associations or the Shareholders' meeting authorizes the Board to decide on issuing new Shares, a resolution of the Board shall be adopted by two thirds or more of all the Directors.

The Company can reduce its registered capital. Where the Company reduces its registered capital, the reduction shall be in compliance with the Company Law, the securities regulatory rules of the place where the Company's Shares are listed and other relevant provisions and the procedures stipulated in the Articles of Associations.

The Company may not acquire its own Shares, except under any of the following circumstances:

(I) reduction in the Company's registered capital;

(II) merger with other companies holding Shares in the Company;

(III) use of Shares for employee ownership schemes or equity incentives;

(IV) where a Shareholder objects to a resolution of the Shareholders' meeting on the merger or spin-off of the Company and therefore requires the Company to acquire his/her Shares;

(V) use the Shares for converting into the Company's convertible corporate bonds;

(VI) where it is necessary for the Company to safeguard its value and Shareholder's rights and interests.

The Company may acquire its own Shares by way of public centralized trading, or other methods recognized by laws and regulations and the stock exchange and securities regulatory institutions of the place where the Company's Shares are listed.

Where the Company acquires shares in the Company under the circumstances specified in items (III), (V) and (VI) above, such acquisition shall be conducted by way of public centralized trading.

Where the Company acquires its own Shares under circumstances specified in items (I) to (II) above, such acquisition shall be subject to a resolution by the Shareholders' meeting. Where the Company acquires its own Shares specified in items (III), (V) and (VI) above, such acquisition shall, in compliance with the securities regulatory rules of the stock exchange where the Company's Shares are listed, be subject to a resolution at a Board meeting attended by two-thirds or more of the Directors in accordance with the provisions of the Articles or the authorization of the Shareholders' meeting.

For the purpose of A Shares, subject to compliance with the securities regulatory rules where the Company's Shares are listed, after the Company has repurchased its own Shares in accordance with the Articles of Associations, the Shares so repurchased shall be canceled within 10 days from the date of purchase (in the case of the circumstance set out in item (I) above), or shall be transferred or canceled within six months (in the case of the circumstances set out in items (II) and (IV) above). Where the Company repurchases its own Shares under the circumstances in items (III), (V) and (VI) above, the total number of Shares held by the Company shall not exceed 10% of the total issued Shares of the Company, and such shares shall be transferred or canceled within three years.

Notwithstanding the foregoing, where applicable laws and regulations, securities regulatory rules of where the Company's Shares are listed, other provisions of Articles and the laws or securities regulatory authority of the place where the Company's Shares are listed provide otherwise with respect to the foregoing matters relating to the repurchase of the Company's Shares, the Company shall comply with such provisions.

TRANSFER OF SHARES

Shares held by a Shareholder of the Company may be transferred to other Shareholders or to persons other than Shareholders, and the Shares of the Company shall be transferred in accordance with laws.

Except as otherwise provided by applicable laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed, for so long as the H Shares of the Company are participating securities, the transfer of H Shares shall be effected by a specified request from the transferor and transferee that complies with the USM Rules, without the submission of a physical instrument of transfer. Upon completion of the transfer at the specified request, the Company shall not issue any paper share certificate in respect of the Shares so transferred. The approved securities registrar of the Company may charge a reasonable fee (not exceeding any applicable cap prescribed under the Code of Conduct for Approved Securities Registrars) for registering any specified request or other document relating to the ownership of any H Shares. If there is any subsequent change in the relevant laws and regulations in relation to paper securities (including the uncertificated securities market), the latest applicable laws and regulations in force at the time shall prevail. Notwithstanding the foregoing, if after using its best endeavors to facilitate the use of specified requests, the Board is satisfied that it is not reasonably practicable to effect a transfer by a specified request, H Shares held in uncertificated form may be transferred by an instrument of transfer.

Without prejudice to the other provisions of this Article, the Board has the power to refuse to register a transfer of H Shares where: (I) the H Shares are in uncertificated form and the specified request has not been sent in accordance with the operating rules of the approved securities registrar of the Company, or an instrument of transfer has been submitted; (II) the transferor, transferee or successor in interest (as the case may be) of the H Shares is not a system member of the uncertificated securities registration and transfer system operated by the approved securities registrar of the Company; or (III) any other reason prescribed in the USM Rules. Where the Board refuses to register a transfer of H Shares, it shall send a notice of refusal to the transferor and the transferee within the period specified in the Code of Conduct for Approved Securities Registrars.

In relation to the legal succession of H Shares, if the successor in interest elects to transfer the H Shares to another person, the successor in interest shall send a specified request in respect of such H Shares, unless the Board is satisfied that it is not reasonably practicable to effect the transfer by a specified request, in which case H Shares held in uncertificated form may be transferred by an instrument of transfer. All restrictions, constraints and other provisions in the Articles of Associations on the right to transfer H Shares and the registration of such transfers shall apply to the transfer of Shares arising from legal succession. Such transfer of Shares shall not affect the application of the aforesaid restrictions, constraints and provisions, and shall be deemed to be a transfer made by the holder of the H Shares prior to the occurrence of the legal succession.

The Company shall not accept its own Shares as the collateral for a pledge.

Shares issued by the Company prior to its initial public offering of A Shares shall not be transferred within one year from the date on which the A Shares of the Company are listed and traded on the Shanghai Stock Exchange. Where laws, administrative regulations or the securities regulatory authority under the State Council have other provisions regarding the transfer of the Company's Shares held by the Shareholders and the actual controller(s) of the Company, such provisions prevail.

The Directors and the senior management members of the Company shall report to the Company on the Shares of the Company (including Class A Shares and Class B Shares) held by them and the changes therein. The number of Shares transferred in each year during the term of his/her office determined at the time of their assumption of office shall not exceed 25% of the total number of Shares of the same class of the Company held by them. The Shares of the Company held by them shall not be transferred within one year from the date of listing and trading of the Company's Shares. The personnel mentioned above shall not transfer the Shares of the Company held by them within half a year after their resignation.

If the pledge of the Shares is made within the lock-up period stipulated by the laws and administrative regulations, the pledgee shall not exercise the right of pledge within such period.

Where the laws, administrative regulations or the securities regulatory rules of the place where the Company's Shares are listed provide otherwise with respect to restrictions on the transfer of Shares of the Company, such provisions prevail.

If a Shareholder, a Director or any senior management member of the Company holding 5% or more of the Shares of the Company sells his/her Shares or other equity securities in the Company within six months after the purchase or re-purchase such Shares within six months after the sale, the proceeds therefrom shall belong to the Company, and the Board of the Company shall recover the proceeds therefrom, unless under a circumstance where a securities company purchases the Shares not taken up in the underwriting, resulting in holding 5% or more of the Shares, or under any other circumstances prescribed by the CSRC or the securities regulatory rules of the place where the Company's Shares are listed. The aforesaid Shareholders holding 5% or more of the Shares of the Company do not include a recognized clearing house or its agent as defined in relevant ordinances in force from time to time under the laws of Hong Kong.

The Shares or any other equity securities held by the Directors and the senior management members, and the natural person shareholders mentioned above include the Shares or any other equity securities held by their spouses, parents, and children, and held through the accounts of others.

If the Board of the Company fails to comply with the provisions above, the Shareholders have the right to request the Board to make a rectification within 30 days. If no rectification is made by the Board of the Company within the time limit above, the Shareholders have the right to directly file a lawsuit with the people's court in their own name for the benefit of the Company.

If the Board of the Company fails to comply with the provisions above, the responsible Directors shall assume joint and several liabilities in accordance with laws.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall maintain a register of members (which, in respect of H Shares, has the same meaning as the register of holders) as the sufficient evidence for the Shareholders' shareholdings in the Company based on certificates, paperless records or other evidence provided by the securities registration and settlement institution. A Shareholder enjoys relevant rights and assumes relevant obligations in accordance with the class of Shares he/she holds. Shareholders holding the same class of Shares enjoy the same rights and assume the same obligations. Except for the differences in voting rights stipulated in the Articles of Association, the other Shareholders' rights attached to Class A Shares and Class B Shares held by the Shareholders of the Company shall be exactly the same. Shareholders holding Class A Shares shall exercise their rights in accordance with the applicable laws and regulations and the Articles of Association, and shall not abuse the special voting rights or use the special voting rights to prejudice the legitimate rights and interests of other Shareholders.

The original register of holders of H Shares shall be kept in Hong Kong and shall be available for inspection by Shareholders. Any Shareholder shall have the right to inspect and take copies of any entries in the register of holders relating to him/her. In respect of H Shares which are participating securities: (I) the register of holders shall be maintained and updated in accordance with the Uncertificated Securities Market Rules and shall contain the particulars required to be recorded under such rules; (II) where Shares are held in uncertificated form, the register of holders shall record such Shares as being in uncertificated form; (III) in the absence of evidence to the contrary, an entry in the register of holders reflecting that any holder's Shares are held in uncertificated form shall be conclusive evidence of such holder's ownership of such Shares.

The Company may close the register of holders of H Shares or the register of holders of H Shares in Hong Kong in accordance with the applicable laws, regulations and the securities regulatory rules of the place where the Company's Shares are listed. For so long as the H Shares are participating securities, the closure shall also be subject to the scope and duration prescribed under the uncertificated securities market regime of the place where the Company's Shares are listed. For the avoidance of doubt, for so long as the H Shares are participating securities, the power of the Board to close the register of holders of H Shares shall be subject to the Uncertificated Securities Market Rules.

In respect of H Shares which are participating securities, the register of holders of H Shares shall clearly record whether the H Shares are held in uncertificated form. The Company shall procure that the approved securities registrar notifies the relevant shareholder of any change in the register of holders relating to a shareholder or his/her position in uncertificated form in accordance with the uncertificated securities market regime and the Code of Conduct for Approved Securities Registrars promulgated by the Securities and Futures Commission of Hong Kong. The Company shall maintain the register of holders in accordance with the USM Rules and record therein the particulars required to be recorded under such rules. Where any H Shares are issued in uncertificated form or dematerialized, such H Shares shall be recorded as being in uncertificated form in the register of holders, and such record shall not be amended or deleted except in accordance with the USM Rules. Any person may inspect and copy entries in the register of holders and request a copy of any entries in the register of holders in accordance with the USM Rules.

Any Shareholder whose name is entered in the register of holders of H Shares, or any person requesting to have his/her name entered in the register of holders of H Shares, who loses the title instruments relating to his/her paper H Shares, may apply to the Company for the disposition of such Shares in accordance with the USM Rules and other uncertificated securities market regimes then in force.

When the Company convenes a Shareholders' meeting, distributes dividends, conducts liquidation or engages in any other acts requiring the determination of the identification of the Shareholders, the Board or the convener of the Shareholders' meeting shall determine the record date. The Shareholders whose names appear on the register of members after the end of the trading hours on the record date shall be those entitled to relevant rights and interests. Where the laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's Shares are listed, and the stock exchange or regulatory authorities provide for the closure of the register of members before the convening of a Shareholders' meeting or before the base date for the distribution of dividends determined by the Company, such provisions prevail.

A Shareholder of the Company shall be entitled to the following rights:

(I) to receive distribution of dividends and any other forms of benefits according to the number of Shares held by them;

(II) to request, convene, hold, preside over, participate in or appoint a proxy to participate in the Shareholders' meeting and exercise corresponding speaking and voting rights thereat in accordance with laws;

(III) to supervise the Company's operations, and provide recommendations or make enquiries thereon;

(IV) to transfer, grant and pledge the Shares held by he/she in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

(V) to inspect and produce the Articles, register of members (register of holders), minutes of Shareholders' meeting, resolutions of the Board, and financial and accounting reports. Shareholders who meet the requirements may inspect the Company's accounting books and vouchers;

(VI) to participate in the distribution of the remaining assets of the Company in proportion to the number of Shares held by he/she in the event of termination or liquidation of the Company;

(VII) to request the Company to buy back their Shares if the Shareholders object to the resolution on merger or division proposed at the Shareholders' meeting;

(VIII) any other rights as provided for by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The Articles of Association, resolutions of the Shareholders' meeting or resolutions of the Board shall be in compliance with the laws and regulations, and must not deprive of or restrict the legal rights of Shareholders. The Company shall be liable to protect the legitimate rights of Shareholders and ensure they are treated fairly.

A Shareholder who requests to inspect or produce relevant documents of the Company shall comply with the provisions of Company Law, the Securities Law and other laws, administrative regulations and the securities regulatory rules of the place where the Company's Shares are listed, and provide written documents proving the classes and numbers of Shares of the Company they hold to the Company. The Company shall provide such information as requested by the shareholder after Shareholder's identity is verified.

Where the content of a resolution of the Shareholders' meeting and the Board meeting of the Company violates laws or administrative regulations, the Shareholders are entitled to request the people's court to hold it invalid.

If the convening procedures or voting methods of the Shareholders' meeting and the Board meeting violates laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the Shareholders are entitled to request the people's court to revoke the resolution within 60 days from the date it is passed, except where there are only minor defects in the convening procedures or voting methods of the Shareholders' meeting and the Board meeting, which do not materially affect the resolution(s). Shareholders who are not notified to attend the Shareholders' meeting may request the people's court to revoke the resolution within 60 days from the date they become aware or ought to become aware of the resolution. If they fail to exercise the right to revoke within one year from the date the resolution was passed, the right to revoke shall be extinguished.

If a Director (other than a member of the Audit Committee) or a senior management member violates the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association in the performance of his/her duties and causes losses to the Company, he/she shall be liable for compensation.

If a Director (other than a member of the Audit Committee) or a senior management member violates laws, administrative regulations or the Articles of Association in the performance of his/her duties and causes loss to the Company, a Shareholder individually or Shareholders jointly holding 1% or more of the Shares of the Company for at least 180 consecutive days shall have the right to request in writing the Audit Committee to initiate a lawsuit with a people's court on behalf of the Company. If a member of the Audit Committee violates the provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association in the performance of his/her duties and causes losses to the Company, the aforesaid Shareholder may request in writing the Board to initiate legal proceedings with the people's court.

In the event that the Audit Committee or the Board refuses to initiate proceedings upon receipt of the Shareholders' written request specified in the preceding paragraph, or fails to initiate proceedings within 30 days upon receipt of such request, or in the event that the failure to immediately initiate proceedings in an emergency case will cause irreparable damage to the interests of the Company, the Shareholders specified in the preceding paragraph may, in their own name, directly initiate proceedings with a people's court for the interests of the Company.

If any Directors or senior management members violate the laws, administrative regulations, or the provisions of the Articles of Association and jeopardize the interests of the Shareholders, the Shareholders may initiate proceedings with a people's court.

The Company shall be liable for any damage to others caused by a Director or any senior management member in the performance of his/her duties. The Director or the senior management member in question shall also be liable if such damage is caused by his/her intentional or gross negligence.

Shareholders of the Company shall assume the following obligations:

(I) to abide by the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association;

(II) to pay subscription monies according to the number of Shares subscribed for by them and the method of subscription;

(III) not to withdraw his/her capital contribution except as required by the laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed;

(IV) not to abuse the rights of shareholders to damage the interests of the Company or other Shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of Shareholders to damage the interests of the creditors of the Company.

(V) to fulfil any other obligations imposed by the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

If a Shareholder of the Company abuses his/her rights as Shareholder and causes losses to the Company or other Shareholders, he/she shall be liable for compensation in accordance with laws. If a Shareholder of the Company abuses the independent status of the Company as a legal person and the limited liability of Shareholders to evade debts, seriously harming the interests of the Company's creditors, he/she shall bear joint and several liabilities for the Company's debts.

If a Shareholder uses two or more companies under his/her control to commit the acts referred to in the preceding paragraph, each such company shall bear joint and several liability for the debts of any one of such companies.

CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLERS

The Controlling Shareholder(s) and actual controller(s) of the Company shall comply with the following provisions:

(I) to exercise their rights as Shareholders in accordance with laws, and not to abuse their controlling power or to use their connected relationship to prejudice the legitimate interests of the Company or other Shareholders;

(II) to strictly implement the public statements and undertakings made and shall not change or waive them without authorization;

(III) to fulfill information disclosure obligations in strict compliance with relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are about to occur;

(IV) not to misappropriate the Company's funds in any way;

(V) not to order, instruct, or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(VI) not to make use of the Company's undisclosed material information to gain benefits, not to divulge in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

(VII) not to prejudice the legitimate rights and interests of the Company and other Shareholders through unfair connected transactions, profit distribution, asset restructuring, external investment or any other means;

(VIII) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organization and business, and not to affect the independence of the Company in any way;

(IX) to act in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and other provisions of the Articles of Association.

Where a Controlling Shareholder or an actual controller of the Company instructs a Director or a senior management member to engage in an act that is detrimental to the interests of the Company or the Shareholders, he/she shall bear joint and several liabilities with the Director or senior management member.

GENERAL PROVISIONS ON SHAREHOLDERS' MEETING

The Shareholders' meeting of the Company shall be composed of all the Shareholders. The Shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:

(I) to elect and replace Directors who are not employee representatives and to decide on matters concerning the remuneration of Directors;

(II) to consider and approve the report of the Board;

(III) to consider and approve the profit distribution plan and loss recovery plan of the Company;

(IV) to resolve on the increase or reduction of the registered capital of the Company;

(V) to resolve on the issue of corporate bonds;

(VI) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;

(VII) to amend the Articles of Association;

(VIII) to resolve on the Company's appointment and dismissal of the accounting firm undertaking the auditing business of the Company;

(IX) to consider and approve the guarantee matters stipulated in Article 62 of the Articles of Association;

(X) to consider matters concerning the purchase or sale of major assets by the Company exceeding 30% of its latest audited total assets within one year;

(XI) to consider and approve matters concerning the change of the use of the proceeds raised;

(XII) to consider the share incentive schemes and employee shareholding plans;

(XIII) to authorize the Board to resolve on the issue of corporate bonds;

(XIV) to consider other matters which shall be decided by the Shareholders' meeting as provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The following external guarantee activities of the Company shall be subject to consideration and approval by the Shareholders' meeting:

(I) any single guarantee with an amount exceeding 10% of the latest audited net assets of the Company;

(II) any guarantee provided after the aggregate amount of external guarantees of the Company and its controlling subsidiaries exceeds 50% of the latest audited net assets of the Company;

(III) any guarantee provided to a guarantee recipient whose debt-to-asset ratio exceeds 70%;

(IV) any guarantee provided by the Company to others within one year with an amount exceeding 30% of the latest audited total assets of the Company;

(V) any guarantee provided after the aggregate amount of external guarantees of the Company exceeds 30% of its latest audited total assets;

(VI) any guarantee provided to a Shareholder, actual controller or its connected person;

(VII) other guarantee circumstances which require consideration and approval by the Shareholders' meeting as provided by the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

Subject to the other provisions of the Articles of Association, item (IV) above shall be passed by two thirds or more of the voting rights held by the Shareholders present at the meeting.

Where the Company provides a guarantee for a wholly-owned subsidiary, or provides a guarantee for a controlling subsidiary and the other shareholders of the controlling subsidiary provide guarantees in the same proportion according to their interests and no prejudice is caused to the interests of the Company, the provisions of items (I) to (III) of the preceding paragraph may be exempted.

Where a Shareholders' meeting violates the approval authority and review procedures for external guarantees, the relevant Shareholders who violated such approval authority and review procedures shall be jointly and severally liable.

Where a transaction of the Company (other than the provision of a guarantee) meets any of the following criteria, it shall be submitted to the Shareholders' meeting for consideration:

(I) the total assets involved in the transaction (where both the book value and the appraised value exist, the higher shall prevail) account for 50% or more of the latest audited total assets of the Company;

(II) the consideration of the transaction accounts for 50% or more of the market capitalisation of the Company;

(III) the net assets of the subject of transaction (such as equity interests) for the most recent financial year account for 50% or more of the market capitalisation of the Company;

(IV) the relevant operating revenue of the subject of transaction (such as equity interests) for the most recent financial year accounts for 50% or more of the audited operating revenue of the Company for the most recent financial year and exceeds RMB50 million;

(V) the profits generated from the transaction account for 50% or more of the audited net profits of the Company for the most recent financial year and exceed RMB5 million;

(VI) the relevant net profits of the subject of transaction (such as equity interests) in the latest financial year account for 50% or more of the audited net profits of the Company for the most recent financial year and exceed RMB5 million;

(VII) a transaction between the Company and a connected person the amount of which (other than the provision of a guarantee) accounts for 1% or more of the latest audited total assets or market capitalisation of the Company and exceeds RMB30 million;

(VIII) other transactions which require Shareholders' approval under the securities regulatory rules of the place where the Company's Shares are listed (including but not limited to Chapters 14 and 14A of the Hong Kong Listing Rules).

Shareholders' meetings shall be divided into annual Shareholders' meeting and extraordinary Shareholders' meeting. An annual Shareholders' meeting shall be held once every year and shall be held within six months after the end of the preceding financial year.

The Company shall convene an extraordinary Shareholders' meeting within two months from the date on which any of the following circumstances occurs:

(I) the number of Directors is less than the number stipulated in the PRC Company Law or two-thirds or more of the number stipulated in the Articles of Association;

(II) the losses of the Company which have not been made up amount to one-third or more of the total share capital;

(III) Shareholders holding, individually or in aggregate, 10% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) so request;

(IV) the Board considers it necessary;

(V) the Audit Committee proposes to convene such a meeting;

(VI) one-half or more of the independent Directors propose to convene such a meeting and the Board considers and approves the same;

(VII) other circumstances provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The shareholding referred to in item (III) above shall be calculated by reference to the Shares of the Company held by the Shareholders on the date on which they submit the written request.

The time limit of "convening an extraordinary Shareholders' meeting within two months" provided in items (III), (V) and (VI) above shall commence from the date on which the Board receives the written proposal submitted by the proposing Shareholders, the Audit Committee or the independent Directors that meets the conditions stipulated in the Articles of Association.

If an extraordinary Shareholders' meeting is convened in response to the provisions of the securities regulatory rules of the place where the Company's Shares are listed, the actual date of the extraordinary Shareholders' meeting may be adjusted according to the progress of approval by the securities regulatory authority of the place where the Company's Shares are listed (if applicable).

Convening of Shareholders' Meetings

A Shareholders' meeting shall be convened by the Board. If the Board is unable to perform, or fails to perform, its duty to convene Shareholders' meetings, the Audit Committee shall promptly convene and chair the meeting; if the Audit Committee fails to convene and chair the meeting, Shareholders who have individually or in aggregate held 10% or more of the Shares of the Company (including Class A Shares and Class B Shares) for at least 90 consecutive days may convene and chair the meeting themselves.

The Board shall convene Shareholders' meetings on time within the prescribed period.

Upon consideration by a special meeting of the independent Directors and approval by a majority of all the independent Directors, the independent Directors shall be entitled to propose to the Board the convening of an extraordinary Shareholders' meeting. In respect of a proposal by the independent Directors to convene an extraordinary Shareholders' meeting, the Board shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, give written feedback within 10 days upon receipt of the proposal as to whether or not it agrees to convene the extraordinary Shareholders' meeting. If the Board agrees to convene the extraordinary Shareholders' meeting, it shall dispatch the notice of the Shareholders' meeting within five days after passing the resolution of the Board; if the Board does not agree to convene the extraordinary Shareholders' meeting, it shall state the reasons and make an announcement.

Where the Audit Committee proposes to the Board the convening of an extraordinary Shareholders' meeting, it shall do so in writing. The Board shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association give written feedback within 10 days upon receipt of the proposal as to whether or not it agrees to convene the extraordinary Shareholders' meeting.

If the Board agrees to convene the extraordinary Shareholders' meeting, it will dispatch the notice of the Shareholders' meeting within five days after passing the resolution of the Board, and any change to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board does not agree to convene the extraordinary Shareholders' meeting, or fails to give feedback within 10 days upon receipt of the proposal, the Board shall be deemed to be unable to perform, or to have failed to perform, its duty to convene Shareholders' meetings, and the Audit Committee may convene and chair the meeting itself.

Where Shareholders holding, individually or in aggregate, 10% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) request the Board to convene an extraordinary Shareholders' meeting, they shall do so in writing. The Board shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association give written feedback within 10 days upon receipt of the request as to whether or not it agrees to convene the extraordinary Shareholders' meeting.

If the Board agrees to convene the extraordinary Shareholders' meeting, it shall dispatch the notice of the Shareholders' meeting within five days after passing the resolution of the Board, and any change to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Board does not agree to convene the extraordinary Shareholders' meeting, or fails to give feedback within 10 days upon receipt of the request, Shareholders holding, individually or in aggregate, 10% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) may propose to the Audit Committee the convening of an extraordinary Shareholders' meeting, and shall submit a written request to the Audit Committee.

If the Audit Committee agrees to convene the extraordinary Shareholders' meeting, it shall dispatch the notice of the Shareholders' meeting within five days after receipt of the request, and any change to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Audit Committee fails to dispatch the notice of the Shareholders' meeting within the prescribed period, the Audit Committee shall be deemed to have failed to convene and chair the Shareholders' meeting, and Shareholders who have individually or in aggregate held 10% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) for over 90 consecutive days may convene and chair the meeting themselves.

Where the Audit Committee or the Shareholders decide to convene a Shareholders' meeting themselves, they shall notify the Board in writing and, in accordance with the securities regulatory rules of the place where the Company's Shares are listed, complete the necessary reporting, announcement or filing.

The Audit Committee or the convening Shareholders shall, at the time of the notice of the Shareholders' meeting and the announcement of the resolution of the Shareholders' meeting, submit the relevant supporting materials to the relevant securities regulatory authority in accordance with the securities regulatory rules of the place where the Company's Shares are listed.

Prior to the announcement of the resolution of the Shareholders' meeting, the shareholding of the convening Shareholders (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) shall not be less than 10%.

In respect of a Shareholders' meeting convened by the Audit Committee or the Shareholders themselves, the Board and the Board secretary shall cooperate. The Board will provide the register of members as at the record date.

The expenses necessary for a Shareholders' meeting convened by the Audit Committee or the Shareholders themselves shall be borne by the Company.

Proposals and Notice of Shareholders' Meetings

The contents of a proposal for a Shareholders' meeting shall fall within the functions and powers of the Shareholders' meeting, shall have clear subject matters and specific matters for resolution, and shall comply with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board, the Audit Committee and Shareholders holding, individually or in aggregate, 1% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled), or holders of Class B Shares holding, individually or in aggregate, 10% or more of the Shares of the Company (for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled), shall be entitled to submit proposals to the Company. An interim proposal shall have clear subject matters and specific matters for resolution. The Company shall not raise the shareholding requirement for Shareholders submitting interim proposals.

Shareholders holding, individually or in aggregate, 1% or more of the Shares of the Company (including Class A Shares and Class B Shares, on the basis of one vote per Share; and for the avoidance of doubt, no voting rights are attached to the treasury Shares of the Company which have been repurchased but not yet transferred or cancelled) may submit an interim proposal 10 days prior to the convening of the Shareholders' meeting and deliver it in writing to the convener. The convener shall, within two days after receipt of the proposal, dispatch a supplemental notice of the Shareholders' meeting, announce the contents of the interim proposal and submit the interim proposal to the Shareholders' meeting for consideration, unless the interim proposal violates the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association, or does not fall within the functions and powers of the Shareholders' meeting. If, in accordance with the securities regulatory rules of the place where the Company's Shares are listed, the Shareholders' meeting is required to be postponed as a result of the publication of a supplemental notice of the Shareholders' meeting, the convening of the Shareholders' meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's Shares are listed.

Save as provided in the preceding paragraph, after announcing the notice of the Shareholders' meeting, the convener shall not amend the proposals already set out in the notice of the Shareholders' meeting or add new proposals.

The Shareholders' meeting shall not vote on and resolve any proposal which is not set out in the notice of the Shareholders' meeting or which does not comply with the provisions of the Articles of Association.

The convener shall notify all Shareholders in writing (including by way of announcement) 21 days prior to the convening of an annual Shareholders' meeting, and 15 days prior to the convening of an extraordinary Shareholders' meeting.

The notice of a Shareholders' meeting shall include the following:

(I) the time, place and duration of the meeting;

(II) the matters and proposals submitted to the meeting for consideration;

(III) a statement prominently stating that all Shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote on their behalf, and that such proxy need not be a Shareholder of the Company;

(IV) the record date for Shareholders entitled to attend the Shareholders' meeting;

(V) the name and telephone number of the standing contact person for the meeting;

(VI) the voting time and voting procedures for voting by network or other means;

(VII) other contents which should be included in the notice as provided by the relevant laws, regulations, rules, normative documents, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association;

(VIII) the notice of the Shareholders' meeting shall contain a statement explaining the right of H Shareholders to appoint proxies and the limitation on the number of proxies.

After the notice of a Shareholders' meeting has been dispatched, the Shareholders' meeting shall not be postponed or cancelled, and the proposals set out in the notice of the Shareholders' meeting shall not be cancelled, without good reason. Once a postponement or cancellation occurs, the convener shall make an announcement and explain the reasons at least two business days prior to the originally scheduled date. Where the securities regulatory rules of the place where the Company's Shares are listed contain special provisions on the procedures for postponing or cancelling a Shareholders' meeting, the relevant provisions shall also be complied with.

Holding of Shareholders' Meetings

All Shareholders and their proxies registered in the register of members as at the record date pursuant to the securities regulatory rules of the place where the Company's Shares are listed shall be entitled to attend the Shareholders' meeting, to speak at the Shareholders' meeting and to exercise voting rights in accordance with the relevant laws, regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association (unless an individual Shareholder is required to abstain from voting on a particular matter under the securities regulatory rules of the place where the Company's Shares are listed).

Shareholders may attend a Shareholders' meeting in person or appoint a proxy to attend, speak and vote on their behalf. Each Shareholder shall be entitled to appoint one proxy, but such proxy need not be a Shareholder of the Company. If a Shareholder is a legal person, it may appoint a representative to attend any Shareholders' meeting of the Company and vote thereat, and if such corporate Shareholder has appointed a representative to attend any meeting, it shall be deemed to be personally present. A corporate Shareholder may execute a form of proxy by its duly authorized officer. Such proxy may, in accordance with the appointment by the Shareholder, exercise the following rights:

(I) the right of such Shareholder to speak at the Shareholders' meeting;

(II) to demand a poll on its own or together with others;

(III) to exercise voting rights by a show of hands or by poll (unless such Shareholder is required to abstain from voting on a particular matter under the securities regulatory rules of the place of listing), unless otherwise provided by the relevant laws, administrative regulations and the listing rules of the stock exchange or other securities laws and regulations.

Where an individual Shareholder attends a meeting in person, he/she shall produce his/her identity card or other valid document or certificate evidencing his/her identity; where a proxy attends a meeting on behalf of another person, he/she shall produce his/her valid identity document, the power of attorney from the Shareholder and a copy of the identity document of the principal.

A corporate Shareholder shall be represented at a meeting by its legal representative or a proxy appointed by its legal representative. If the legal representative attends the meeting, he/she shall produce his/her identity card and a valid certificate evidencing his/her capacity as legal representative; if a proxy attends the meeting, the proxy shall produce his/her identity card, a written power of attorney duly issued by the legal representative of the corporate Shareholder and a copy of the business license of the corporate Shareholder, except where the Shareholder is a recognized clearing house and its nominee(s) as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or in the securities regulatory rules of the place where the Company's Shares are listed.

If a Shareholder is a recognized clearing house (or its nominee(s)) as defined in the relevant ordinances in force from time to time in Hong Kong or the securities regulatory rules of the place where the Company's Shares are listed, such Shareholder may authorize its corporate representative or any one or more persons it considers appropriate to act as its proxy or representative at any Shareholders' meeting or any meeting of creditors; provided that, if one or more persons are authorized, the instrument of authorization shall specify the number and class of Shares in respect of which each such person is so authorized. A person so authorized may exercise the rights on behalf of such Shareholder (without producing evidence of shareholding, notarized authorization and/or further evidence of due authorization), and shall be entitled to the same statutory rights as other Shareholders, including the right to speak and to vote, as if such person were an individual Shareholder of the Company.

Where a Shareholders' meeting requires the attendance of Directors and members of the senior management, the Directors and members of the senior management shall attend and accept inquiries from Shareholders.

Shareholders' meetings shall be chaired by the chairman of the Board. If the chairman is unable to perform, or fails to perform, his duties, a Director shall be jointly elected by more than half of the Directors to chair the meeting. A Shareholders' meeting convened by the Audit Committee itself shall be chaired by the convener of the Audit Committee. If the convener of the Audit Committee is unable to perform, or fails to perform, his/her duties, a member of the Audit Committee shall be jointly elected by more than half of the members of the Audit Committee to chair the meeting. A Shareholders' meeting convened by the Shareholders themselves shall be chaired by the convener or a representative elected by it. If, at a Shareholders' meeting, the chairman of the meeting violates the rules of procedure such that the Shareholders' meeting cannot continue, the Shareholders' meeting may, with the consent of more than half of the voting rights held by the Shareholders present at the Shareholders' meeting, elect a person to act as the chairman of the meeting and continue the meeting.

Voting and Resolutions at Shareholders' Meetings

Resolutions of a Shareholders' meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution of a Shareholders' meeting shall be passed by one-half or more of the voting rights held by the Shareholders (including Shareholders' proxies) present at the Shareholders' meeting. A special resolution of a Shareholders' meeting shall be passed by two-thirds or more of the voting rights held by the Shareholders (including Shareholders' proxies) present at the Shareholders' meeting. When the holders of Class A Shares and Class B Shares vote on all resolutions submitted to a Shareholders' meeting of the Company for voting, the holders of Class A Shares shall be entitled to five votes per Share and the holders of Class B Shares shall be entitled to one vote per Share, provided that, when the Shareholders' meeting votes on resolutions in respect of the following matters, the number of votes attached to each Class A Share shall be the same as the number of votes attached to each Class B Share, that is, one vote each:

(I) any amendment to the Articles of Association;

(II) any change to the number of votes attached to the Class A Shares or any variation of the rights attached to any class of Shares;

(III) the appointment or removal of independent Directors of the Company;

(IV) the appointment or removal of the accounting firm that issues audit opinions on the Company's periodic reports;

(V) the merger, division, dissolution (including voluntary winding-up) or change of corporate form of the Company;

(VI) any change to the Company's principal business;

(VII) the consideration of the Company's profit distribution plan and loss recovery plan;

(VIII) other matters as required by the securities regulatory rules of the place where the Company's Shares are listed.

A resolution of the Shareholders' meeting on item (II) above shall be passed by two-thirds or more of the voting rights held by the Shareholders present at the meeting, provided that the conversion of the corresponding number of Class A Shares into Class B Shares in accordance with Articles 26 and 31 of the Articles of Association shall not be subject to the aforesaid requirement of being passed by two-thirds or more of the voting rights.

To the extent permitted by the securities regulatory rules of the place where the Company's Shares are listed, when voting, a Shareholder (including a Shareholder's proxy) with two or more votes need not cast all of its votes in favour, against or by way of abstention.

The following matters shall be passed by the Shareholders' meeting by ordinary resolution:

(I) the report of the Board;

(II) the appointment and dismissal of the accounting firm;

(III) the appointment and removal of the members of the Board and their remuneration and method of payment;

(IV) the issue of corporate bonds;

(V) the profit distribution plan and loss recovery plan formulated by the Board;

(VI) other matters other than those required by laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association to be passed by special resolution.

The following matters shall be passed by the Shareholders' meeting by special resolution:

(I) the increase or reduction of the registered capital of the Company;

(II) the division, spin-off, merger, dissolution and liquidation (including voluntary winding-up) or change of corporate form of the Company;

(III) the amendment of the Articles of Association;

(IV) the purchase or sale of major assets by the Company within one year, or the provision of guarantees to others, in an amount exceeding 30% of the latest audited total assets of the Company;

(V) share incentive schemes;

(VI) other matters provided by laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association, and those which the Shareholders' meeting determines by ordinary resolution as having a material impact on the Company and requiring to be passed by special resolution.

The Shares of the Company held by the Company shall carry no voting rights, and such Shares shall not be counted in the total number of Shares carrying voting rights present at a Shareholders' meeting.

Where a Shareholder acquires voting Shares of the Company in violation of the provisions of the first and second paragraphs of Article 63 of the PRC Securities Law, the Shares in excess of the prescribed proportion shall not be entitled to voting rights within 36 months after their acquisition, and shall not be counted in the total number of Shares carrying voting rights present at a Shareholders' meeting. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

In accordance with the securities regulatory rules of the place where the Company's Shares are listed, if any Shareholder is required to abstain from voting on a resolution, or any Shareholder is restricted to voting only in favor of (or against) a resolution, the votes cast by such Shareholder or its proxy in breach of the relevant provisions or restrictions shall not be counted in the total number of Shares carrying voting rights.

When a Shareholders' meeting considers major matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of the separate count shall be publicly disclosed in a timely manner.

The Board of the Company, the independent Directors, Shareholders holding 1% or more of the voting Shares, or an investor protection institution established in accordance with laws, administrative regulations or the provisions of the securities regulatory authority of the place where the Company's Shares are listed may publicly solicit voting rights from Shareholders. When soliciting voting rights from Shareholders, the specific voting intentions and other information shall be fully disclosed to the persons solicited. It is prohibited to solicit voting rights from Shareholders for consideration or disguised consideration. Save for the statutory conditions, the Company shall not impose a minimum shareholding requirement on the solicitation of voting rights. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

When a Shareholders' meeting considers matters concerning connected-party transactions, the connected Shareholders shall not participate in the voting, and the number of voting Shares represented by them (including Class A Shares and Class B Shares) shall not be counted in the total number of valid votes; such connected-party transaction matters shall be voted on by the non-connected Shareholders present at the meeting, and the connected-party transaction matter shall be passed if more than half of the valid votes are in favor; if such transaction matter falls within the scope of a special resolution, it shall be passed by two-thirds or more of the valid votes. The announcement of the resolution of the Shareholders' meeting shall fully disclose the voting by the non-connected Shareholders.

DIRECTORS AND THE BOARD

General Provisions on Directors

The Directors of the Company shall be natural persons and shall possess the qualifications required by laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's Shares are listed. A person may not serve as a Director of the Company under any of the following circumstances:

(I) he/she has no capacity for civil conduct or has limited capacity for civil conduct;

(II) he/she has been sentenced to criminal punishment for embezzlement, bribery, misappropriation of property, misappropriation of funds or disruption of the order of the socialist market economy, or has been deprived of political rights for a crime, and less than five years have elapsed since the expiry of the execution period, or, where he/she has been granted a suspended sentence, less than two years have elapsed since the expiry of the probation period;

(III) he/she served as a director, factory manager or manager of a company or enterprise in bankruptcy liquidation and was personally responsible for the bankruptcy of such company or enterprise, and less than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

(IV) he/she served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close for violating the law and was personally responsible, and less than three years have elapsed since the revocation of the business license or the order to close of such company or enterprise;

(V) he/she has been listed by the People's Court as a dishonest judgment debtor for failing to satisfy a relatively large debt due;

(VI) he/she has been subject to a market ban imposed by the CSRC prohibiting him/her from serving as a director or member of the senior management of a listed company, and the period of such ban has not expired;

(VII) he/she has been determined by the securities regulatory authority of the place where the Company's Shares are listed as unsuitable to serve as a director or member of the senior management of a listed company, and the period of such determination has not expired;

(VIII) other circumstances provided by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company's Shares are listed. Any election or appointment of Directors in violation of this Article shall be invalid. If a Director falls within any of the circumstances set out in this Article during his/her term of office, the Company will remove him/her from office and terminate his/her performance of duties.

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, owe a duty of loyalty to the Company, take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their powers to obtain improper benefits. Directors owe the following duties of loyalty to the Company:

(I) they shall not misappropriate the property of the Company or misappropriate the funds of the Company;

(II) they shall not deposit the funds of the Company in accounts opened in their own names or in the names of other individuals;

(III) they shall not use their powers to offer bribes or accept other illegal income;

(IV) they shall not, without reporting to the Board or the Shareholders' meeting and being approved by a resolution of the Board or the Shareholders' meeting in accordance with the Articles of Association, directly or indirectly enter into contracts or conduct transactions with the Company;

(V) they shall not use their position to take advantage of business opportunities belonging to the Company for themselves or others, unless they have reported to the Board or the Shareholders' meeting and obtained a resolution of the Shareholders' meeting, or the Company is unable to take advantage of such business opportunity in accordance with laws, administrative regulations or the Articles of Association;

(VI) they shall not, without reporting to the Board or the Shareholders' meeting and being approved by a resolution of the Shareholders' meeting, operate on their own account or for others the same type of business as that of the company in which they serve;

(VII) they shall not accept commissions from others in connection with transactions with the Company for their own benefit;

(VIII) they shall not disclose the secrets of the Company without authorization;

(IX) they shall not prejudice the interests of the Company by taking advantage of their connected relationships;

(X) other duties of loyalty provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

Where a close relative of a Director or a member of the senior management, an enterprise directly or indirectly controlled by a Director or a member of the senior management or their close relatives, or a connected person having other connected relationships with a Director, enters into a contract or conducts a transaction with the Company, the provisions of item (IV) of the second paragraph of this Article shall apply. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

Any income obtained by a Director in violation of this Article shall belong to the Company; where losses are caused to the Company, he/she shall be liable for compensation.

Subject to the relevant laws, regulations and securities regulatory rules of the place where the Company's Shares are listed, where a Director takes advantage of his position to obtain for himself or others business opportunities belonging to the Company, or operates on his own account or for others the same type of business as that of the company in which he serves, he/she shall report to the Board or the Shareholders' meeting, fully explain the reasons, the measures to prevent conflicts between his/her own interests and the interests of the Company, and the impact on the Company, and shall make disclosure. The Company shall consider the matter in accordance with the procedures provided in the Articles of Association.

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, owe a duty of diligence to the Company, and shall, in performing their duties, exercise the reasonable care that a manager would ordinarily exercise in the best interests of the Company. Directors owe the following duties of diligence to the Company:

(I) they shall prudently, conscientiously and diligently exercise the powers conferred on them by the Company to ensure that the business activities of the Company comply with the requirements of national laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the various national economic policies, and that the business activities do not exceed the scope of business stipulated in the business license;

(II) they shall treat all Shareholders fairly;

(III) they shall keep themselves informed of the operation and management of the Company in a timely manner;

(IV) they shall sign written confirmation opinions on the periodic reports of the Company and ensure that the information disclosed by the Company is true, accurate and complete;

(V) they shall truthfully provide the Audit Committee with relevant information and materials and shall not obstruct the Audit Committee in exercising its functions and powers;

(VI) other duties of diligence provided by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

The Company shall establish a director departure management system which specifies the safeguards for pursuing and recovering liabilities in respect of unperformed public undertakings and other outstanding matters. Upon a Director's resignation taking effect or the expiry of his/her term of office, he/she shall complete all handover procedures with the Board, and his/her duties of loyalty to the Company and the Shareholders shall not automatically cease upon the expiry of his/her term of office, but shall remain effective for two years after his/her resignation takes effect or two years after the expiry of his/her term of office. A Director's obligation of confidentiality in respect of the confidential information of the Company shall remain effective after the end of his/her office until such confidential information becomes public information. The duration of other obligations shall be determined on the principle of fairness, having regard to the length of time between the occurrence of the event and the departure and the circumstances and conditions under which his/her relationship with the Company ended. The liabilities to be borne by a Director in respect of the performance of his/her duties during the term of office shall not be released or terminated by reason of his/her departure.

Board of Directors

The Company shall establish a Board of Directors, which shall consist of seven to nine Directors, with one chairman and one employee representative Director. The chairman shall be elected by the Board of Directors by a majority of all Directors. Directors of the Company may include executive Directors, non-executive Directors and independent Directors. Non-executive Directors refer to Directors who do not hold operational management positions in the Company.

The Company shall have at least three independent Directors, who shall constitute no less than one-third of the Board of Directors and shall include at least one accounting professional. Independent Directors shall retire by rotation at least once every three years.

The Board of Directors shall exercise the following functions and powers:

(I) to convene a Shareholders' meeting and report its work to the Shareholders' meeting;

(II) to implement the resolutions passed at the Shareholders' meeting;

(III) to decide on the Company's business plans and investment proposal;

(IV) to formulate the Company's profit distribution plans and loss recovery plans;

(V) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities and the listing plan;

(VI) to formulate proposals for major acquisitions of the Company, acquisition of the Company's Shares or mergers, division, dissolutions and changes in the form of the Company;

(VII) to decide on matters of the Company such as external investment, acquisition and disposal of assets, asset-based mortgages, external guarantee, entrusted wealth management, related party (connected) transactions and donations to others within the scope of authority of the Shareholders' meeting;

(VIII) to decide on the establishment of the internal management bodies of the Company;

(IX) to decide on the appointment or dismissal of the manager, the secretary to the Board of Directors and other senior management of the Company and to determine their remuneration, incentives and penalties; to decide on the appointment or dismissal of senior management (such as chief financial officer, chief technology officer and senior vice president) as nominated by the manager;

(X) to formulate the Company's basic management system;

(XI) to formulate proposals for any amendment to the Articles of Association;

(XII) to manage the information disclosure of the Company;

(XIII) to propose to the Shareholders' meeting on appointment or change of the accounting firm that provides audit services to the Company;

(XIV) to listen to the work report of the manager of the Company and inspect his/her work;

(XV) any other functions and powers as conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed, the Articles of Association or the Shareholders' meeting.

Matters beyond the scope of authority of the Shareholders' meeting shall be submitted to the Shareholders' meeting for consideration.

The chairman shall exercise the following functions and powers:

(I) to preside over the Shareholders' meeting and convene and preside over the Board meeting;

(II) to supervise and inspect the implementation of resolutions of the Board of Directors;

(III) to sign relevant documents on behalf of the Company, subject to the provisions of the Articles of Association;

(IV) any other functions and powers as conferred by laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, and as delegated by the Board.

The Board of Directors shall hold at least four regular meetings every year, which shall be convened by the chairman, and all Directors shall be notified 14 days prior to the meeting by fax, email, personal delivery or mail.

Shareholders representing one-tenth or more of the voting rights, or one-third or more of the Directors, or the Audit Committee, may propose the convening of an extraordinary meeting of the Board. The chairman shall convene and preside over a Board meeting within 10 days after receiving the proposal. Where an extraordinary meeting of the Board is convened by the Board of Directors, all Directors shall be notified by fax, email, personal delivery or mail at least three days prior to the meeting.

A Director who is associated (connected) with an enterprise or an individual involved in a resolution of a meeting of the Board of Directors shall report in writing to the Board of Directors in a timely manner. A Director who has an associated (connected) relationship shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other Directors. Where a Director or any of his/her close associates has a material interest in any contract, arrangement or any other proposal, such Director shall not vote on the resolution of the Board approving such contract, arrangement or proposal, and shall not be counted in the quorum present at the meeting, except as provided in Rule 13.44 of the Hong Kong Listing Rules. The meeting of the Board of Directors may be held when more than half of the non-associated (connected) Directors are present, and a resolution of the meeting of the Board of Directors shall be approved by more than half of the non-associated (connected) Directors. Where the number of non-associated (connected) Directors attending the meeting of the Board of Directors is less than three, the matter shall be submitted to the Shareholders' meeting for consideration. Where the laws and regulations or the securities regulatory rules of the place where the Company's Shares are listed contain other provisions or restrictions on Directors' participation in, and voting at, the meeting of the Board of Directors, such provisions shall prevail.

A Director shall attend the meeting of the Board of Directors in person, or if he/she is unable to attend the meeting due to any reason, he/she may entrust any other Director in writing to attend on behalf of him/her. Such instrument of proxy shall specify the name of proxy, matters authorized, powers delegated and validity term, among others, and be signed or stamped by the principal. A Director attending a meeting as the proxy of another Director shall exercise the rights of a Director within the powers delegated by the principal. Any Director who fails to attend a meeting of the Board of Directors in person or by proxy shall be deemed to have waived his/her voting rights at such meeting.

Independent Directors

In accordance with the requirements of the laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, independent Directors shall diligently perform their duties, play a role in decision-making, supervision and checks and balances, and the provision of professional consultation in the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority Shareholders.

The Company shall establish a mechanism of special meeting attended by all independent Directors. Where the Board of Directors considers related party (connected) transactions and other matters, prior approval shall be obtained from the special meeting of independent Directors.

The Company shall convene special meetings of independent Directors on a regular or irregular basis. Matters listed in items (I) to (III) in the first paragraph in Article 149 and Article 150 of the Articles of Association shall be considered by the special meeting of independent Directors.

The special meeting of independent Directors may study and discuss other matters of the Company as necessary. The special meeting of independent Directors shall be convened and presided over by an independent Director jointly elected by a majority of the independent Directors; in the event that the convener fails to perform his/her duties or is unable to perform his/her duties, two or more independent Directors may convene the special meeting on their own and elect a representative to preside over the meeting.

Minutes of special meetings of independent Directors shall be prepared in accordance with the regulations, and the opinions of the independent Directors shall be set out in the minutes. The independent Directors shall sign to confirm the minutes.

The Company shall facilitate and support the convening of special meetings of independent Directors.

The chairman shall hold at least one meeting with independent Directors every year without the presence of other Directors.

Special Committees of the Board of Directors and Compliance Advisor

The Board of Directors of the Company has established an Audit Committee to exercise the powers and functions of the supervisory committee as stipulated in the Company Law. The Audit Committee shall consist of at least three members, all of whom shall be non-executive Directors, with a majority of whom being independent Directors, and the convener shall be an accounting professional among the independent Directors.

The Board of Directors of the Company shall establish special committees such as the Strategy Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Corporate Governance Committee, and may also establish other special committees as required. The special committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals made by special committees shall be submitted to the Board of Directors for consideration and decision. The Board of Directors shall be responsible for formulating the working procedures of special committees.

The Company shall appoint a compliance adviser on a permanent basis. The Directors shall consult with and, if necessary, seek advice from the compliance adviser, on a timely and on-going basis:

(I) before the publication of any regulatory announcement, circular or financial report by the Company;

(II) where a transaction, which might be a notifiable transaction or a connected transaction (as defined in the Hong Kong Listing Rules), is contemplated by the Company, including Share issues and Share repurchases;

(III) where the Company proposes to use the proceeds of its initial public offering in a manner different from that detailed in the listing document in respect of such initial public offering, or where the business activities, developments or results of the Company deviate from any forecast, estimate or other data set out in such listing document; and

(IV) where the Hong Kong Stock Exchange makes an inquiry of the Company under the Hong Kong Listing Rules.

The Directors shall also consult with, and if necessary, seek advice from, the compliance adviser, on a timely and on-going basis, in the circumstances set out in Rule 3A.23 of the Hong Kong Listing Rules and on any matters related to:

(I) the weighted voting rights structure of the Company;

(II) transactions in which holders of Class A Shares have an interest;

(III) where there is a potential conflict of interest between the Company, a subsidiary of the Company and/or Shareholders (considered as a group) on one hand, and any holder of Class A Shares on the other; and

(IV) other matters for which the compliance adviser is required to be consulted under the Hong Kong Listing Rules.

Senior Management

The Company shall have one manager, who is appointed or dismissed by the Board of Directors. The manager, chief financial officer, Board secretary, chief technology officer and senior vice president of the Company shall be the senior management of the Company.

The provisions of the Articles of Association on the circumstances under which a person may not serve as a Director and the provisions on the management of departure shall also apply to senior management. The provisions of the Articles of Association on the duty of loyalty and the duty of diligence of Directors shall also apply to senior management.

The manager shall be accountable to the Board of Directors and exercise the following duties and powers:

(I) to be in charge of the production, operation and management of the Company, organize the implementation of the resolutions of the Board of Directors and report to the Board of Directors;

(II) to organize the implementation of the annual business plan and investment proposal of the Company;

(III) to formulate the proposal for the establishment of the internal management body of the Company;

(IV) to formulate the basic management system of the Company;

(V) to formulate the details of the rules and regulations of the Company;

(VI) to propose to the Board of Directors to appoint or dismiss other senior management of the Company;

(VII) to decide on the appointment and dismissal of the department managers and other personnel of the Company, and to determine, in accordance with the relevant policies adopted by the Board of Directors, the salaries, bonus and welfare plans, incentives, promotions and penalties of such department managers and personnel;

(VIII) to decide to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(IX) to carry out the matters that shall be performed by the Company as required by the Articles of Association and resolutions passed by the Board of Directors from time to time;

(X) to prepare and submit reports to the Board of Directors on the Company's operations, marketing, capital expenditures, human resources, and other business matters;

(XI) to negotiate, sign, amend, and perform operating contracts and other contracts with third parties (contracts which require the approval of the Board of Directors or the Shareholders' meeting pursuant to the provisions of the Articles of Association shall be submitted to the Board of Directors or the Shareholders' meeting for approval before they are signed, amended, or performed);

(XII) to prepare and submit to the Board of Directors proposals on the organizational structure appropriate to the Company's operations, the establishment of departments and their responsibilities and functions, and to implement the same upon approval by the Board of Directors;

(XIII) to conduct day-to-day management and guidance on all employees of the Company, including but not limited to personnel engaged in marketing, sales, procurement, and services;

(XIV) to direct the work of all other department managers;

(XV) to perform other duties and powers as conferred by the Articles of Association or the Board of Directors.

The manager shall attend meetings of the Board of Directors.

The Company shall have a secretary to the Board of Directors, who shall be responsible for the preparation of the Shareholders' meetings and the Board meetings of the Company, the custody of document and the management of information of the Company' s Shareholders, and the information disclosure affairs.

The secretary to the Board of Directors shall comply with the laws, administrative regulations, departmental rules and relevant provisions of the Articles of Association.

FINANCIAL AND ACCOUNTING SYSTEMS, DISTRIBUTION OF PROFIT AND AUDIT

Financial and Accounting Systems

The Company shall establish its financial and accounting system in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's Shares are listed and the relevant provisions of the competent departments of the state.

The Company shall submit and disclose its annual report to the local branches of CSRC and the Shanghai Stock Exchange within four months from the end of each accounting year, and submit and disclose its interim report to the local branches of CSRC and the Shanghai Stock Exchange within two months from the end of the first half of each accounting year. The abovementioned annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's Shares are listed.

The Company shall not have any other accounting books other than statutory accounting books. The Company's fund shall not be deposited in any accounts opened in the name of any individual.

Distribution of Profit

When distributing each year's after-tax profits, the Company shall set aside 10% of profits for its statutory reserve (except where such reserve has reached 50% or more of the Company's registered capital).

If the Company's statutory reserve is insufficient to cover the losses for the previous years, the current year's profits shall be utilized before being set aside according to the abovementioned provision.

After making its appropriation to the statutory reserve, the Company may, by way of a resolution at the Shareholders' meeting, set aside a discretionary reserve from after-tax profits.

The remaining after-tax profits of the Company after making up losses and appropriation to reserves shall be distributed in proportion to the shareholdings of Shareholders, except as otherwise provided in the Articles of Association.

If the Shareholders' meeting distributes profits to Shareholders in violation of the Company Law, the Shareholders shall return the profits so distributed to the Company; if losses are caused to the Company, the Shareholders and the responsible Directors and senior management members shall be liable for compensation.

The Shares of the Company held by the Company are not entitled to the distribution of profits.

The Company shall appoint one or more receiving agent(s) in Hong Kong for Shareholders of the H Shares. Such receiving agent(s) shall, on behalf of Shareholders of the H Shares, receive and keep dividends distributed by the Company and other payments payable by the Company in respect of the H Shares for payment to such Shareholders of H Shares. The receiving agent(s) appointed by the Company shall meet the requirements of laws, regulations and the securities regulatory rules of the place where the Company's Shares are listed.

The Company's reserves are used to cover losses, expand production and operation, or be converted into additional Share capital of the Company.

When using reserves to cover the Company's losses, the discretionary reserve and statutory reserve shall be used first. If the losses still cannot be made up, the capital reserve shall be utilized according to the provisions.

When statutory reserve is converted into additional registered capital, the remaining amount of such reserve shall not be less than 25% of the registered capital of the Company before conversion.

The distribution of dividends (or Shares) shall be completed within two months after the profit distribution plan has been resolved at the Shareholders' meeting of the Company or the Board of Directors of the Company formulates a specific plan in accordance with the conditions and cap for the next year's interim dividend reviewed and approved by the annual Shareholders' meeting. Where the implementation of the specific plan cannot be implemented within two months due to the provisions of laws, regulations and securities regulatory rules of the place where the Company's Shares are listed, the implementation date of such specific plan may be adjusted accordingly pursuant to such provisions and the actual circumstances.

Internal Audit

The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, application of audit results and accountability in relation to internal audit work.

The internal audit system of the Company shall be implemented after approval by the Board of Directors and disclosed to the public.

The internal audit body of the Company shall supervise and inspect the Company's business activities, risk management, internal control, financial information and other matters.

Engagement of Accounting Firm

The Company shall engage an accounting firm which is qualified under the provisions of the Securities Law and the securities regulatory rules of the place where the Company's Shares are listed to conduct accounting statement audit, net asset verification and other related consultation services. The term of such engagement is one year and subject to renewal.

The engagement and dismissal of an accounting firm by the Company must be subject to the resolution of the Shareholders' meeting, while the Board of Directors shall not appoint any accounting firm before the resolution of the Shareholders' meeting.

The Company shall guarantee to provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the accounting firm it engages without any refusal, withholding and misrepresentation.

The audit fee payable to the accounting firm shall be determined by the Shareholders' meeting.

Prior to the removal or non-renewal of the appointment of the accounting firm by the Company, 20 days of prior notice shall be given to the accounting firm, and the accounting firm shall be allowed to state its opinions when the Shareholders' meeting of the Company votes on the dismissal of the accounting firm.

Where the accounting firm tenders its resignation, it shall make clear to the Shareholders' meeting whether there has been any impropriety on the part of the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

Merger of the Company may take the form of either merger by absorption or merger by new establishment.

Merger by absorption means that a company absorbs another company and the absorbed company shall be dissolved. Where two or more companies merge into a new company, it is a merger by new establishment, and the parties to the merger shall be dissolved.

Where the Company merges with a company in which it holds 90% or more of the Shares, the merged company is not subject to the resolution of the Shareholders' meeting but shall notify other Shareholders, who shall have the right to request the Company to acquire their equity or Shares at a reasonable price.

Where the consideration for the merger payable by the Company does not exceed 10% of the Company's net assets, the merger is not subject to the resolution of the Shareholders' meeting, unless otherwise provided in the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association.

In the case of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the resolution approving the merger, and shall publish an announcement in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 30 days thereafter. The creditors are entitled to require the Company to settle the debts or to provide corresponding guarantee within 30 days after the receipt of the notification or, in the event that no such notification is received, within 45 days after the date of the announcement. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

Upon merger of the Company, claims and debts of parties to the merger shall be taken over by the surviving company or the newly established company.

When the Company is divided, its property shall be divided accordingly.

In the event of a division of the Company, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the resolution approving the division, and shall publish an announcement in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 30 days thereafter. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

Debts of the Company before its division shall be jointly assumed by the companies after the division, unless otherwise agreed by a written agreement entered into between the Company and its creditors in relation to the settlement of debts before division.

Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days after the date of the resolution approving reduction in registered capital passed at the Shareholders' meeting, and shall publish an announcement in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 30 days thereafter. The creditors are entitled to require the Company to settle the debts or to provide corresponding guarantee within 30 days after the receipt of the notification or, in the event that no such notification is received, within 45 days after the date of the announcement. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

Where the Company reduces its registered capital, it shall reduce the amount of capital contribution or Shares according to the proportion of the Shares held by the Shareholders, unless otherwise provided by laws, the securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

If the Company is still in a loss position after making up for its losses in accordance with the provisions of the second paragraph of Article 180 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the losses, the Company shall not make any distribution to its Shareholders, nor exempt the Shareholders from the obligations to make capital contributions or call on Shares.

Where the registered capital is reduced in accordance with the preceding provisions, the provisions of the second paragraph of Article 210 of the Articles of Association shall not apply, but it shall be announced in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 30 days after the date of the resolution approving reduction in registered capital passed at the Shareholders' meeting. Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

After reducing the registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of the statutory reserve and the discretionary reserve reaches 50% of its registered capital.

If the reduction of the registered capital is in violation of the Company Law and other relevant regulations or the provisions of the Articles of Association, the Shareholders shall return the funds they have received, and the Shareholders' capital contributions so reduced shall be restored to the original amount; if losses are caused to the Company, the Shareholders and responsible Directors and senior management shall be liable for compensation.

Where an increase in registered capital of the Company is made by means of issue of new Shares, the Shareholders shall not have any pre-emptive right unless otherwise provided in the Articles of Association or the Shareholders' meeting resolves that the Shareholders shall have pre-emptive right.

When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the laws. When the Company is dissolved, the Company shall deregister in accordance with the laws. When a new company is established, its establishment shall be registered in accordance with the laws.

The increase or reduction in the registered capital by the Company shall be registered with the company registration authority in accordance with the laws.

Dissolution and Liquidation

The Company may be dissolved for the following reasons:

(I) the expiration of the business term stipulated in the Articles of Association or the occurrence of other dissolution events specified the Articles of Association;

(II) the Shareholders' meeting resolves to dissolve the Company;

(III) dissolution is necessary due to merger or division of the Company;

(IV) the Company's business license is revoked or the Company is ordered to close or be revoked according to laws;

(V) where the Company encounters severe difficulties in its operation and management, and its continued existence would cause significant losses to the interests of the Shareholders, and such difficulties cannot be resolved through other means, Shareholders holding 10% or more of all voting rights may request the people's court to dissolve the Company.

If any of the dissolution events specified in the preceding paragraph arise, the Company shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

In the event of the circumstances in (I) and (II) above, the Company may carry on its existence by amending the Articles of Association or upon a resolution of the Shareholders' meeting if no assets have been distributed to any Shareholder.

Amendments to the Articles of Association or a resolution of the Shareholders' meeting in accordance with the provisions described in the preceding paragraph shall be approved by two-thirds or more of the voting rights held by the Shareholders attending the Shareholders' meeting.

If the Company is dissolved as provided in (I), (II), (IV) or (V) above, it shall be liquidated. Directors are the Company's liquidation obligors and shall form a liquidation group to carry out liquidation within 15 days from the date when dissolution events occur. The liquidation group shall be composed of the Directors, unless otherwise provided for in the Articles of Association or resolved by the Shareholders' meeting to elect other persons. A liquidation obligor shall be liable for compensation if he/she fails to fulfill its liquidation obligations in a timely manner and causes losses to the Company or its creditors. In the event the liquidation group is not established to conduct liquidation or the liquidation is not conducted after establishment of the liquidation group during such period, an interested party may apply to the people' s court to designate relevant personnel to form the liquidation group to conduct liquidation.

Where the Company is dissolved as provided in (IV) above, the department or company registration authority that made the decision to revoke the business license, order closure or revoke may apply to the people's court to designate relevant personnel to form a liquidation group to conduct liquidation.

The liquidation group shall conduct a comprehensive inventory check of the Company's property, claims, and debts, prepare a balance sheet and an inventory of property, formulate the basis for the valuation and calculation of the Company's property, and settle its debts with the Company's assets. In addition, the liquidation group shall set aside a reserve fund that it considers reasonably necessary for any contingent or unforeseen debts or obligations of the Company.

The liquidation group shall notify creditors within 10 days from the date of its establishment, and make an announcement in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from receipt of the notification or, in the event that no such notification is received, within 45 days after the date of the announcement.

Creditors declaring their claims shall state the matters relevant to the claims and provide supporting materials. The liquidation group shall register such claims.

During the period for declaration of creditors' claims, the liquidation group shall not make repayment to the creditors.

Where the securities regulatory rules of the place where the Company's Shares are listed provide otherwise for the liquidation of the Company, such relevant provisions shall also be complied with.

Upon sorting the Company's assets and preparation of balance sheet and inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. The Company's remaining assets after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to the Shareholders in proportion to their shareholding.

Where the liquidation group, after sorting the Company's assets and preparation of balance sheet and inventory of assets, discovers that the Company's assets are insufficient to repay its debts in full, it shall apply to the people's court for bankruptcy liquidation in accordance with the laws.

After the people's court accepts the bankruptcy application, the liquidation group shall hand over the liquidation process to the bankruptcy administrator designated by the people's court.

If the Company is declared bankrupt in accordance with the laws, bankruptcy liquidation shall be processed in accordance with the laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES

Under any of the following circumstances, the Company shall amend the Articles:

(I) after the amendments to the Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's Shares are listed, the matters stipulated in the Articles are in conflict with the provisions of the amended laws, administrative regulations and the securities regulatory rules of the place where the Company's Shares are listed;

(II) changes in the situation of the Company are inconsistent with the matters set out in the Articles;

(III) the Shareholders' meeting decides to amend the Articles.

Where the approval from the competent authority is required for the amendments to the Articles adopted by the resolution of the Shareholders' meeting, such amendments shall be submitted to the competent authority for approval; where the Company's registered particulars are involved, the changes shall be made to the registration in accordance with the laws.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting on the amendments and the approval opinions of relevant competent authorities.

Where the amendments to the Articles constitute information required to be disclosed by the laws, regulations and the securities regulatory rules of the place where the Company's Shares are listed, such amendments shall be announced in accordance with the regulations.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our Company was incorporated in the PRC on January 18, 2013 under the name of Shenzhen Orbbec Technology Co., Ltd. (深圳奧比中光科技有限公司) and was converted into a joint stock limited company on October 27, 2020. Our Company completed the listing of our A Shares on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688322) on July 7, 2022.

As of the date of this document, our Company's registered office and headquarters are located at Room 2001, Orbbec Technology Building, No. 88 Gaoxin North 1st Road, Songpingshan Community, Xili Sub-district, Nanshan District, Shenzhen, Guangdong Province, the PRC. Our Company's corporate structure and Articles of Association are governed by PRC laws and regulations. A summary of the relevant provisions of our Articles of Association is set out in "Appendix III — Summary of Articles of Association" to this document.

Our principal place of business in Hong Kong is at Room 1917, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. We have registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●]. Ms. WONG Ka Yin (黃嘉妍), one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process is the same as our principal place of business in Hong Kong.

2. Changes in the Share Capital of Our Company

Save as disclosed below, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this document.

As approved by the fifteenth meeting of the second session of the Board on June 6, 2025, our Company issued 1,098,840 A Shares on June 23, 2025 for the vesting of the restricted shares granted under the 2022 Share Incentive Plan. Upon completion of this issuance, our Company's total share capital increased from RMB400,001,000 to RMB401,099,840.

As approved by the twentieth meeting of the second session of the Board on October 24, 2025, our Company issued 44,400 A Shares on November 10, 2025 for the vesting of the restricted shares granted under the 2022 Share Incentive Plan. Upon completion of this issuance, our Company's total share capital increased from RMB401,099,840 to RMB401,144,240.

As approved by the 2024 annual Shareholders' meeting on May 21, 2025, and with the approval obtained from the CSRC, 10,103,092 A Shares were issued to specific investors on June 22, 2026. Upon completion of this issuance, our Company's total share capital increased from RMB401,144,240 to RMB411,247,332.

As approved by the twenty-seventh meeting of the second session of the Board on June 8, 2026, our Company issued 1,587,400 A Shares on July 15, 2026 for the vesting of the restricted shares granted under the 2022 Share Incentive Plan. Upon completion of this issuance, our Company's total share capital increased from RMB411,247,332 to RMB412,834,732.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I to this document.

On April 17, 2025, the registered capital of Shenzhen Aoxin Microvision Technology Co., Ltd. (深圳奧芯微視科技有限公司) ("**Shenzhen Aoxin Microvision**") was increased from RMB51 million to RMB59 million.

On July 11, 2025, the registered capital of Shenzhen Orisen Technology Co., Ltd. (深圳市奧日升技術有限公司) was increased from RMB1 million to RMB31 million.

On September 4, 2025, the registered capital of Shanghai Aoshida Intelligent Technology Co., Ltd. (上海奧視達智能科技有限公司) was increased from RMB40 million to RMB75 million.

On November 13, 2025, ROBOT VISION MANUFACTURING COMPANYPTE. LTD. was incorporated in Singapore with an issued share capital of SG$300,000.

On March 2, 2026, RVMC VIETNAM COMPANY LIMITED was incorporated in Vietnam with a capital of US$4,000,000.

On March 26, 2026, Orbbec (Hangzhou) Technology Co., Ltd. (奧比中光（杭州）科技有限公司) was incorporated in the PRC with a registered capital of RMB0.3 million.

On May 15, 2026, the capital of RVMC VIETNAM COMPANY LIMITED was increased from US$4,000,000 to US$8,400,000.

Save as disclosed above, there has been no alteration in the share capital of any of our subsidiaries during the two years immediately preceding the date of this document.

4. Resolutions of Shareholders of Our Company Passed on September 14, 2026

At the Shareholders' meeting of our Company held on September 14, 2026, the following resolutions, among others, were passed by the Shareholders:

(a) the issuance of H Shares with a nominal value of RMB1.0 each by our Company, which are all Class B Ordinary Shares and such H Shares be [**REDACTED**] on the Stock Exchange;

(b) the number of H Shares to be [**REDACTED**] before the exercise of the [**REDACTED**] shall be no more than 10% of the total issued share capital of our Company as enlarged by the [**REDACTED**], and the Board may, based on market conditions, grant to the [**REDACTED**] of the [**REDACTED**] of not more than 15% of the number of H Shares initially [**REDACTED**] pursuant to the [**REDACTED**];

(c) subject to the completion of the [**REDACTED**], the Articles of Association to become effective on the [**REDACTED**] shall be conditionally adopted, and the Board and its authorized person have been authorized to amend the Articles of Association in accordance with any comments from the relevant regulatory authorities; and

(d) to authorize the Board and its authorized person to handle the matters relating to, among others, the [**REDACTED**], the issuance and [**REDACTED**] of the H Shares.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract(s)

We [have entered] into the following contract(s) (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

(a) the [**REDACTED**].

2. Intellectual Property Rights

(i) Trademarks

(i) Registered Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Registered owner	Class	Registration number	Expiry date
1. . . .	奥比中光 ORBBEC	PRC	Company	9	31532790	June 6, 2029
2. . . .	奥 比 中 光	PRC	Company	9	17260809	August 27, 2036
3. . . .	奥 比 中 光	PRC	Company	9	31992184	March 27, 2029
4. . . .	奥 比 中 光	PRC	Company	9	58555351	February 13, 2032
5. . . .	ORBBEC	PRC	Company	9	31978913	March 27, 2029
6. . . .	ORBBEC	PRC	Company	9	58552184	February 13, 2032
7. . . .	ORBBEC	PRC	Company	42	31972462	April 6, 2029
8. . . .	ORBBEC	PRC	Company	41, 42, 45	58556435	February 13, 2032
9. . . .		PRC	Company	9, 45	58553427	August 20, 2032
10. . . .	ORBBEC	PRC	Company	9	12140961	August 27, 2035
11. . . .	ORBBEC	PRC	Company	9	31978950	July 20, 2029
12. . . .	ORBBEC	PRC	Company	42	31992172	February 27, 2030
13. . . .	蚂 里 奥	PRC	Shenzhen Malio	9	33810674	July 27, 2029
14. . . .	MALIO	PRC	Shenzhen Malio	9	41687760	June 27, 2030
15. . . .	MALIO	PRC	Shenzhen Malio	9	35997421	February 20, 2030
16. . . .	MALIO	PRC	Shenzhen Malio	9	35999529	February 20, 2030
17. . . .		United Kingdom	Company	9	UK00003819500	August 12, 2032
18. . . .	ORBBEC	Japan	Company	9	6665400	January 24, 2033

No.	Trademark	Place of registration	Registered owner	Class	Registration number	Expiry date
19. . . .		Japan	Company	9	6664947	January 23, 2033
20. . . .		EU	Company	9	018747922	August 15, 2032
21. . . .	Orbbec	U.S.	Orbbec US	9	4863166	December 1, 2035
22. . . .		U.S.	Orbbec US	9	7293029	January 30, 2034
23. . . .	ORBBEC	U.S.	Orbbec US	9	7100834	July 4, 2033
24. . . .	ORBBEC	Korea	Company	9	40-2202734	May 31, 2034
25. . . .		Korea	Company	9	40-2202735	May 31, 2034
26. . . .	ORBBEC	India	Company	9	5570020	August 16, 2032
27. . . .		India	Company	9	5570021	August 16, 2032

(ii) Trademark under Application

As of the Latest Practicable Date, we had applied for registration of the following trademark which we consider to be or may be material to our business:

No.	Trademark	Applicant	Class	Place of application	Application date	Application number
1.		Company	9, 42	Hong Kong	September 1, 2026	307395120
2.	ORBBEC Orbbec orbbec	Company	9, 42	Hong Kong	September 1, 2026	307395139
3.	奥比中光 奥比中光	Company	9, 42	Hong Kong	September 2, 2026	307395850

(ii) Patents

(i) Registered Patents

As of the Latest Practicable Date, we owned the following registered patents which we consider to be or may be material to our business:

No.	Owner	Patent	Type of patent	Patent number	Expiration date	Place of registration
1. . .	Company	Real-time 3D point cloud fusion and rendering method, apparatus and system (實時三維點雲融合及渲染方法、裝置和系統)	invention	2023112000567	September 15, 2043	PRC
2. . .	Company	Texture mapping method, apparatus, device and storage medium based on 3D face reconstruction (基於人臉三維重建的紋理貼圖方法、裝置、設備和存儲介質)	invention	202310896865X	July 20, 2043	PRC
3. . .	Company	An image acquisition device calibration method and apparatus for 3D printers (一種應用於3D打印機的圖像採集設備標定方法和裝置)	invention	2023106883411	June 9, 2043	PRC
4. . .	Company	Installation error acquisition method, apparatus and 3D printer (安裝誤差獲取方法、裝置和3D打印機)	invention	2023106886072	June 9, 2043	PRC
5. . .	Shenzhen Oradar Technology (深圳奧銳達科技有限公司) (**"Shenzhen Oradar"**)	A SPAD chip-based scanning LiDAR (一種基於SPAD芯片的掃描式激光雷達)	invention	2022115098721	November 29, 2042	PRC
6. . .	Shenzhen Oradar	A scanning LiDAR (一種掃描式激光雷達)	invention	202211355842X	November 1, 2042	PRC
7. . .	Shenzhen Oradar	Time-coded demodulation processing circuit and method (時間編碼解調處理電路及方法)	invention	2019108136568	August 30, 2039	PRC
8. . .	Shenzhen Oradar	Time-coded demodulation processing circuit and method (時間編碼解調處理電路及方法)	invention	2019108136591	August 30, 2039	PRC
9. . .	Company	Time-of-flight depth camera and noise-reduced distance measurement method using single-frequency modulation and demodulation (時間飛行深度相機及單頻調製解調的降低噪聲的距離測量方法)	invention	2019105181044	June 14, 2039	PRC
10. .	Company	Time-of-flight depth camera and noise-reduced distance measurement method using multi-frequency modulation and demodulation (時間深度相機及多頻調製解調的降低噪聲的距離測量方法)	invention	2019105181059	June 14, 2039	PRC
11. .	Company	Time-of-flight depth camera and distance measurement method using single-frequency modulation and demodulation (時間飛行深度相機及單頻調製解調的距離測量方法)	invention	2019103857796	May 9, 2039	PRC
12. .	Company	Time-of-flight depth camera and distance measurement method using multi-frequency modulation and demodulation (時間飛行深度相機及多頻調製解調的距離測量方法)	invention	2019103863693	May 9, 2039	PRC

No.	Owner	Patent	Type of patent	Patent number	Expiration date	Place of registration
13.	Company	Depth image engine and depth image calculation method (深度圖像引擎及深度圖像計算方法)	invention	2018101245606	February 7, 2038	PRC
14.	Company	Structured light projection module based on VCSEL array light source (基於VCSEL陣列光源的結構光投影模組)	invention	2017103590678	May 19, 2037	PRC
15.	Company	Depth camera based on VCSEL array light source (基於VCSEL陣列光源的深度相機)	invention	2017103595563	May 19, 2037	PRC
16.	Company	Laser array for 3D imaging (應用於3D成像的激光陣列)	invention	2017103092121	May 4, 2037	PRC
17.	Company	Laser array for 3D imaging (用於3D成像的激光陣列)	invention	2017103092225	May 4, 2037	PRC
18.	Company	Depth calculation processor, data processing method and 3D image device (深度計算處理器、數據處理方法以及3D圖像設備)	invention	2017102492339	April 17, 2037	PRC
19.	Company	Multi-mode depth calculation processor and 3D image device (多模式深度計算處理器以及3D圖像設備)	invention	2017102498852	April 17, 2037	PRC
20.	Company	Depth image acquisition system and method (深度圖像獲取系統和方法)	invention	2017101386281	March 9, 2037	PRC
21.	Company	Method, apparatus, scanner, and scanning system for point cloud data processing (點雲數據處理的方法、裝置、掃描儀和掃描系統)	invention	202311128435X	August 31, 2043	PRC
22.	Company	An automatic switching method for multiple print heads, multi-color 3D printing system, and computer storage medium (一種多打印噴頭自動切換方法、多色3D打印系統和計算機存儲介質)	invention	2025114315630	September 30, 2045	PRC
23.	Company, Orbbec Shunde	An integrated depth camera (一種一體式深度相機)	utility model	2025218304950	August 26, 2035	PRC
24.	Company	LiDAR (激光雷達)	utility model	2025201763899	January 27, 2035	PRC
25.	Company	Depth camera (深度相機)	utility model	2025201722808	January 23, 2035	PRC
26.	Company	A scanning chip, scanner and scanning system for dual scanning modes (一種實現雙掃描模式的掃描芯片、掃描儀及掃描系統)	utility model	2024226992642	November 6, 2034	PRC
27.	Company	Depth camera (深度相機)	utility model	2024209545525	April 30, 2034	PRC
28.	Company	3D scanner (三維掃描儀)	utility model	2024209571708	April 29, 2034	PRC
29.	Company	3D scanner (3D掃描儀)	design	2025305770242	September 27, 2040	PRC
30.	Company	Depth camera (深度相機)	design	2025305154448	August 29, 2040	PRC
31.	Company	Main body of LiDAR (激光雷達的主體)	design	2025302312187	April 25, 2040	PRC
32.	Company	3D scanner (3D掃描儀)	design	2024308200157	December 24, 2039	PRC
33.	Shenzhen Aoxin Microvision	A depth measurement apparatus and system (一種深度測量裝置及系統)	invention	2022111408076	September 20, 2042	PRC
34.	Company, Orbbec Shunde	A 3D scanner, power supply handle, and 3D scanning system (一種三維掃描儀、供電手柄及三維掃描系統)	utility model	2025218892702	September 2, 2035	PRC
35.	Company	Housing and main body of the stereo camera (雙目相機的殼體及主體)	design	2025305872250	September 30, 2040	PRC

(ii) Patents under Application

As of the Latest Practicable Date, we had applied for the registration of the following patents which we consider to be or may be material to our business:

No.	Applicant	Patent application	Type of patent	Application number	Application date	Place of registration
1. . .	Company	A stereo matching method, apparatus, and electronic device (一種立體匹配方法、裝置及電子設備)	invention	2022109647882	August 12, 2022	PRC
2. . .	Company and Shenzhen Aoxin Microvision	Depth estimation model and method, training system, and i-TOF depth camera (深度估計模型及方法、訓練系統及i-TOF深度相機)	invention	202310361985X	March 29, 2023	PRC
3. . .	Company	Flow calibration method for 3D printer and 3D printer (3D打印機流量的校準方法和3D打印機)	invention	2023106868337	June 9, 2023	PRC
4. . .	Company	A leveling method applied to a heated bed and 3D printer (一種應用於熱床的調平方法和3D打印機)	invention	2023106873208	June 9, 2023	PRC
5. . .	Company	Stereo matching method, apparatus, stereo depth camera, and electronic device (立體匹配的方法、裝置、雙目深度相機和電子設備)	invention	2023111974567	September 15, 2023	PRC
6. . .	Company	A mesh simplification method and system for 3D models (一種三維模型的網格簡化方法和系統)	invention	202311376005X	October 20, 2023	PRC
7. . .	Company	A point cloud stitching method based on stereo structured light system and related products (一種基於雙目結構光系統的點雲拼接方法及相關產品)	invention	2023113879162	October 24, 2023	PRC
8. . .	Company	A scanning chip, scanner, scanning system, and scanning method for implementing dual scanning modes (一種實現雙掃描模式的掃描芯片、掃描儀、掃描系統及掃描方法)	invention	2024115727099	November 6, 2024	PRC
9. . .	Aocheng Shanghai	A photosensitive chip and distance measurement apparatus (一種感光芯片和距離測量裝置)	invention	202510082094X	January 17, 2025	PRC
10. .	Company	LiDAR, error calibration method, compensation method, and computer-readable storage medium (激光雷達、誤差標定方法、補償方法及計算機可讀存儲介質)	invention	2025101263816	January 27, 2025	PRC
11. .	Company	A visual calibration method based on multiple print heads and multi-color 3D printing system (一種基於多打印噴頭的視覺校準方法和多色3D打印系統)	invention	2025114315861	September 30, 2025	PRC
12. .	Company, Orbbec Shunde	A 3D reconstruction method, 3D reconstruction apparatus, computer storage medium, and 3D reconstruction system (一種三維重建方法、三維重建裝置、計算機存儲介質和三維重建系統)	invention	2025115395878	October 24, 2025	PRC
13. .	Company	A rotary scanning base and LiDAR (一種旋轉掃描底座及激光雷達)	utility model	2025213306860	June 26, 2025	PRC
14. .	Company	A visual calibration apparatus and multi-color 3D printing system (一種視覺校準裝置及多色3D打印系統)	utility model	2025221262313	September 30, 2025	PRC
15. .	Company	3D scanner (3D掃描儀)	design	2026301980284	April 24, 2026	PRC
16. .	Company	Head-mounted acquisition terminal (頭戴式採集終端)	design	2026302669678	May 28, 2026	PRC

No.	Applicant	Patent application	Type of patent	Application number	Application date	Place of registration
17. .	Company	Data acquisition gripper (數據採集夾爪)	design	2026303025324	June 12, 2026	PRC
18. .	Company	Wristband camera (腕帶相機)	design	2026303277293	June 25, 2026	PRC

(iii) Copyrights

As of the Latest Practicable Date, we were the registered proprietors of the following software copyrights which we consider to be or may be material to our business:

No.	Software	Owner	Registration number	Place of registration	Registration date
1. . . .	ORBBEC SDK Software V2.0 (奧比中光ORBBEC SDK軟體V2.0)	Company	2016SR087529	PRC	April 26, 2016
2. . . .	ORBBEC SDK Software V1.0 (奧比中光ORBBEC SDK軟體V1.0)	Company	2015SR170381	PRC	September 1, 2015
3. . . .	Dual-Mode 3D Vision Sensor Dedicated SDK Software V1.0 (雙模三維視覺傳感器專用SDK軟體V1.0)	Company	2022SR0778939	PRC	June 17, 2022
4. . . .	RGBD Skeleton SDK Software V1.0 (RGBD骨架SDK軟體V1.0)	Company	2022SR1088220	PRC	August 11, 2022
5. . . .	CrealityScan Handheld Scanning PC Software V1.0 (CrealityScan 手持掃描PC軟體V1.0)	Company	2023SR0837140	PRC	July 17, 2023
6. . . .	CrealityScan Handheld Scanning Android Software V1.0.10 (CrealityScan手持掃描安卓端軟體V1.0.10)	Company	2023SR0837141	PRC	July 17, 2023
7. . . .	Orbbec Depth Image Acquisition System V3.0 (奧比中光深度圖像採集系統V3.0)	Company	2025SR0314148	PRC	February 21, 2025
8. . . .	Orbbec Depth Image Acquisition System V2.0 (奧比中光深度圖像採集系統V2.0)	Company	2019SR0946650	PRC	September 11, 2019
9. . . .	Orbbec Depth Image Acquisition System V1.0 (奧比中光深度圖像採集系統V1.0)	Company	2016SR319994	PRC	November 4, 2016
10. . .	Malio Depth Image Viewing and Saving Tool Software V1.0 (螞裡奧深度圖片查看保存工具軟體V1.0)	Shenzhen Malio	2019SR0650414	PRC	June 24, 2019

No.	Software	Owner	Registration number	Place of registration	Registration date
11. . .	Malio Offline Payment 3D Camera and RGB Color Camera Alignment Software V1.0 (螞裡奧線下支付3D攝像頭和RGB彩色攝像頭對齊軟體V1.0)	Shenzhen Malio	2019SR0651514	PRC	June 25, 2019
12. . .	Malio Automatic Burning Verification Production Cloud Platform V1.0 (螞裡奧基於自動燒錄驗證生產雲平台V1.0)	Shenzhen Malio	2019SR0651521	PRC	June 25, 2019
13. . .	Malio RGB Module WDR Effect Optimization Software (螞裡奧RGB模組WDR效果優化軟體)	Shenzhen Malio	2019SR1141956	PRC	November 12, 2019
14. . .	3D Camera Multi-Distance Calibration Software V1.0 (3D攝像頭多距離標定軟體V1.0)	Shenzhen Malio	2025SR0904383	PRC	May 30, 2025
15. . .	3D Camera Depth Self-Calibration Software V1.0 (3D攝像頭深度自校準軟體V1.0)	Shenzhen Malio	2025SR0904382	PRC	May 30, 2025
16. . .	Android Platform-Based 3D Camera Cloud Calibration System V1.0 (基於Android平台3D攝像頭雲標定系統V1.0)	Shenzhen Malio	2025SR0904380	PRC	May 30, 2025
17. . .	3D Camera Aging Test Software V1.0 (3D攝像頭老化測試軟體V1.0)	Shenzhen Malio	2025SR0904356	PRC	May 30, 2025
18. . .	3D Camera Inspection Software V1.0 (3D攝像頭檢測軟體V1.0)	Shenzhen Malio	2025SR0904304	PRC	May 30, 2025

(iv) Domain Name

As of the Latest Practicable Date, we owned the following domain name which we consider to be or may be material to our business:

No.	Domain name	Owner	Expiry date
1.	orbbec.net	Company	February 18, 2032
2.	orbbec.cn	Company	February 18, 2032
3.	orbbec.com.cn	Company	February 18, 2032
4.	orbbec.com	Company	February 18, 2032
5.	3dmalio.com	Shenzhen Malio	March 26, 2029
6.	3dmario.cn	Shenzhen Malio	June 13, 2028
7.	3dmario.com	Shenzhen Malio	June 13, 2028

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents or other intellectual or industrial property rights which were material in relation to our Group's business.

C. SHARE INCENTIVE PLANS

As of the Latest Practicable Date, our Company had three Share Incentive Plans in effect, namely the 2022 Share Incentive Plan, the 2024 Share Incentive Plan and the 2026 Share Incentive Plan. All Share Incentives under the 2022 Share Incentive Plan and the 2024 Share Incentive Plan had been fully granted. The Share Incentives under the 2022 Share Incentive Plan were granted in two tranches, with 74,000 Share Incentives granted under the reserved tranche remaining unvested and outstanding. The Share Incentives under the 2024 Share Incentive Plan were granted in one tranche, in which 377,510 Share Incentives remained unvested and outstanding. The Share Incentives under the 2026 Share Incentive Plan are divided into two tranches, of which the first tranche of 1,752,800 Share Incentives had been fully granted but remained unvested and outstanding, and the reserved tranche, comprising 300,000 Shares Incentives, remained ungranted. No further grant shall be made by the Company under the 2026 Share Incentive Plan unless the plan and the grants thereunder are in full compliance with the provisions of Chapter 17 of the Listing Rules.

1. Summary of Principal Terms

The following is a summary of the principal terms of the Share Incentive Plans.

(a) Purpose

The purposes of the Share Incentive Plans are to further improve our long-term incentive mechanism, attract and retain outstanding talents, and fully motivate their enthusiasm and innovation to enhance cohesion and core competitiveness of our Company. The Share Incentive Plans are implemented to align the interests of our Shareholders, our Company and our team members, which is beneficial to the sustainable development of our Group.

(b) Administration

The 2022 Share Incentive Plan shall be subject to the approval of the Shareholders' meeting, the administration of the Board and the supervision of the supervisory committee and the independent Directors.

The 2024 Share Incentive Plan shall be subject to the approval of the Shareholders' meeting, the administration of the Board (including the suggestions from the Remuneration and Appraisal Committee) and the supervision of the supervisory committee.

The 2026 Share Incentive Plan shall be subject to the approval of the Shareholders' meeting, the administration of the Board and the suggestions and supervision of the Remuneration and Appraisal Committee.

(c) Eligible Participants

The eligible participants of the 2022 Share Incentive Plan include our Company's Directors and senior management and such other personnel as the Board considers should be incentivized (excluding independent Directors and supervisors).

The eligible participants of the 2024 Share Incentive Plan include our Company's foreign employees and such other personnel as the Board considers should be incentivized (excluding Directors, senior management, supervisors, shareholders who individually or collectively hold 5% or more of the shares of our Company, and our actual controller together with his spouse, parents and children).

The eligible participants of the 2026 Share Incentive Plan include our Company's Directors and senior management and such other personnel as the Board considers should be incentivized (excluding independent Directors, shareholders who individually or collectively hold 5% or more of the shares of our Company, and the actual controller together with his spouse, parents and children).

(d) Source and Maximum Number of Shares

The Shares underlying the 2022 Share Incentive Plan are new A Shares to be issued by our Company, the Shares underlying the 2024 Share Incentive Plan and the 2026 Share Incentive Plan are new A Shares to be issued by our Company or A Shares to be purchased by our Company from the secondary market. The number of Shares granted to any individual grantee under all the Share Incentive Plans currently in effect shall not exceed 1% of our Company's total share capital.

Subject to the adjustment mechanisms set out in paragraph 10 below, the maximum number of Share Incentives initially available to be granted under each Share Incentive Plan is as follows:

Share Incentive Plan	Maximum number of Shares corresponding to initial Share Incentives that may be granted	Maximum number of Shares corresponding to Share Incentives that are reserved for and may be further granted
2022 Share Incentive Plan . . .	6,400,000 A Shares	1,600,000 A Shares
2024 Share Incentive Plan . . .	539,300 A Shares	Nil
2026 Share Incentive Plan . . .	1,752,800 A Shares	300,000 A Shares

(e) Date of Grant and Term of the Plans

The grant date of Share Incentives shall be determined by the Board after the approval of the Share Incentive Plans by the Shareholders at the Shareholders' meeting. Unless otherwise stipulated by laws and regulations, the grant date must be a trading day of the Shanghai Stock Exchange. The grant of Share Incentives is subject to the approval of the Board and shall be registered and announced within 60 days after the approval of the respective Share Incentive Plans at the Shareholders' meeting.

The term of the Share Incentive Plans shall commence from the date of the completion of the first tranche of the grant of Share Incentives under the relevant plans and continue until the Share Incentives are fully exercised, vested, cancelled or lapsed. This term shall not exceed 60 months or 66 months, as applicable.

(f) Conditions to the Grant of Share Incentives

Share Incentives will only be granted to eligible participants if the following conditions are fulfilled:

(i) With respect to our Company, none of the following circumstances having occurred:(a) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to our accountant's report for the most recent fiscal year; (b) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to the internal control report contained in accountant's report for the most recent fiscal year; (c) our Company has failed to distributed profits in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing on the Shanghai Stock Exchange; (d) implementation of any share incentive plan is prohibited under applicable laws and regulations; or (e) any other circumstances determined by the CSRC.

(ii) With respect to a grantee, none of the following circumstances having occurred:(a) he or she has been regarded as an inappropriate participant by a stock exchange within the last 12 months; (b) he or she has been regarded as an inappropriate participant by the CSRC or its local office within the last 12 months; (c) he or she has been punished or prohibited from entering into the securities market by the CSRC or its local office due to material non-compliance of laws and regulations within the last 12 months; (d) he or she is not qualified to serve as a director or senior management according to the PRC Company Law; (e) he or she is prohibited from participating in any share incentive plans of listed companies according to applicable laws and regulations; or (f) any other circumstances determined by the CSRC.

(g) Lock-up Arrangements

The lock-up arrangements under the Share Incentive Plans are determined according to the Articles of Association and applicable PRC laws and regulations:

For the 2022 Share Incentive Plan and 2024 Share Incentive Plan:

(i) if the grantee is a Director or a senior management of our Company, the Shares to be transferred each year during his or her tenure shall not exceed 25% of the total Shares he or she holds. No Shares held by such Director or senior management may be transferred within six months after termination of his or her employment;

(ii) if the grantee is a Director or senior management who departs from his or her position before the expiry of his or her term of office, the Shares to be transferred each year shall not exceed 25% of the total Shares of our Company he or she holds during the term of office as determined at the time of his or her appointment and for a period of six months after the expiry of his or her actual term of office. No Shares held by such Director or senior management may be transferred within six months after termination of his or her employment;

(iii) if the grantee is a Director or senior management of our Company, income gained through the sale of Shares of our Company within six months of the purchase, or the purchase of Shares of our Company within six months of the sale, shall belong to our Company, and the Board shall reclaim such income; and

(iv) if there is any change in the applicable laws and regulations or the relevant provisions of the Articles of Association on the foregoing lock-up requirements within the term of the Share Incentive Plan, the grantee shall comply with the amended laws and regulations and the Articles of Association.

For the 2026 Share Incentive Plan:

(i) if the grantee is a Director or a senior management of our Company, the Shares to be transferred each year during his or her tenure shall not exceed 25% of the total Shares he or she holds. No Shares held by such Director or senior management may be transferred within six months after termination of his or her employment; and

(ii) if there is any change in the applicable laws and regulations or the relevant provisions of the Articles of Association on the foregoing lock-up requirements within the term of the Share Incentive Plan, the grantee shall comply with the amended laws and regulations and the Articles of Association.

(h) Vesting (Exercise) of Share Incentives

The Share Incentives will be vested or exercised when (i) the conditions set out under paragraph 6 above are fulfilled; and (ii) the performance targets of our Company and the grantees as set out under the relevant plans are achieved. The granted Share Incentives will be vested (exercised) in accordance with the schedules under the relevant plans after the lock-up period as follows:

Share Incentive Plan	**Type of Share Incentives**	**Vesting schedule (for restricted shares) and exercise schedule (for stock options)**
2022 Share Incentive Plan .	Type II restricted shares under the initial grant	The restricted shares may be vested in three tranches of 30%, 30% and 40% during the respective 12-month periods between the first trading date after the 16 months from the date of grant and the last trading day within the 52 months of the date of grant.
	Type II restricted shares under the reserved grant	The restricted shares may be vested in three tranches of 30%, 30% and 40% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 48 months of the date of grant.
2024 Share Incentive Plan .	Type II restricted shares	The restricted shares may be vested in three tranches of 30%, 30% and 40% during the respective 12-month periods between the first trading date after the 16 months from the date of grant and the last trading day within the 52 months of the date of grant.
2026 Share Incentive Plan .	Type II restricted shares	The restricted shares may be vested in three tranches of 30%, 30% and 40% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 48 months of the date of grant.
	Stock options	The stock options may be exercised in three tranches of 30%, 30% and 40% during the respective one-year period between the first trading date on April 1, 2029 and the last trading date on March 31, 2032.

The Share Incentives granted but not vested (exercised) shall not be transferred, used as collateral or for repayment of debt. Stock options are exercised under a voluntary exercise model.

The vesting (exercise) of the Share Incentives granted shall be on a trading day, and shall not fall within (i) 15 days prior to the announcement of annual or interim annual reports; (ii) within 5 days prior to the announcement of quarterly reports, earnings forecasts or earnings express; (iii) from the date of occurrence of a material event that may have significant impact on the trading price of securities until the date of disclosure thereof; and (iv) any prohibited period stipulated by the CSRC and the Shanghai Stock Exchange.

(i) Adjustment

Subject to the other terms and conditions contained in the Share Incentive Plans, the number and/or grant price or exercise price of granted Share Incentives may be adjusted upon the occurrence of certain events from the date of the announcement of the relevant Share Incentive Plan to the completion of relevant registration or exercise by the grantee. These events include, as the case may be, (i) capitalization of reserves, (ii) distribution of cash dividends, (iii) share subdivision, and (iv) share issuance or share consolidation.

2. Outstanding Share Incentives

As of the Latest Practicable Date, 74,000, 377,510 and 1,752,800 Share Incentives were granted and remained outstanding under the 2022 Share Incentive Plan, 2024 Share Incentive Plan and 2026 Share Incentive Plan, respectively, representing [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% of the issued Shares immediately following the completion of the [**REDACTED**] (assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]). In addition, 300,000 Share Incentives were reserved for future grant under the 2026 Share Incentive Plan, representing [**REDACTED**]% of the issued Shares immediately following the completion of the [**REDACTED**] (assuming the same assumptions set out above). If all outstanding Share Incentives and the reserved Share Incentives under the Share Incentive Plans (including both the restricted shares and the stock options) are fully exercised, assuming the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**], the total issued Share capital of our Company immediately following the [**REDACTED**] will be diluted by approximately [**REDACTED**]%. The dilutive effect on our earnings per Share will be approximately [**REDACTED**]%.

The following table sets forth the details of outstanding Share Incentives granted to all grantees (including Directors, senior management members and other connected persons of our Company) under the Share Incentive Plans as of the Latest Practicable Date.

Name of grantee	Position in our Group	Address	Date of grant	Type of Share Incentives	Number of outstanding Share Incentives	Grant (for restricted shares)/ Exercise price (for stock options) per Share	Vesting period (for restricted shares)/ Exercise period (for stock options)	Approximate % of the issued Shares immediately after the [REDACTED][(1)]
Director								
Mr. ZHANG Dingjun .	Executive Director, employee representative Director and vice president	Room 820, Building B2, Xiangnan Ruifeng Garden No. 22 Guimiao Road Nanshan District, Shenzhen, Guangdong	September 15, 2026	Restricted shares	12,000	RMB51.56	*Note 2*	[REDACTED]%
			September 15, 2026	Stock options	80,000	RMB103.11	*Note 2*	[REDACTED]%
Senior management								
Ms. JIN Shang . .	Board secretary	Room C, 12/F, Jixiang Pavilion, Guodu Garden, Jinpeng Road, Longgang District, Shenzhen, Guangdong	September 15, 2026	Restricted shares	5,000	RMB51.56	*Note 2*	[REDACTED]%
			September 15, 2026	Stock options	20,000	RMB103.11	*Note 2*	[REDACTED]%
Other connected persons								
Mr. DIAO Yufeng (刁羽峰). .	Engineer	Room 1301, Building 22, Future Light Garden, No. 8, Guangsheng Road, Xin'an Street, Bao'an District, Shenzhen, Guangdong	October 9, 2023	Restricted shares	6,000	RMB12.25	*Note 2*	[REDACTED]%
			September 15, 2026	Restricted shares	11,000	RMB51.56	*Note 2*	[REDACTED]%
Ms. YANG Quanzhen (楊銓真). .	Mid-level manager	Room 1301, Building 22, Future Light Garden, No. 8, Guangsheng Road, Xin'an Street, Bao'an District, Shenzhen, Guangdong	September 15, 2026	Restricted shares	1,000	RMB51.56	*Note 2*	Less than [REDACTED]%
Mr. NI Shuang (倪雙). . .	Mid-level manager	No. 88, Group 91, Zhongxinhe Village, Zhongxinhe Township, Qiezihe District, Qitaihe City, Heilongjiang	September 15, 2026	Restricted shares	5,000	RMB51.56	*Note 2*	[REDACTED]%
			September 15, 2026	Stock options	10,000	RMB103.11	*Note 2*	[REDACTED]%
Mr. JIN Wei (金偉). . .	Director of Shenzhen Malio	Room 603, Unit 4, Building A, Xili Xuezi Liyuan, Nanshan District, Shenzhen, Guangdong	September 15, 2026	Stock options	10,000	RMB103.11	*Note 2*	[REDACTED]%

Notes:

(1) Assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**].

(2) Each type of Share Incentives granted under the same Share Incentive Plan are subject to the same vesting/exercise period. For further details, see "— (h) Vesting (Exercise) of Share Incentives" above.

The following table sets forth the details of outstanding Share Incentives granted to other grantees (excluding Directors, senior management members and other connected persons of our Group) under the Share Incentive Plans as of the Latest Practicable Date, by number range:

Range of outstanding Share Incentive	Date of grant	Type of Share Incentive	Number of grantees[(1)]	Number of outstanding Share Incentives[(2)]	Grant (for restricted shares)/ Exercise price (for stock options) per Share	Approximate % of the issued Shares immediately after the [REDACTED][(3)]
1-2,000	September 15, 2026	Restricted shares	101	145,800	RMB51.56	[REDACTED]%
2,001-5,000	October 9, 2023	Restricted shares	6	24,000	RMB12.25	[REDACTED]%
	September 15, 2026	Restricted shares	54	182,800	RMB51.56	[REDACTED]%
		Stock options	6	30,000	RMB103.11	[REDACTED]%
>5,000	October 9, 2023	Restricted shares	5	44,000	RMB12.25	[REDACTED]%
	November 22, 2024	Restricted shares	5	377,510	RMB16.12	[REDACTED]%
	September 15, 2026	Restricted shares	37	368,200	RMB51.56	[REDACTED]%
		Stock options	27	872,000	RMB103.11	[REDACTED]%

Notes:

(1) Individual grantees may be granted restricted shares and/or stock options under one or more Share Incentive Plans.

(2) Each type of Share Incentives granted under the same Share Incentive Plan are subject to the same vesting/exercise period. For further details, see "— (h) Vesting (Exercise) of Share Incentives" above.

(3) Assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**].

The following table sets forth the details of outstanding Share Incentives granted to other grantees (excluding Directors, senior management members and other connected persons of our Company) under each Share Incentive Plan as of the Latest Practicable Date:

Share Incentive Plan	Date of grant	Type of Share Incentives	Number of grantees[(1)]	Number of outstanding Share Incentives granted[(2)]	Grant (for restricted shares)/ exercise (for stock options) price per Share	Approximate % of the issued Shares immediately after the [REDACTED][(3)]
2022 Share Incentive Plan	October 9, 2023	Restricted shares	11	68,000	RMB12.25	[REDACTED]%
2024 Share Incentive Plan	November 22, 2024	Restricted shares	5	377,510	RMB16.12	[REDACTED]%
2026 Share Incentive Plan	September 15, 2026	Restricted shares	192	696,800	RMB51.56	[REDACTED]%
		Stock options	33	902,000	RMB103.11	[REDACTED]%

Notes:

(1) Individual grantees may be granted restricted shares and/or stock options under one or more Share Incentive Plans.

(2) Each type of Share Incentives granted under the same Share Incentive Plan are subject to the same vesting/exercise period. For further details, see "— (h) Vesting (Exercise) of Share Incentives" above.

(3) Assuming (i) the **[REDACTED]** is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

During the Track Record Period, certain partnership interest in the Shareholding Platforms (reflecting lapsed incentive units granted prior to the Company's A-Share listing) were re-granted by the general partner to certain current employees, involving approximately 801,218 A Shares. As the re-grant of the partnership interest is controlled by the general partner and all such corresponding A Shares had already been issued, there is no dilution effect to the share capital of the Company. For details, see Note 33 to the Accountants' Report.

D. FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests and Short Positions of the Directors and Chief Executive of Our Company in the Shares, Underlying Shares and Debentures of Our Company and its Associated Corporations

Save as disclosed in the section headed "Substantial Shareholders," immediately following completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the interests of our Directors and chief executive in the Shares of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, are set out as follows.

(i) Long positions in the Shares and underlying Shares in our Company

				Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Director	**Nature of interest**	**Description of Shares**	**Number of Shares**	**Approximate % of interest in Class A/ Class B Ordinary Shares(2)**	**Approximate % of interest in the A Shares(2)**	**Approximate percentage of interest in our total issued share capital(2)**
Dr. XIAO Zhenzhong	Beneficial owner	A Shares (Class B Ordinary Shares)	8,603,000	[REDACTED]%	2.08%	[REDACTED]%
	Interest in controlled corporations(1)	A Shares (Class B Ordinary Shares)	8,432,969	[REDACTED]%	2.04%	[REDACTED]%
	Others(2)	A Shares (Class B Ordinary Shares)	2,948,028	[REDACTED]%	0.71%	[REDACTED]%
Mr. CHEN Bin	Beneficial owner	A Shares (Class B Ordinary Shares)	64,000	[REDACTED]%	0.02%	[REDACTED]%
	Others(2)	A Shares (Class B Ordinary Shares)	1,121,383	[REDACTED]%	0.27%	[REDACTED]%
Mr. ZHANG Dingjun	Beneficial owner	A Shares (Class B Ordinary Shares)	75,400	[REDACTED]%	0.02%	[REDACTED]%
	Beneficial owner(3)	A Shares (Class B Ordinary Shares)	92,000	[REDACTED]%	0.02%	[REDACTED]%
	Others(2)	A Shares (Class B Ordinary Shares)	615,831	[REDACTED]%	0.15%	[REDACTED]%

Notes:

(1) Representing the relevant A Shares held by Orbbec Zhongxin II, Orbbec Zhongxin III and Orbbec Zhongrui directly, for each of which Dr. XIAO Zhenzhong held over one third of the partnership interest, as of the Latest Practicable Date. None of the limited partners of Orbbec Zhongxin II, Orbbec Zhongxin III or Orbbec Zhongrui held one third or more of the partnership interest therein.

(2) Representing the relevant A Shares held by the respective Directors through the Shareholding Platforms, in which the respective Directors held no more than one third of the partnership interest therein.

(3) Representing the relevant A Shares underlying the Share Incentives granted to Mr. ZHANG Dingjun under the Share Incentive Plans.

Save as disclosed above, as of the Latest Practicable Date, none of the Directors or chief executive or their respective spouses and children under 18 years of age had been granted by the Company or had exercised any rights to subscribe for shares or debentures of the Company or any of its associated corporations.

(b) Interests of the substantial Shareholders in the Shares and Underlying Shares of our Company

Save as disclosed below and in the section headed "Substantial Shareholders," immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the voting power at the general meeting of our Company.

(c) Interests in Other Members of Our Group

So far as our Directors are aware, as of the Latest Practicable Date, the following persons (excluding us) are directly and indirectly interested in 10% or more of the issued voting shares of any other members of the Group:

Name of member of our Group	Name of shareholder	Approximate percentage of ownership
Xintuo 3D Technology (Xi'an) Co., Ltd. (新拓三維技術(西安)有限公司)	Mr. TANG Zhengzong (唐正宗)	30.6%
Shenzhen Opix Optotech Co., Ltd. (深圳奧辰光電科技有限公司)	Gpixel Changchun Microelectronics Inc. (長春長光辰芯微電子股份有限公司)	23.75%
	GPIXEL NV	23.75%

2. Particulars of Service Contracts

Our Company has entered into a service agreement with each of the Directors. The principal particulars of these service agreements are: (a) each agreement is effective upon execution and of a term of no more than three years; and (b) each agreement is subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, our Directors have not entered into or propose to enter into any service contracts with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

3. Directors' Remuneration

Save as disclosed in "Directors and Senior Management" of this document and Note 8 to the Accountant's Report as set out in Appendix I to this document, for the three financial years ended December 31, 2023, 2024, 2025, and the six months ended June 30, 2026, none of our Directors received other remunerations of benefits in kind from us.

There was no arrangement under which any Director has waived or agreed to waive any emolument during the Track Record Period.

4. Disclaimers

Save as disclosed in this document:

(a) there is no existing or proposed service contract (excluding any contract expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;

(b) none of our Directors or the experts named in the paragraph headed "— E. Other Information — 9. Qualifications and Consents of Experts" in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) save in connection with the [**REDACTED**], none of our Directors nor any of the experts named in the paragraph headed "— E. Other Information — 9. Qualifications and Consents of Experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group as a whole;

(d) none of our Directors and the chief executive of our Company has any interests or short positions in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange; and

(e) none of our Directors or their respective close associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of the number of our issued shares) has any interest in our five largest suppliers or our five largest customers.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to be imposed on our Company or any of the subsidiaries of our Company.

2. Litigation

As of the Latest Practicable Date, save as disclosed in this document, we were not aware of any other litigation or arbitration proceedings of material importance pending or threatened against us or any of our Directors that would have a material adverse effect on our financial condition or results of operations.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the [**REDACTED**] for the [**REDACTED**] of, and permission to [**REDACTED**], our H Shares [**REDACTED**] and [**REDACTED**] pursuant to the [**REDACTED**] (including any additional H Shares which may be [**REDACTED**] pursuant to the exercise of the [**REDACTED**]). All necessary arrangements have been made to enable the securities to be admitted into [**REDACTED**].

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, we have agreed to pay the Joint Sponsors a sponsor fee in the amount of US$1,000,000 in aggregate to act as the sponsors of our Company in connection with the proposed [**REDACTED**] on the Hong Kong Stock Exchange.

4. Compliance Advisor

Our Company has appointed Maxa Capital Limited as our Compliance Advisor in compliance with Rules 3A.19 and 8A.33 of the Listing Rules.

5. Preliminary Expenses

Our Company did not incur any material preliminary expenses in relation to the incorporation of our Company.

6. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since June 30, 2026 (being the date on which the latest consolidated financial statements of our Group were prepared).

7. Promoters

The promoters of our Company are as follow:

No.	Name
1.	Dr. Huang
2.	Shanghai Yunxin Venture Capital Co., Ltd. (上海雲鑫創業投資有限公司)
3.	ZHOU Guangda (周廣大)
4.	Orbbec Zhongxin I
5.	HUANG Jianyun (黃劍雲)
6.	Qianhai Renzhi Hulian (Shenzhen) Equity Investment Enterprise (Limited Partnership) (前海仁智互聯(深圳)股權投資企業(有限合夥))
7.	Guangdong State Branch Blue Ocean Venture Capital Enterprise (limited Partnership) (廣東國科藍海創業投資企業(有限合夥))
8.	LIN Jianxin (林建鑫)
9.	XIAO Zhenzhong (肖振中)
10.	LI Tongxin (李童欣)
11.	Midea Innovation Investment Co., Ltd. (美的創新投資有限公司)

No.	Name
12.	Shenzhen Songhe Growth Equity Investment Partnership (Limited Partnership) (深圳市松禾成長股權投資合夥企業(有限合夥))
13.	CDB Manufacturing Transformation and Upgrading Fund (Limited Partnership) (國開製造業轉型升級基金(有限合夥))
14.	Shenzhen Futian Guiding Fund Investment Co., Ltd. (深圳市福田引導基金投資有限公司)
15.	CHEN Wenchun (陳文春)
16.	Qingdao Jinshi Haorui Investment Co., Ltd. (青島金石灝汭投資有限公司)
17.	Yinchuan Jinhui Equity Investment Partnership Enterprise (Limited Partnership) (銀川金匯股權投資合夥企業(有限合夥)), currently known as Ningbo Jinshuji Venture Capital Partnership (Limited Partnership) (寧波金澍吉創業投資合夥企業(有限合夥))
18.	Futian Renzhi (Shenzhen) Venture Capital Enterprise (Limited Partnership) (福田仁智(深圳)創業投資企業(有限合夥))
19.	Zhuhai Hengqin Renzhi Aofa Investment Partnership Enterprise (Limited Partnership) (珠海橫琴仁智奧發投資合夥企業(有限合夥))
20.	Shanghai Oriental Pearl Media Industry Equity Investment Fund Partnership (Limited Partnership) (上海東方明珠傳媒產業股權投資基金合夥企業(有限合夥))
21.	Orbbec Zhongrui
22.	SAIF Fuxing (Shenzhen) Phase II Equity Investment Center (Limited Partnership) (賽富復興(深圳)二期股權投資中心(有限合夥))
23.	Fuxing (Shenzhen) Phase II Equity Investment Center (Limited Partnership) (復興(深圳)二期股權投資中心(有限合夥))
24.	LIU Danying (劉丹英)
25.	Orbbec Zhongxin II
26.	Orbbec Zhongxin III
27.	Shenzhen Tianlangxing Beta Investment Partnership Enterprise (Limited Partnership) (深圳市天狼星貝塔投資合夥企業(有限合夥))
28.	Xu Xin Investment (Shanghai) Inc (旭新投資(上海)有限公司)
29.	Haitong Innovation Securities Investment Co., Ltd. (海通創新證券投資有限公司), currently known as Guotai Haitong Zhengyu Investment Co., Ltd. (國泰海通證裕投資有限公司)
30.	Guangzhou Jiacheng No. 10 Venture Capital Partnership Enterprise (Limited Partnership) (廣州佳誠十號創業投資合夥企業(有限合夥))
31.	Shenzhen Huada Hengtong Investment Partnership Enterprise (Limited Partnership) (深圳市華大恆通投資合夥企業(有限合夥))

No.	Name
32.	Haifu Changjiang Growth Equity Investment (Hubei) Partnership (Limited Partnership) (海富長江成長股權投資(湖北)合夥企業(有限合夥))
33.	Orbbec Zhongcheng
34.	Hangzhou Fuyang Zhongqi Equity Investment Partnership Enterprise (Limited Partnership) (杭州富陽中祺股權投資合夥企業(有限合夥))
35.	Tibet Guotiao Hongtai Private Equity Investment Partnership Enterprise (Limited Partnership) (西藏國調洪泰私募股權投資合夥企業(有限合夥)), currently known as Jiangyin Hongtai Venture Capital Partnership (Limited Partnership) (江陰洪泰創業投資合夥企業(有限合夥))
36.	Tibet Changyuan Investment Management Co., Ltd. (西藏昌遠投資管理有限公司), currently known as Tibet Changcan Enterprise Management Co., Ltd. (西藏昌燦企業管理有限公司)
37.	Orbbec Zhongtai
38.	GF XINDE Investment Management Co., Ltd. (廣發信德投資管理有限公司)
39.	Zhuhai GF Xinde Technology and Culture Industry Equity Investment Fund (Limited Partnership) (珠海廣發信德科技文化產業股權投資基金(有限合夥)), currently known as Zhuhai Guangfa Xinde Kewen Venture Capital Fund (Limited Partnership) (珠海廣發信德科文創業投資基金(有限合夥))
40.	LUO Yang (駱陽)
41.	China-Belgium Direct Equity Investment Fund (中國-比利時直接股權投資基金)
42.	Guangzhou Xinxing Venture Capital Partnership Enterprise (廣州新星創業投資合夥企業), currently known as Guangzhou New Star Flower City Venture Capital Partnership Enterprise (Limited Partnership) (廣州新星花城創業投資合夥企業(有限合夥))
43.	Huangshan Saifu Tourism Culture Industry Development Fund (Limited Partnership) (黃山賽富旅遊文化產業發展基金(有限合夥))
44.	Shenzhen Tianlangxing Huiyao Investment Partnership Enterprise (Limited Partnership) (深圳天狼星輝耀投資合夥企業(有限合夥))
45.	Beijing Deyuanshengtong Venture Investment Partnership (Limited Partnership) (北京德源盛通創業投資合夥企業(有限合夥))
46.	Nanjing Saifu Equity Investment Fund (Limited Partnership) (南京賽富股權投資基金(有限合夥))

8. Agency Fees or Commissions

Within the two years immediately preceding the date of this document, save for the issuance expenses of RMB5,266,880.64 paid by the Company in connection with the private placement completed on June 22, 2026, and save as disclosed in the section headed "[**REDACTED**] — [**REDACTED**] Arrangements and Expenses" in this document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries, and no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any Shares in our Company.

9. Qualifications and Consents of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this document:

Name	Qualification
Goldman Sachs (Asia) L.L.C.	Licensed corporation to conduct type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO
Haitong International Capital Limited	Licensed corporation to conduct Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
King & Wood	Legal advisors to our Company as to PRC laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant
Sheppard, Mullin, Richter & Hampton LLP	Legal Advisors to our Company as to the Outbound Investment Rules

Each of the experts named above has given and has not withdrawn its consent to the issue of this document with the inclusion of its report, letter, summary of valuations, valuation certificates and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

Save as disclosed in this document and in connection with the [**REDACTED**], none of the experts named above is interested legally or beneficially in any shares of any member of our Group or has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

10. Binding Effect

This document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this document, the English language version shall prevail.

12. Miscellaneous

(a) Save as disclosed in this Appendix, "History and Corporate Structure" and in connection with the [**REDACTED**], within the two years immediately preceding the date of this document:

(i) no share or loan capital of our Company or any of our subsidiaries has been issued nor agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

(ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(iii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(iv) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions of any share in our Company or any of our subsidiaries.

(b) There are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries.

(c) There are no arrangements under which future dividends are waived or agreed to be waived.

(d) There are no procedures for the exercise of any right of pre-emption or transferability of subscription rights.

(e) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months immediately preceding the date this document.

(f) Save as disclosed in "Regulatory Overview," there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.

(g) Save as disclosed in "History and Corporate Structure", no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought.

(h) Our Company has no outstanding convertible debt securities or debentures.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in "Appendix IV — Statutory and General Information — E. Other Information — 9. Qualifications and Consents of Experts" to this document; and

(b) a copy of each of the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract(s)" to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.orbbec.com.cn** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the audited financial statements of our Group for the three years ended December 31, 2025 and the six months ended June 30, 2026;

(d) [**REDACTED**];

(e) the report on unaudited [**REDACTED**] financial information of our Group from Ernst & Young, the text of which is set out in Appendix II to this document;

(f) the legal opinions issued by King & Wood, our PRC Legal Advisors, in respect of certain matters of our Group in the PRC;

(g) the industry report prepared by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview" of this document;

(h) a copy of each of the PRC Company Law, the PRC Securities Law and the Overseas Listing Trial Measures together with their unofficial English translations;

(i) the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract(s)" to this document;

(j) the written consents referred to in "Appendix IV — Statutory and General Information — E. Other Information — 9. Qualifications and Consents of Experts" to this document; and

(k) the service contracts referred to in "Appendix IV — Statutory and General Information — D. Further Information about our Directors, Chief Executive and Substantial Shareholders — 2. Particulars of Service Contracts" to this document.

DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the full list of all the grantees with outstanding Share Incentives under the Share Incentive Plans, containing all the details as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of Kirkland & Ellis, 26/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this document.